



11
October 18, 2023

Honorable Board of County Commissioners
Hamilton County, Ohio
% Mr. Jeff Aluotto
Hamilton County Administrator
Todd B. Portune Center for County Government
138 E. Court Street, Room 603
Cincinnati, Ohio 45202

Honorable Commissioners:

Enclosed for your consideration is legislation by the City of Cincinnati, through its Department of Sewers (the "City"), as the sole management agency for the operation and maintenance of the Metropolitan Sewer District of Greater Cincinnati ("MSD"), to authorize the adoption of the 2024 MSD Operating Budget.

The legislation and enclosed Operating Budget book include a breakdown of the budget request by MSD division. The request for Divisional Personnel, Divisional Non-Personnel, and Other Non-Personnel expenses is \$143,688,307. Sewer Backup (SBU) Program Non-Personnel totals \$11,213,263, and debt service obligations total \$83,000,000. The total recommended 2024 MSD Operating Budget is \$237,901,570. This amount is \$6,415,716 more than the approved 2023 Operating Budget.

This \$237.9M proposed 2024 MSD Operating Budget represents the necessary funding to support the continued daily operations of the District, which include the operation and maintenance of over 3,000 miles of sewers, nine wastewater treatment plants (WWTP), 97 pump stations, nine wet weather facilities, 44 acres of green infrastructure; implementation of the federal Consent Decree mandated SBU Program; as well as the cost of debt service.

While the District's operation costs continue to be impacted by inflation, measures have been taken wherever possible to utilize existing resources. Where necessary, increases are related to personnel cost increases pursuant to union agreements, overall supply cost increases linked to the recent inflationary macroeconomic environment, and the delay of unfunded maintenance requirements from CY 2023. Further detail regarding the basis of the recommended operating budget is provided below.

Personnel Request

The 2024 Personnel budget request of \$67.66M is a \$2.98M (4.6%) increase over the approved 2023 Personnel budget. Some important drivers for this increase include: (1) cost of living adjustments of 3% for certain represented MSD employees and 3% for non-represented employees; (2) employer pension contributions at a rate of 17.00% for Cincinnati Retirement System (CRS) members, an increase of 0.75% from the previous year, and an expectation of an increase of that rate to 18.5% in July 2024; and (3) a 5.0% increase in health care expenses.

Non-Personnel Request (exclusive of SBU Non-Personnel & Debt Service)

The 2024 Divisional Non-Personnel request of \$69.06M is a \$3.11M (4.72%) increase over the approved 2023 Non-Personnel budget. As stated, significant drivers for this increase include: (1) ongoing inflationary pressures; (2) increased costs related to asset and facility maintenance needs; and (3) significant increases in costs related to core chemicals for treatment and disposal.

Other Non-Personnel requests include \$6.96M for Early Retirement Incentive Program (ERIP), General Fund Overhead (GFOH), Fleet, and Office Technology Equipment Allowance (OTEA), a \$1.32M (23.4%) increase from the approved 2023 Operating Budget. This change reflects the transfer of Early Retirement Incentive Program (ERIP) obligations from Wastewater Administration to a non-departmental account. This is not a net increase, and the change has been made for accounting clarity related to the obligation. In addition, the Fleet request has been increased to match the projected replacement costs of the pieces of equipment in MSD's inventory that are the most critical to replace due to age, operational necessity, and deterioration.

SBU (Non-Personnel)

The request for Non-Personnel expenses related to the Sewer Backup (SBU) Program is \$11.2M which is unchanged over the approved 2023 Operating Budget Non-Personnel budget for SBU. Since 2004 and depending on rainfall, MSD has spent anywhere from \$3.8M to \$19M in a calendar year and an 18-year total of \$149M on investigations, cleaning properties impacted by SBUs, paying damage claims, as well as designing, installing, and maintaining backup prevention devices.

Debt Service Payments

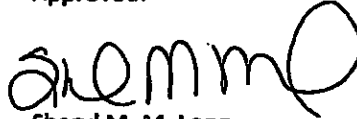
MSD has received a revised estimate of debt service costs after bond refinancing that occurred in CY 2022. The expected debt service costs have been reduced by this action, and MSD adjusted this budget request accordingly to \$83M, a \$1M (-2.77%) decrease from the approved 2023 Operating Budget for debt service.

Recommended:



Diana R. Christy
Director, MSD

Approved:



Sheryl M. M. Long
City Manager

Provided to Hamilton County on _____.

Reviewed by Karen Ball 11/16/23 and recommended by County Administration.

On motion of Ms. Keller seconded by Ms. Michaels the following resolution was adopted...

MSD RESOLUTION

APPROVING AND ADOPTING A 2024 OPERATING BUDGET

THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI
HAMILTON COUNTY, OHIO

WHEREAS, the Director of the Metropolitan Sewer District of Greater Cincinnati ("MSD") did submit to the Board of County Commissioners of Hamilton County, Ohio (the "Board") an MSD operating budget for calendar year 2024; and

WHEREAS, this Board, after public notice, conducted public hearings on 2nd and 9th, 2023; and

WHEREAS, this Board did, on 9th, 2023, conclude said public hearings; and

WHEREAS, this 2024 MSD operating budget request (1) is organized by funding for MSD personnel and non-personnel divisional expenses for eight MSD Divisions (Office of the Director, Wastewater Engineering, Wastewater Administration, Information Technology, Wastewater Collection, Wastewater Treatment, and Compliance Services, as well as for the Sewer Backup (SBU) Program); (2) includes funding for other non-personnel program expenses for Early Retirement Incentive Program (ERIP); General Fund Overhead (GFOH); Fleet; Office, Technology and Equipment Allowance (OTEA); and (3) includes funding for non-personnel expenses for SBU and Debt Payment; and

WHEREAS, estimated operating revenues for the calendar year beginning January 1, 2024 through December 31, 2024 and unappropriated funds available for use by MSD are deemed to be sufficient to meet the requirements of the aforesaid operating budget.

NOW THEREFORE BE IT RESOLVED, by the Board of County Commissioners of Hamilton County, Ohio, that the aforesaid MSD operating budget for the calendar year beginning January 1, 2024 through December 31, 2024, as set forth in Exhibit 1, attached hereto and incorporated by reference, be and is hereby adopted and appropriated.

BE IT FURTHER RESOLVED, that the Clerk of this Board be and hereby is directed to certify copies of this resolution to Jeff Aluotto, Hamilton County Administrator; Sheryl M. M. Long, Cincinnati City Manager; and Diana R. Christy, Director of the Metropolitan Sewer District of Greater Cincinnati.

BE IT FURTHER RESOLVED, that this Board of County Commissioners hereby finds and determines that all formal actions relative to the adoption of this Resolution were taken in an open meeting of the Board of County Commissioners, and that all deliberations of this Board of County Commissioners and of its committees, if any, which resulted in formal action were taken in meetings open to the public, in full compliance with applicable legal requirements, including Section 121.22 of the Ohio Revised Code.

ADOPTED at a regularly adjourned meeting of the Board of County Commissioners of Hamilton County, Ohio, this 16 day of November, 2023.

Ms. Reece Yes

Ms. Driehaus Yes

Ms. Summerow Dumas Yes

Exhibit 1

MSD 2024 Operating Budget

Personnel	\$67,662,841.00
Office of the Director	\$2,052,448.00
Wastewater Engineering	\$6,368,441.00
Wastewater Administration	\$5,657,804.00
Information Technology	\$3,830,694.00
Wastewater Treatment	\$26,984,261.00
Wastewater Collection	\$14,290,139.00
Compliance Services	\$7,630,563.00
Sewer Backup Program*	\$848,491.00
Non-Personnel	\$69,064,466.00
Office of the Director	\$769,605.00
Wastewater Engineering	\$802,414.00
Wastewater Administration	\$7,435,396.00
Information Technology	\$4,750,231.00
Wastewater Treatment	\$35,487,319.00
Wastewater Collection	\$10,897,586.00
Compliance Services	\$8,921,915.00
Other Non-Personnel	\$6,961,000.00
ERIP	\$561,000.00
GFOH	\$2,700,000.00
FLEET	\$2,475,000.00
OTEA	\$1,225,000.00
Sub Total	\$143,688,307.00
SBU Non-Personnel	\$11,213,263.00
Debt Payment	\$83,000,000.00
Grand Total	\$237,901,570.00

* Although the Sewer Backup (SBU) Program is not an MSD division, its personnel and non-personnel budgets are treated as such for purposes of clarity and transparency.

CERTIFICATE OF CLERK

IT IS HEREBY CERTIFIED that the foregoing is a true and correct transcript of a resolution adopted by the Board of County Commissioners in session this 16 day of November, 2023.

IN WITNESS WHEREOF, I have hereunto set my hand and affixed the Official Seal of the Office of the Board of County Commissioners of Hamilton County, Ohio this 16 day of November, 2023.



Leslie R. Hervey, Clerk
Board of County Commissioners
Hamilton County, Ohio



2024

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI
RECOMMENDED OPERATING BUDGET REQUEST

10/23/23





Hamilton County

- Commissioner Alicia Reece President
- Commissioner Denise Driehaus, Vice President
- Commissioner Stephanie Summerow Dumas
- Jeff Aluotto, County Administrator



City of Cincinnati

- Mayor Aftab Pureval
- Sheryl M. M. Long, City Manager



Metropolitan Sewer District of Greater Cincinnati

Leadership

- Diana Christy, Executive Director
- Jenny Richmond, Deputy Director
- Ryan Welsh, Deputy Director and Chief Engineer

Managing & Contributing Staff

- Amanda Gray, Superintendent, Wastewater Administration, MSD
- Reese Johnson, Superintendent, Compliance Services, MSD
- Scott Maring, Superintendent, Wastewater Treatment, MSD
- Aly Ouermi, Superintendent, Wastewater Treatment, MSD
- David Raffenburg, Superintendent, Wastewater Engineering, MSD
- Todd Trabert, Superintendent, Wastewater Collection, MSD
- Ian McCoy, Division Manager, IT, MSD
- Lauren DeGoricia, Assistant Superintendent, Office of the Director, MSD
- Joseph Schuster, Supervising Management Analyst, MSD
- Deb Leonard, Communications Manager, MSD
- Eric Evers, Graphic Designer, MSD



MISSION STATEMENT

**MSD collects and treats
wastewater from Greater
Cincinnati communities,
protecting the environment and
public health by returning clean
water to local rivers and streams.**



**METROPOLITAN
SEWER DISTRICT
OF GREATER CINCINNATI**



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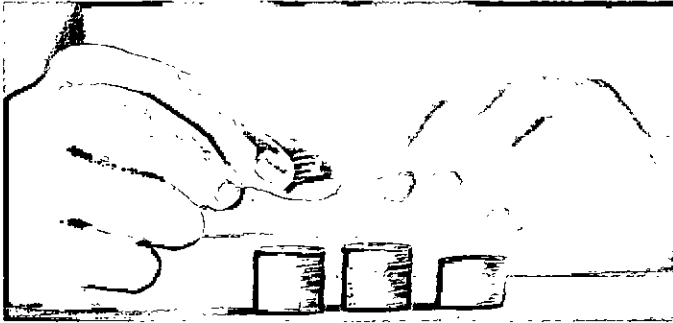
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Basis of Budgeting

The Metropolitan Sewer District of Greater Cincinnati (MSD), operated and managed by the City of Cincinnati per the 1968 Agreement, follows the City's standards for the basis of its budgeting and financial reporting. Those standards are detailed in this section.

The budget for the City of Cincinnati is prepared on a cash basis, with the exception of certain accrued personnel services and employee benefit costs. Encumbrances, which are amounts of funding, committed for the payment of goods or services ordered but not yet received, do not lapse at year end. They are included as expenditures in the year for which the budget is adopted.

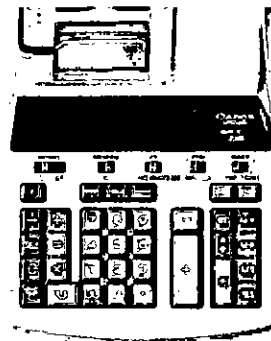


An appropriation is a legislated authorization to make limited expenditures based on projected revenues. In general, budgetary control for the use of a principal restricted fund's resources is established through the following expenditure account classifications: personnel services, non-personnel services, capital outlay, and debt service. Per the 1968 Agreement, revisions of the appropriation level for MSD must be approved by the Hamilton County Board of County Commissioners.

The basis of accounting used by the City conforms to accounting principles generally accepted in the United States of America as applicable to governmental units formally known as Generally Accepted Accounting Principles (GAAP). The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The government-wide and proprietary funds' financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Non exchange transactions, in which the City gives (or receives) value without directly receiving (or giving) equal value in exchange, includes income taxes, property taxes, grants, shared revenues, and donations. On an accrual basis, revenue in the form of shared revenue is recognized when the provider government recognizes its liability to the City. Revenue from grants and donations is

recognized in the fiscal year in which all eligibility requirements have been satisfied. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized in the accounting period in which they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when the related liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. Inventories of materials and supplies may be considered expenditures either when purchased or when used, and prepaid expense items may be considered expenditures either when paid for or when consumed. Proceeds of general long-term debt are reported as other financing sources.

The proprietary fund type statements are prepared utilizing the flow of economic resources measurement focus and the accrual basis of accounting for revenues, which are recognized when they are earned, and for expenses, which are recognized when they are incurred. Unbilled service receivables are recognized by proprietary funds when the services are provided. The fiduciary fund types recognize revenue and expenditures/expenses on a basis consistent with the fund's accounting measurement objective. Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board (GASB).



2024 Operating Budget Request

Overall Request

MSD's operating budget covers everyday costs to run MSD such as electricity, chemicals, personnel and repayment of debt. The budget is primarily divided into personnel, non-personnel, and debt payment. Debt payment is the principal and interest payments on bonds sold to fund the capital improvement program (CIP).

The 2024 Recommended Operating Budget totals \$237.90 million, which represents a \$6.42 million increase (2.77%) from the 2023 Approved Operating Budget. This request includes:

- \$67.66 million for personnel
- \$69.06 million for non-personnel
- \$6.96 million for General Fund Overhead (GFOH), Fleet, Non-Departmental, Early Retirement Incentive Program (ERIP), and Office Technology Equipment Allowance (OTEA).
- \$11.21 million for the SBU program
- \$83.00 million for debt service

Personnel

The CY 2024 Recommended Operating Budget for personnel is projected to require an increase of \$2,982,461 or 4.61%, when compared to the CY 2023 Approved Budget. The primary driver for this increase is the compounded effects of cost of living increases for all union bargaining units from CY 2022 – 2024. The primary assumptions reflected in this request are as follows:

- AFSCME (American Federation of State, County and Municipal Employees) represented employees are budgeted for a 3.0% cost-of-living adjustment (COLA) during 2024 per the executed labor agreement.
- The CODE (Cincinnati Organized and Dedicated Employees) represented employees received a 5.0% COLA during CY 2022, a 4.0 % COLA in CY 2023, and are budgeted to receive a 3.0 % COLA in CY 2024 per the executed labor agreement. This agreement was ratified after MSD's CY 2023 Operating Budget had been requested, and was not incorporated into that projection. This change is particularly notable in Wastewater Administration (WWA) and Wastewater Engineering (WWE) where most of the employees are represented by CODE.
- There is a 3.0% cost-of-living adjustment (COLA) budgeted for non-represented employees in 2024.

- Step increases are funded pursuant to labor contracts, which range from less than 2.0% to over 4.0% for most represented positions that are not at the top of the respective salary range. Merit increases of up to 3.0% for non-represented employees are also funded for 2024.
- The 2024 Recommended Operating Budget includes a 17.00% employer pension contribution rate for members of the Cincinnati Retirement System (CRS), an increase from the prior assumption of 16.25%. This reflects the change made by the City of Cincinnati in July 2023. This amount is also budgeted in increase to 17.75% in July 2024 to remain consistent with the City's expected course of action. The budget also provides for employer contributions to the Ohio Public Employees Retirement System (OPERS) at 14.0%.
- Due to an extremely high level of retirements due to generational shifts in the workforce, MSD has experienced higher levels of personnel vacancy than anticipated. For the budget to reflect these challenges, the number of positions expected to remain vacant throughout CY 2024 has been increased from 45.0 FTE to 60.0 FTE. Due to this change, MSD was able to reduce the overall personnel budget request by \$1.5 million.
- This request would not add any additional positions to any MSD division's Table of Organization.

Non-Personnel

The CY 2024 Recommended Operating Budget for non-personnel is projected to require an increase of \$3,113,257 or 4.72%, when compared to the CY 2023 Approved Budget. Several new, emerging, or exigent needs on the part of MSD's core operations have led to this increased request. They include, but are not limited to:

- Continued increases in costs related to the core chemicals necessary for wastewater treatment. This increase assumes that no changes will occur to National Pollutant Discharge Elimination System (NPDES) Permit limits that would mandate the use of more expensive treatment methods.
- Increases in the operational maintenance costs of the Lick Run Greenway as the project exits from its capital funding phase.
- Additional funds for critical sewer condition assessment work, which leads to less expensive proactive repair and rehabilitation before costly, reactive emergencies occur.

2024 Operating Budget Request

- Known increases in costs related to solids disposal at all MSD facilities.
- Critical wet well cleaning tasks at MSD pump stations.
- Inflationary increases across industries for nearly every kind of consumable good and service, particularly in specialized and technical fields where suppliers are limited, such as laboratory equipment and third party testing.

In order to limit these increases to only the most critical needs, all MSD divisions had non-personnel amounts budget amounts held flat during the CY 2024 development process, with no Consumer Price Index (CPI) increase added. Where possible, MSD has reduced or eliminated non-personnel expenditures to minimize the overall increase request.

Other Non-Personnel

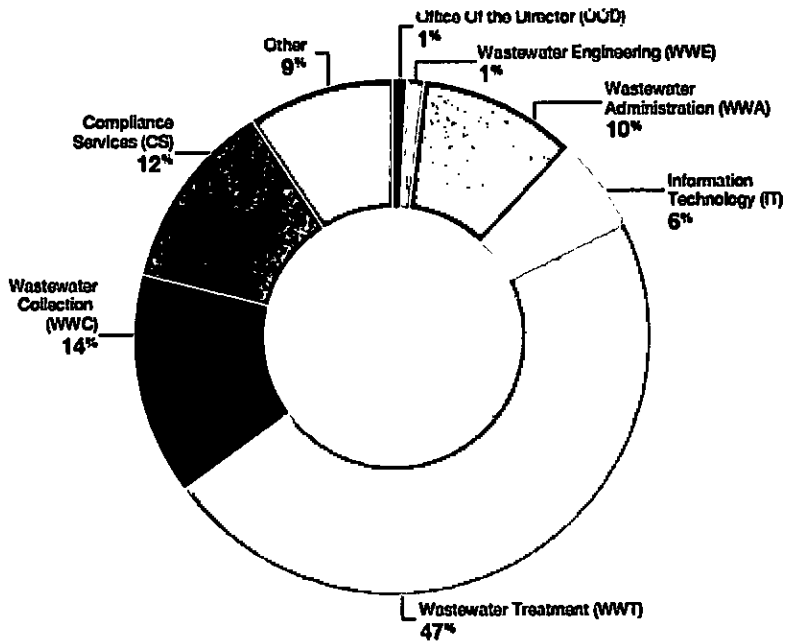
The CY 2024 Recommended Operating Budget for other non-personnel is projected to require an increase of \$1,320,000 or 23.4% increase when compared to the CY 2023 Approved Budget. This change reflects the transfer of Early Retirement Incentive Program (ERIP) obligations from Wastewater Administration to a non-departmental account. This is not a net increase, and the change has been made for accounting clarity related to the obligation. In addition, General Fund Overhead (GFOH) is projected to increase by \$100,000 based on the information within the State Audit Report from which the calculation is derived. Lastly, the Fleet request has been increased by \$659,000 to match the projected replacement costs of the pieces of equipment in MSD's inventory that are the most critical to replace due to age, operational necessity, and deterioration.



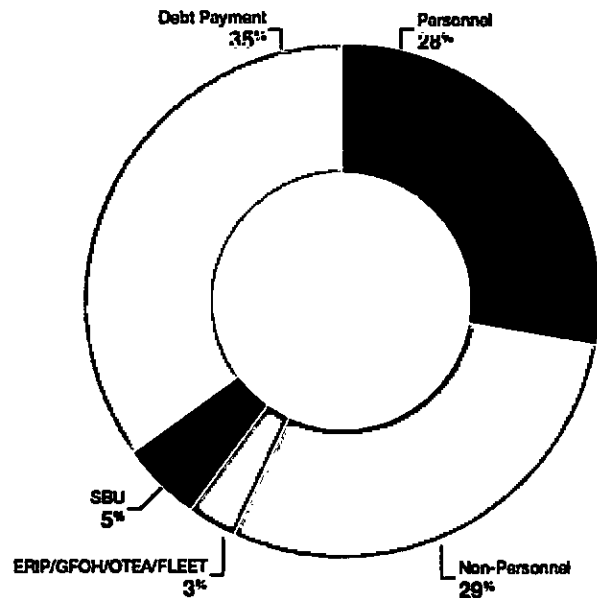
2024 Operating Budget Request

Overall Request by Category

DEPT.	2024 Request
Personnel	\$67,662,841
Office of the Director (OOD)	\$2,052,448
Wastewater Engineering (WWE)	\$6,368,441
Wastewater Administration (WWA)	\$5,657,804
IT Division (IT)	\$3,830,694
Wastewater Treatment (WWT)	\$26,984,261
Wastewater Collection (WWC)	\$14,290,139
Compliance Services (CS)	\$7,630,563
Sewer Backup Program (SBU)	\$848,491
Non-Personnel (without SBU)	\$69,064,466
Office of the Director	\$769,605
Wastewater Engineering	\$802,414
Wastewater Administration	\$7,435,396
IT Division	\$4,750,231
Wastewater Treatment	\$35,487,319
Wastewater Collection	\$10,897,586
Compliance Services	\$8,921,915
Other Non-Personnel	\$0,961,000
Non-Departmental (ERIP)	\$561,000
GFOH	\$2,700,000
FLEET	\$2,475,000
OTEA	\$1,225,000
Subtotal (w/o SBU & Debt Payment)	\$143,688,307
SBU	\$11,213,263
Debt Payment	\$83,000,000
Grand Total	\$237,901,570



Non-Personnel Request by Division





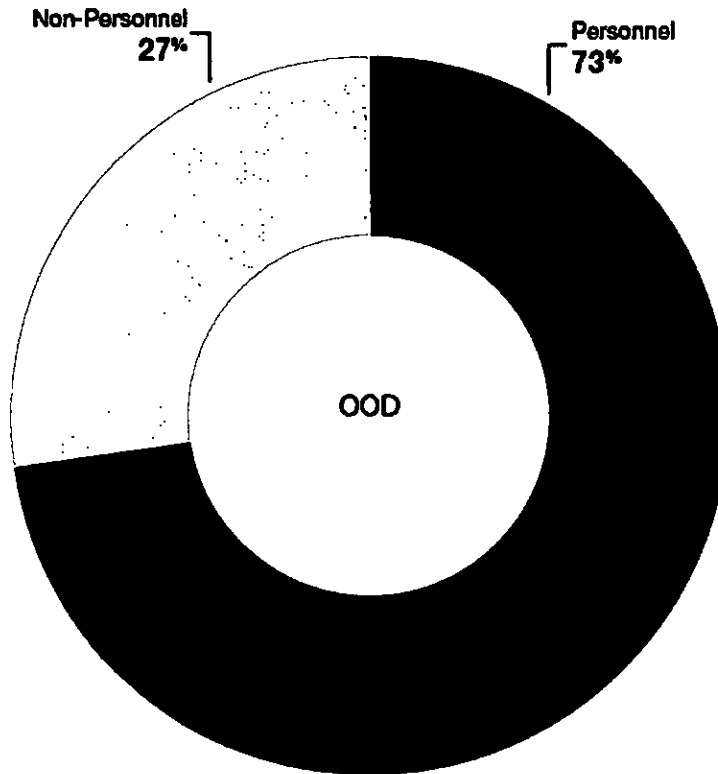
2024 Operating Budget Request

2024 Overall Request vs. Prior Years

DIVISION	2022 ACTUAL	2023 APPROVED	2024 REQUESTED	CHANGE FROM PRIOR YEAR	
PERSONNEL	\$59,565,262	\$64,680,380	\$67,662,841	\$2,982,461	4.61%
410 OOD	\$2,591,427	\$2,118,370	\$2,052,448	\$(65,922)	-3.11%
420 WWE	\$5,164,649	\$6,058,110	\$6,368,441	\$310,331	5.12%
430 WWA	\$4,578,915	\$4,888,181	\$5,657,804	\$769,623	15.74%
431 IT	\$3,018,248	\$3,804,648	\$3,830,694	\$26,046	0.68%
440 WWT	\$23,973,964	\$25,490,160	\$26,984,261	\$1,494,101	5.86%
450 WWC	\$12,735,305	\$14,064,575	\$14,290,139	\$225,564	1.60%
460 CS	\$6,827,481	\$7,397,773	\$7,630,563	\$232,790	3.15%
480 SBU	\$675,273	\$858,563	\$848,491	\$(10,072)	-1.17%
NON-PERSONNEL (without SBU)	\$60,794,452	\$65,951,209	\$69,064,466	\$3,113,257	4.72%
410 OOD	\$730,742	\$769,605	\$769,605	-	0.00%
420 WWE	\$700,976	\$802,414	\$802,414	-	0.00%
430 WWA	\$6,879,870	\$7,251,388	\$7,435,396	\$184,008	2.54%
431 IT	\$4,095,321	\$4,750,231	\$4,750,231	-	0.00%
440 WWT	\$31,180,774	\$34,571,784	\$35,487,319	\$915,535	2.65%
450 WWC	\$10,223,795	\$10,266,540	\$10,897,586	\$631,046	6.15%
460 CS	\$6,982,974	\$7,539,247	\$8,921,915	\$1,382,668	18.34%
OTHER NON-PERSONNEL	\$4,377,337	\$5,641,000	\$6,961,000	\$1,320,000	23.40%
911 NON-DEPT	-	-	\$561,000	\$561,000	
944 GFOH	\$1,274,587	\$2,600,000	\$2,700,000	\$100,000	0.00%
981 FLEET	\$1,753,218	\$1,816,000	\$2,475,000	\$659,000	36.29%
982 OTEA	\$1,349,531	\$1,225,000	\$1,225,000	-	0.00%
GRAND TOTAL (W/O SBU & DEBT PAYMENTS)	\$124,737,050	\$136,272,589	\$143,688,307	\$7,415,718	5.44%
480 SBU	\$8,302,611	\$11,213,263	\$11,213,263	\$-	0.00%
490 Debt Payment	\$82,082,197	\$84,000,000	\$83,000,000	\$(1,000,000)	-1.19%
GRAND TOTAL	\$215,121,858	\$231,485,852	\$237,901,570	\$7,637,720	2.77%

2024 Budget Request by Division

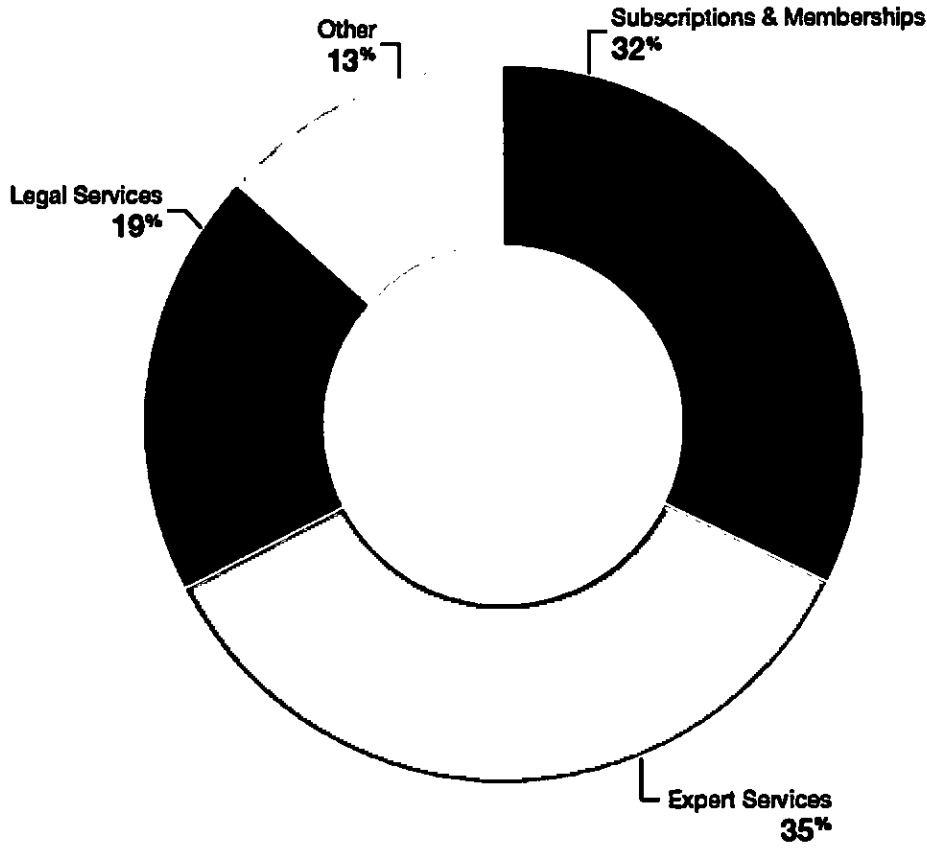
OOD Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
OOD (410)	\$3,322,169	\$2,887,975	\$2,822,053	\$(500,116)	-15.1%	\$(65,922)	-2.3%
Personnel	\$2,591,427	\$2,118,370	\$2,052,448	\$(538,979)	-20.8%	\$(65,922)	-3.1%
Non-Personnel	\$730,742	\$769,605	\$769,605	\$38,863	5.3%	\$-	0.0%

2024 Budget Request by Division

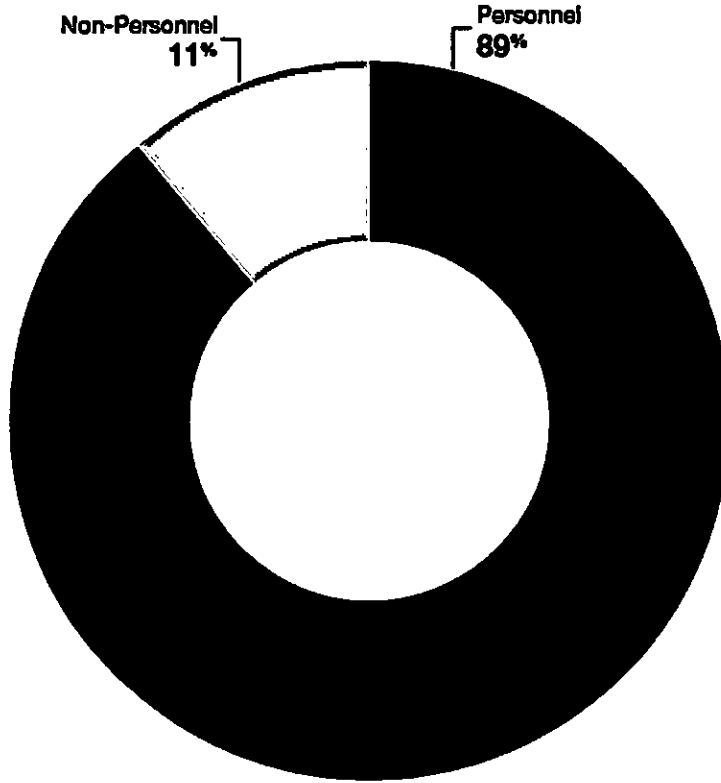
OOD Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
OOD (410)	\$769,605	
Subscription and Memberships	\$250,000	32.5%
Expert Services	\$268,975	34.9%
Legal Services	\$148,981	19.4%
Other	\$101,649	13.2%

2024 Budget Request by Division

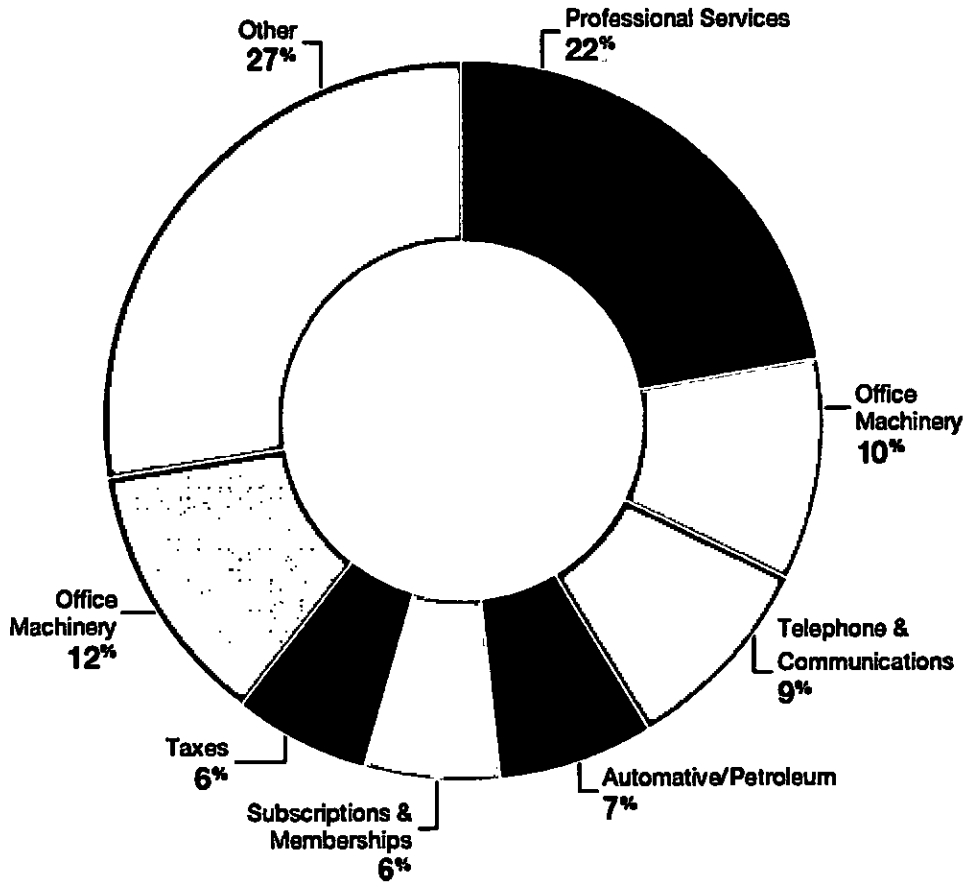
WWE Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
WWE (420)	\$5,865,625	\$6,860,524	\$7,170,855	\$1,305,230	22.3%	\$310,331	4.5%
Personnel	\$5,164,649	\$6,058,110	\$6,368,441	\$1,203,792	23.3%	\$310,331	5.1%
Non-Personnel	\$700,976	\$802,414	\$802,414	\$101,438	14.5%	\$-	0.0%

2024 Budget Request by Division

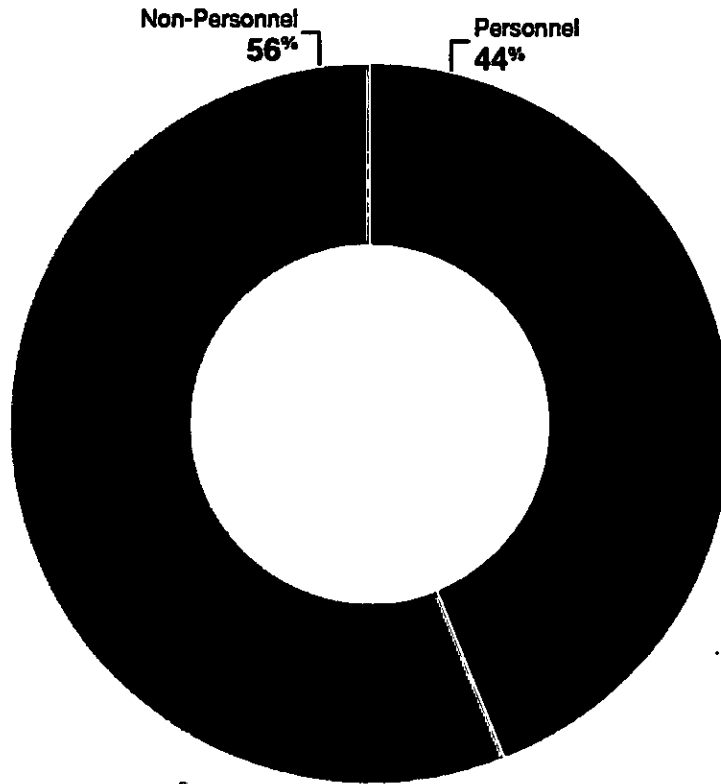
WWE Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
WWE (420)	\$802,414	
Professional Services	\$178,602	22.3%
Office Machinery	\$81,670	10.2%
Telephone and Communication	\$74,242	9.3%
Automotive/Petroleum	\$55,074	6.9%
Subscriptions & Memberships	\$50,081	6.2%
Taxes	\$51,578	6.4%
Grounds Maintenance	\$96,408	12.0%
Other	\$214,759	26.8%

2024 Budget Request by Division

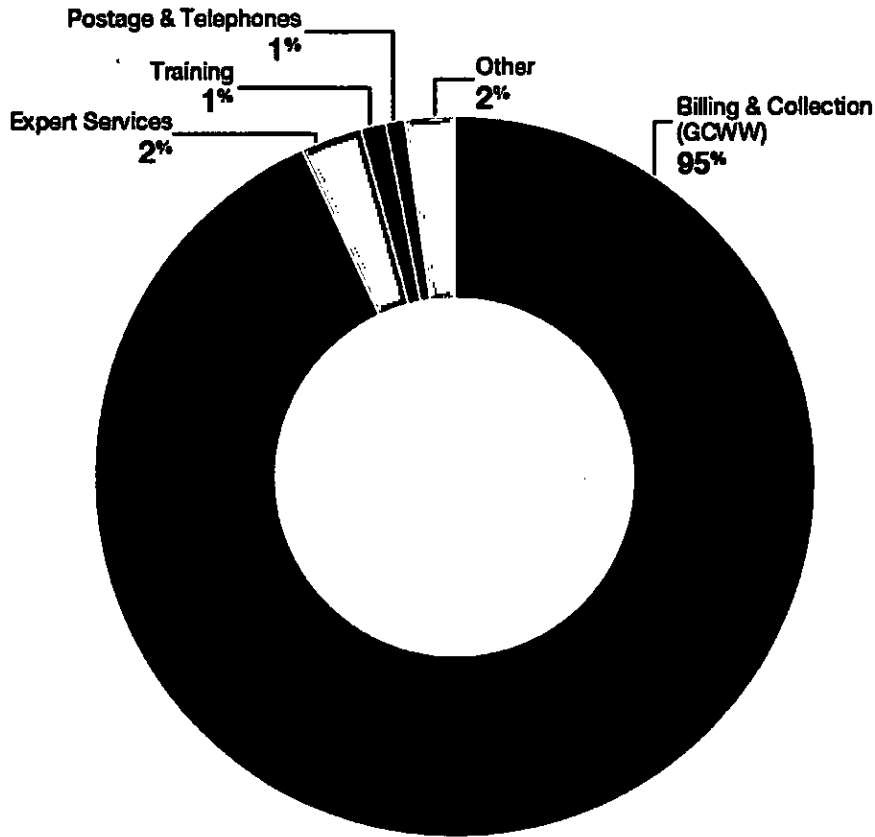
WWA Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
WWA (430)	\$11,458,784	\$12,139,569	\$13,093,200	\$1,634,416	14.3%	\$953,631	7.9%
Personnel	\$4,578,915	\$4,888,181	\$5,657,804	\$1,078,889	23.6%	\$769,623	15.7%
Non-Personnel	\$6,879,870	\$7,251,388	\$7,435,396	\$555,526	8.1%	\$184,008	2.5%

2024 Budget Request by Division

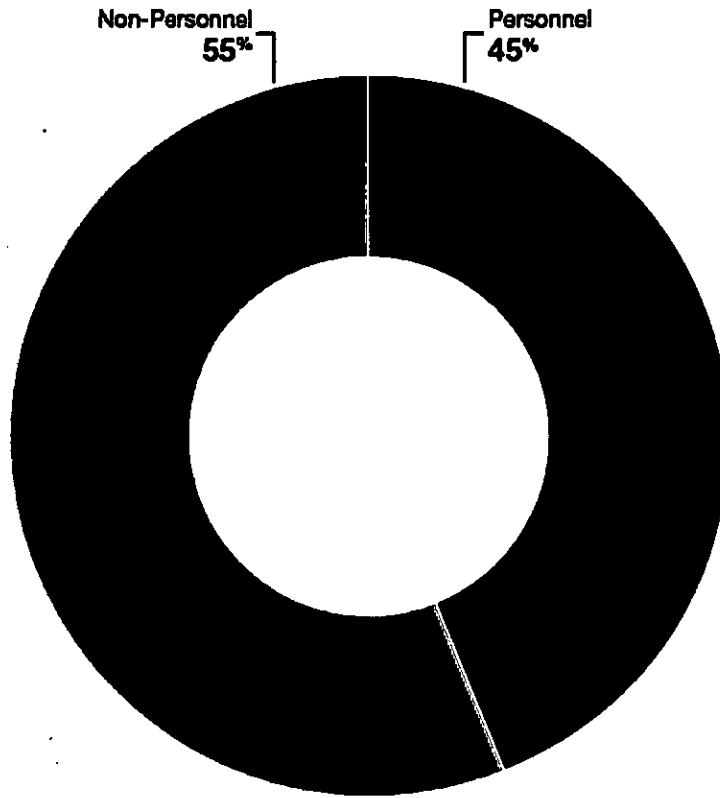
WWA Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
WWA (430)	\$7,435,396.00	
Billing & Collection by GCWW	\$7,000,500	94.2%
Expert Services	\$213,328	2.9%
Training and Travel Expenses	\$49,186	0.7%
Postage and Telephones	\$56,690	0.8%
Other	\$115,692	1.6%

2024 Budget Request by Division

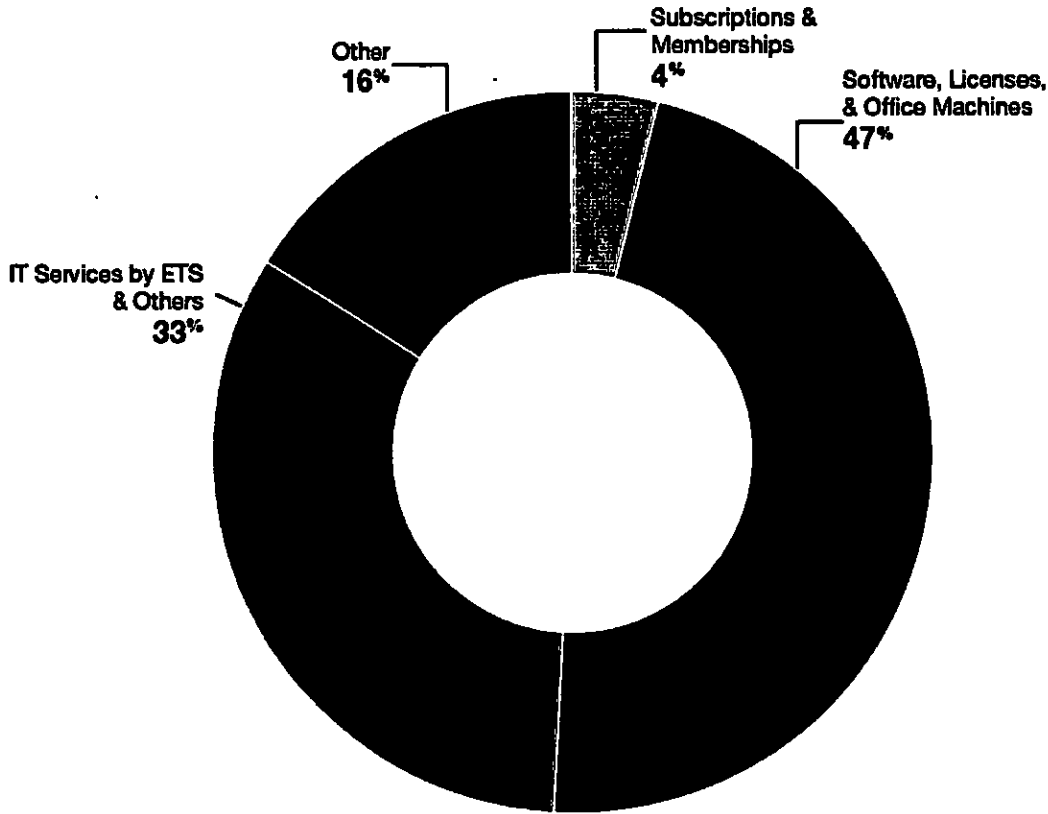
IT Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
IT (431)	\$7,113,569	\$8,554,879	\$8,580,925	\$1,467,356	20.6%	\$26,046	0.3%
Personnel	\$3,018,248	\$3,804,648	\$3,830,694	\$812,446	26.9%	\$26,046	0.7%
Non-Personnel	\$4,095,321	\$4,750,231	\$4,750,231	\$654,911	16.0%	\$-	0.0%

2024 Budget Request by Division

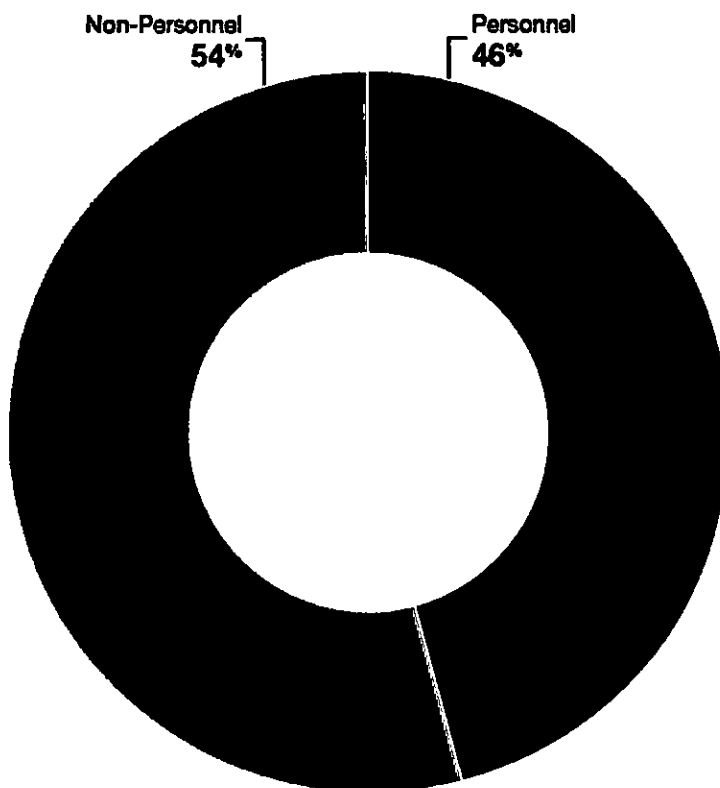
IT Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
IT (431)	\$4,750,231	
Subscriptions & Memberships	\$178,000	3.7%
Software, Licenses & Office Machines	\$2,229,327	46.9%
IT Services by ETS & others	\$1,571,269	33.1%
Other	\$771,635	16.2%

2024 Budget Request by Division

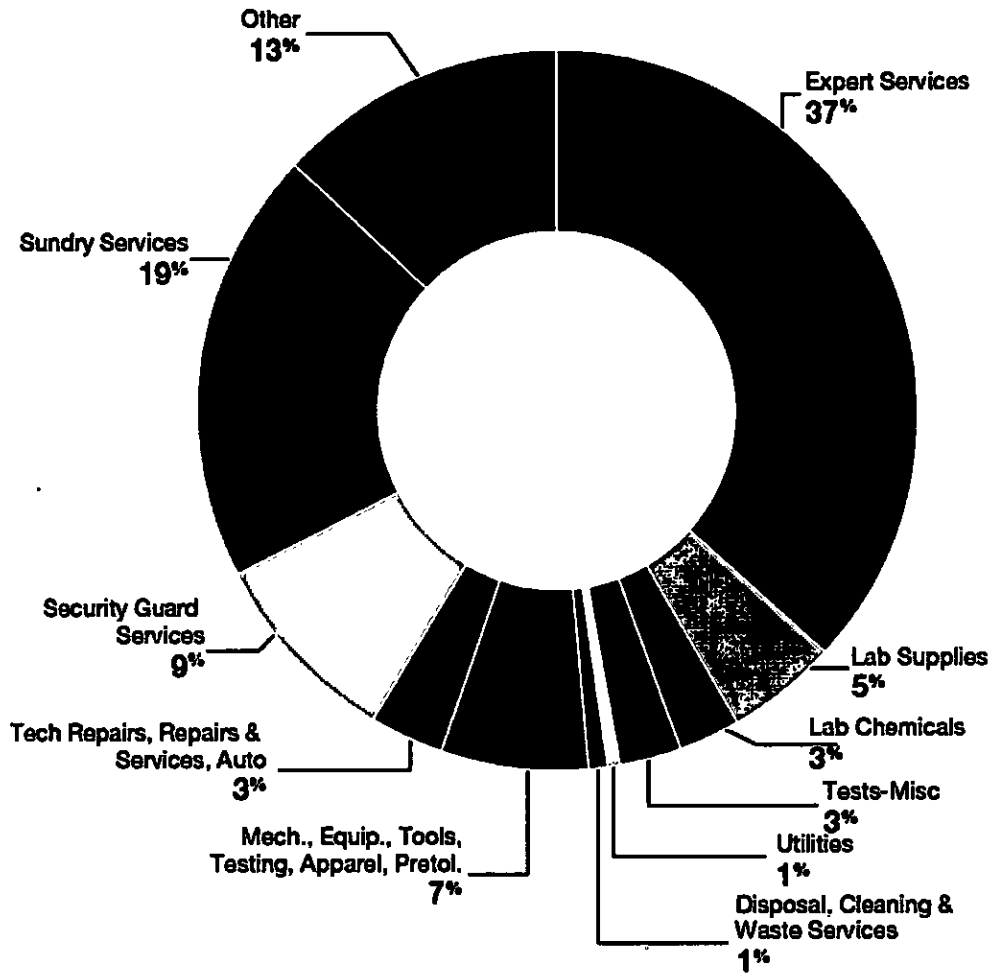
CS Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
CS (460)	\$13,810,455	\$14,937,020	\$16,552,478	\$2,742,023	19.9%	\$1,615,458	10.8%
Personnel	\$6,827,481	\$7,397,773	\$7,630,563	\$803,082	11.8%	\$232,790	3.1%
Non-Personnel	\$6,982,974	\$7,539,247	\$8,921,915	\$1,938,941	27.8%	\$1,382,668	18.3%

2024 Budget Request by Division

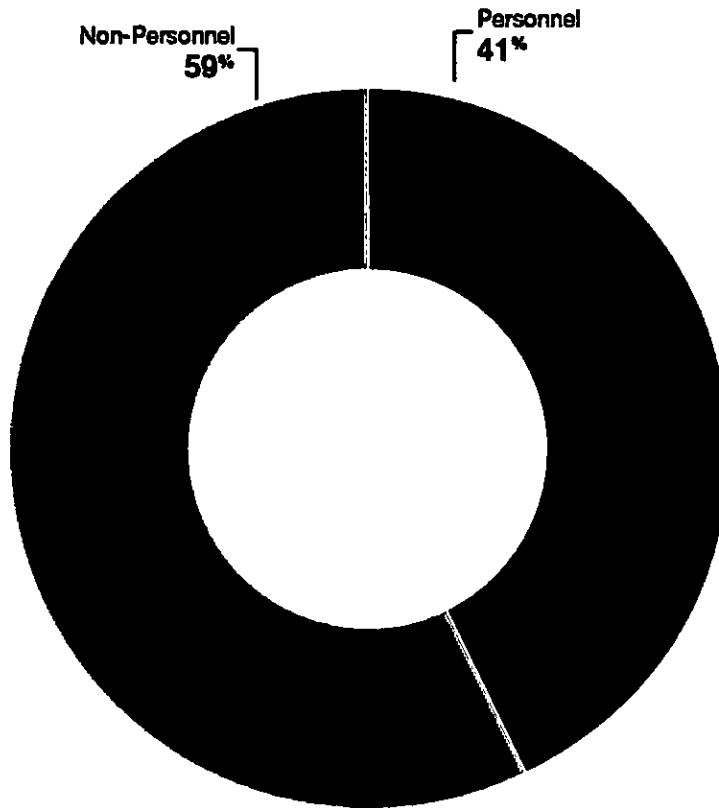
CS Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
CS (460)	\$8,921,915	
Expert Services	\$3,295,572	36.9%
Lab Supplies	\$440,587	4.9%
Lab Chemicals	\$241,973	2.7%
Tests-Misc.	\$248,269	2.8%
Utilities	\$49,442	0.6%
Disposal, Cleaning & Waste Services	\$65,500	0.7%
Mechanical, Equipment, Tools, Testing, Apparel, Petroleum	\$596,884	6.7%
Technical Repairs, Repairs & Services , Auto	\$294,930	3.3%
Security Guard Services	\$806,000	9.0%
Sundry Services	\$1,729,769	19.4%
Other	\$1,152,989	12.9%

2024 Budget Request by Division

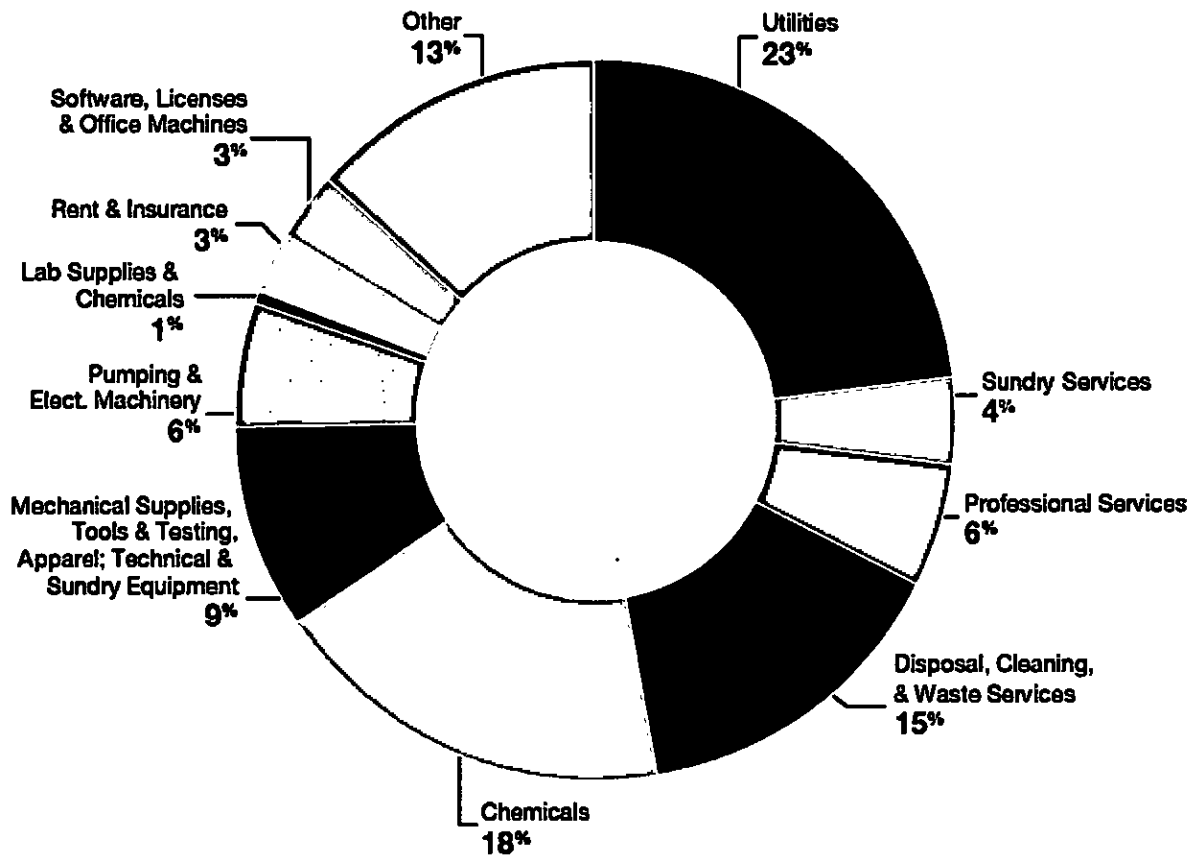
WWT Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
WWT (440)	\$55,154,739	\$60,061,944	\$62,471,580	\$7,316,841	13.3%	\$2,409,636	4.0%
Personnel	\$23,973,964	\$25,490,160	\$26,984,261	\$3,010,297	12.6%	\$1,494,101	5.9%
Non-Personnel	\$31,180,774	\$34,571,784	\$35,487,319	\$4,306,545	13.8%	\$915,535	2.6%

2024 Budget Request by Division

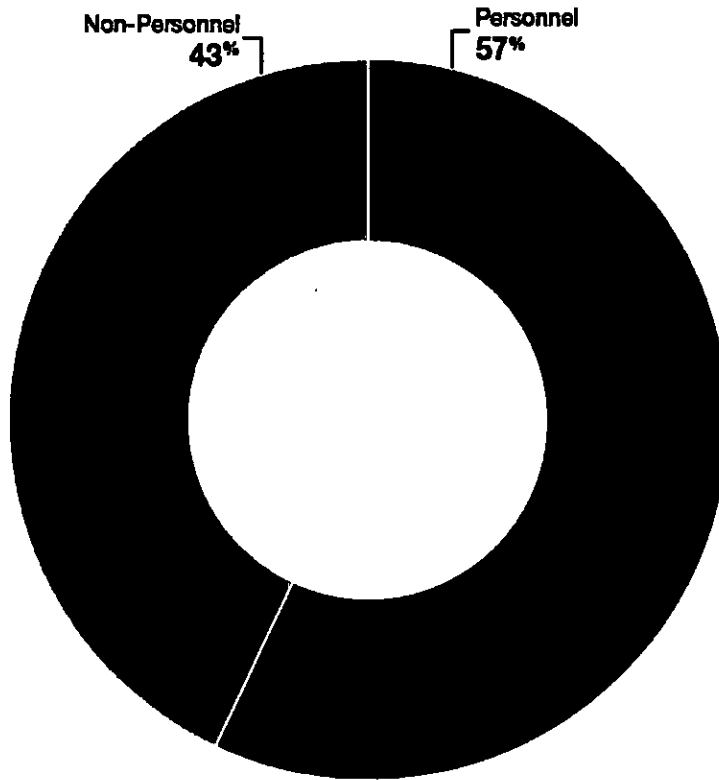
WWT Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
WWT (440)	\$35,487,319	
Utilities	\$8,238,942	23.2%
Sundry Services	\$1,376,423	3.9%
Professional Services	\$1,983,731	5.6%
Disposal, Cleaning, & Waste Services	\$5,190,147	14.6%
Chemicals	\$6,472,636	18.2%
Mechanical Supplies, Tools & Testing, Apparel; Technical and Sundry equipment	\$3,338,112	9.4%
Pumping and Elect. Machinery	\$1,953,357	5.5%
Lab Supplies and Chemicals	\$173,559	0.5%
Rent and Insurance	\$993,092	2.8%
Software, Licenses & Office Machines	\$1,069,721	3.0%
Other	\$4,697,598	13.2%

2024 Budget Request by Division

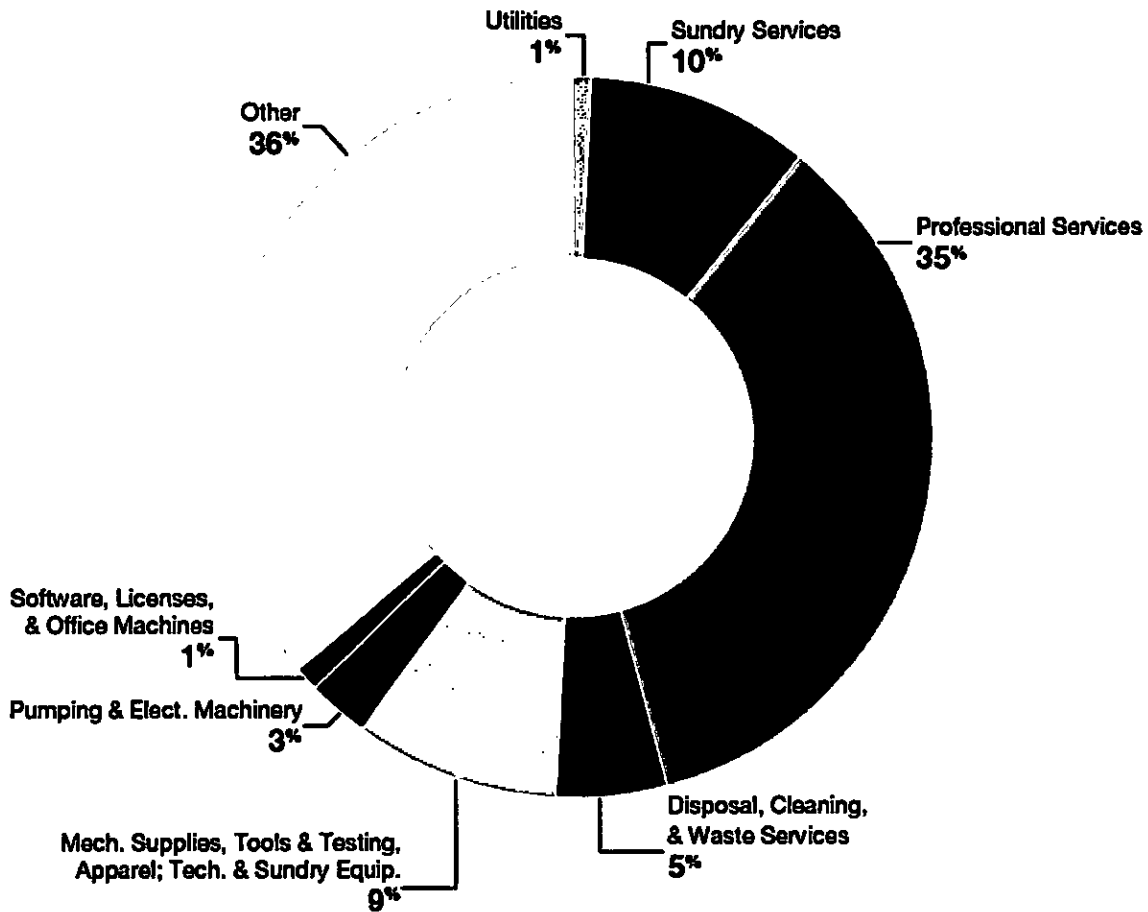
Wastewater Collection Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
WWC (450)	\$22,959,099	\$24,331,115	\$25,187,725	\$2,228,626	9.7%	\$856,610	3.5%
Personnel	\$12,735,305	\$14,064,575	\$14,290,139	\$1,554,834	12.2%	\$225,564	1.6%
Non-Personnel	\$10,223,795	\$10,266,540	\$10,897,586	\$673,791	6.6%	\$631,046	6.1%

2024 Budget Request by Division

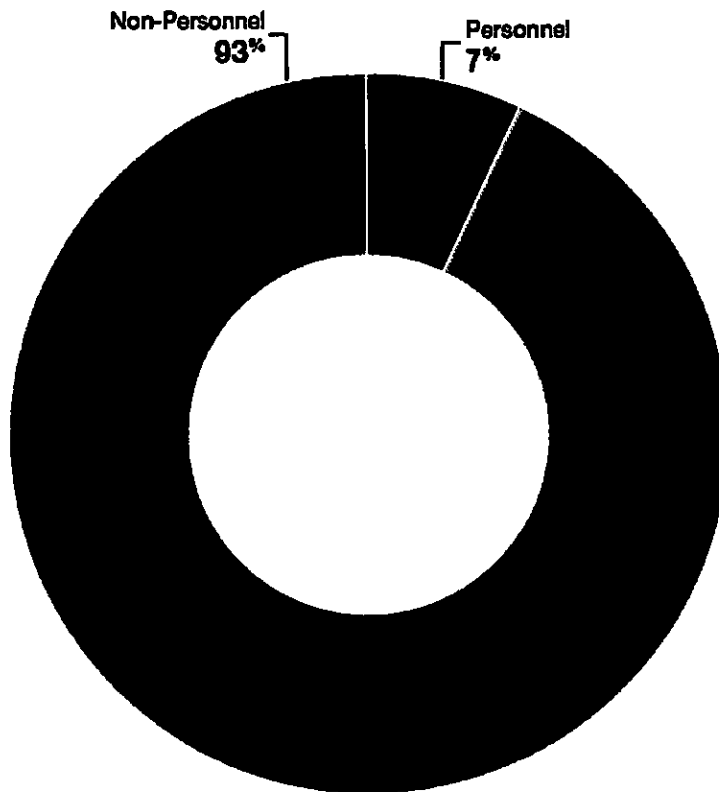
WWC Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
WWC (450)	\$10,897,586	
Utilities	\$142,368	1.3%
Sundry Services	\$1,059,328	9.7%
Professional Services	\$3,800,306	34.9%
Disposal, Cleaning, & Waste Services	\$537,820	4.9%
Chemicals	\$28,360	0.3%
Mechanical Supplies, Tools & Testing, Apparel; Technical and Sundry equipment	\$1,003,427	9.2%
Pumping and Elect. Machinery	\$322,612	3.0%
Software, Licenses & Office Machines	\$112,976	1.0%
Other	\$3,890,389	35.7%

2024 Budget Request by Division

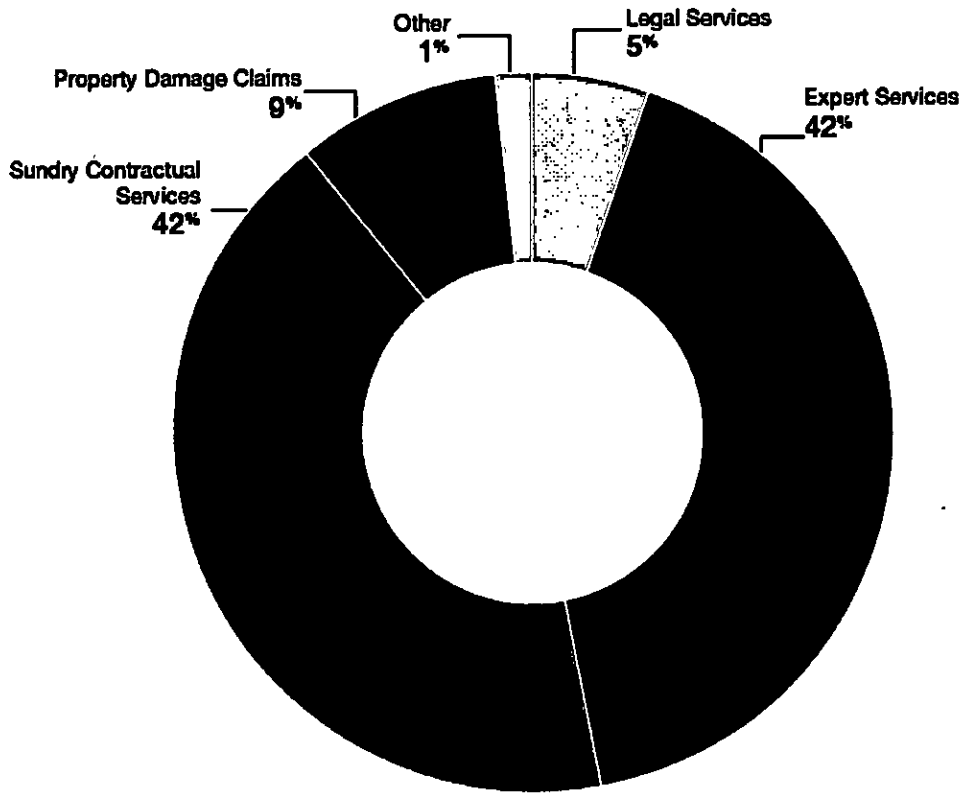
Sewer Backup (SBU) Program Budget Request



Dept.	2022 Actual	2023 Budget	2024 Recommended	Changes From 2022		Changes From 2023	
				\$	%	\$	%
SBU (480)	\$8,977,884	\$12,071,826	\$12,061,754	\$3,083,870	34.3%	\$(10,072)	-0.1%
Personnel	\$675,273	\$858,563	\$848,491	\$173,218	25.7%	\$(10,072)	-1.2%
Non-Personnel	\$8,302,611	\$11,213,263	\$11,213,263	\$2,910,652	35.1%	\$-	0.0%

2024 Budget Request by Division

Sewer Backup (SBU) Program Non-Personnel Request



Non-Personnel Item	2024 Request	
	\$	%
SBU (480)	\$11,213,263	
Legal Services	\$595,281	5.3%
Expert Services	\$4,673,537	41.7%
Sundry Contractual Services	\$4,752,221	42.4%
Property Damage Claims	\$1,030,683	9.2%
Other	\$161,541	1.4%



Appendix A

Fleet Request & Justification

To service the needs of the ratepayers, MSD maintains a Fleet of motorized equipment. From forklifts for loading materials to hydro excavating trucks used for complex asset repair and renewal, the MSD Fleet is deeply varied and in constant use in day-to-day operations.

While MSD dutifully maintains each piece of equipment, the constant use of the equipment leads to accelerating repair costs as service year progress. To limit repair costs and improve efficiency, replacing equipment eventually becomes necessary.

The CY 2024 Fleet Budget Request seeks to replace 7 pieces of equipment, primarily focused on the most specialized fleet vehicles MSD utilizes. The equipment in question ranges from 10 to 15 years old and have been identified as the most expensive and difficult to keep in service due to the level of usage each has endured. Replacing this equipment would represent refreshing 10.81% of the capital valuation of the fleet.

Replacing this equipment would not only be cost effective, but it would also allow MSD staff greater operational efficiency in the field and improve the service provided to ratepayers.

Equip. #	Type	Year	Est. Replacement Cost
31892	Flush/Vac Tandem Axle	2013	\$600,000
21890	Flush/Vac Tandem Axle	2012	\$600,000
91467	TV Truck	2008	\$500,000
91470	TV Truck	2008	\$500,000
85810	Wheel Loader	2008	\$200,000
Addition	SUV		\$30,000
Addition	Pickup		\$45,000

TOTAL	\$2,475,000
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Capital Valuation of Fleet	\$22,900,000
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Percent Request/Valuation	10.81%
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Appendix A

Fleet Request & Justification

Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle
1 Replacement	31892	2014	\$379,347	53,155	\$156,706	Hydro Excavating truck	Used by WWT to clean out pump stations
2 Replacement	21890	2012	\$333,131	53,772	\$162,341	Flush/Vac	Used by Assessment and Cleaning to clean out sewers
3 Replacement	91467	2008	\$674,160	83,859	\$50,615	TV Truck	CCTV inspections, coding of the condition of sewer pipe
4 Replacement	91470	2008	\$342,271	73,293	\$66,227	TV Truck	CCTV inspections, coding of the condition of sewer pipe
5 Replacement	85810	2008	\$96,665	5,515	\$74,403	Wheel Loader	Used by WWT Trucking work Group to load grit from pit to be hauled to the landfill.
6 Addition						SUV	MSD Safety to use to go into field and check on crews
7 Addition						Pickup extended cab 4x4	Transport a laborer and their equipment needed to complete work orders at different SCM sites throughout the district



Est, Cost	Division 701X	Work Group	Reason	Justification	Impact if not replaced
\$600,000	701X442000	WWT trucking	Age & Condition	Truck will be 10 years old at the time it is scheduled to be replaced. Greater chance of a major repair and down time as the unit ages.	Increased maintenances cost, increase down time for repairs. Operator not being able to keep up with his/her work load.
\$600,000	701X4500000	Asset Renewal	Age & Condition	Truck will be 12 years old at the time it is scheduled to be replaced. Greater chance of a major repair and down time as the unit ages.	Increased maintenances cost, increase down time for repairs. Operator not being able to keep up with his/her work load.
\$500,000	701X4500000	Cleaning and Assessment	Age & Condition	The chassis will be 16 years old at the time it is scheduled to be replaced. Greater chance of a major repair as the unit ages.	Increased maintenances cost, increase down time for repairs. Delays in the crews assessing sewer pipe in maintenance and emergency situations.
\$500,000	701X4500000	Cleaning and Assessment	Age & Condition	The chassis will be 16 years old at the time it is scheduled to be replaced. Greater chance of a major repair as the unit ages.	Increased maintenances cost, increase down time for repairs. Delays in the crews assessing sewer pipe in maintenance and emergency situations.
\$200,000	701x4420000	WWT Trucking	Age & Condition	This vehicle will be 16 years old at the time it is scheduled to be replaced.	Increased maintenances cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$30,000	701X4600000	Safety		In the past 3 years MSD Safety has added multiple sections to their division with several additional field employees.	Safety will be limited to the number of field inspections they can do.
\$45,000	701X4500000	WWC Stormwater Control Measures		With the addition of a Laborer in the section, the employee needs reliably available transportation to get their daily work orders completed efficiently.	Laborer will not being able to perform his daily assigned duties in a timely manor.
TOTAL					\$2,475,000

Appendix B

Capital Equipment (OTE) Request

DEPT.	DESCRIPTION		
WWE			
420	WEEC Bldg. Replacement of Office Chairs	This project will replace all office chairs approximately 200) that have been in used since April 2010 (13 years old). These have been cleaned multiple time but are still stain. They do not offer very good lumbar support. Normal wear/tear.	\$40,000
WWE Total			\$40,000
IT			
431	Workstation/Laptop Lifecycle Replacement	This project will replace all office chairs approximately 200) that have been in used since April 2010 (13 years old). These have been cleaned multiple time but are still stain. They do not offer very good lumbar support. Normal wear/tear.	\$100,000
431	Specialty/Security Items	WiFi Access Points	\$75,000
431	Citywide Telecom Upgrade	The City requires a comprehensive set of telecommunications services and equipment to meet the operational needs of its departments and divisions to be deployed on an enterprise-wide basis.	\$175,000
IT Total			\$350,000
WWC			
450	Garage Area - Hi-Bay Lights (3rd Ramp)		\$30,000
450	Maintenance Shop Furniture	Pending Project Completion - Maintenance Shop Improvements Project (bid opening expected August 2023)	\$30,000
450	Assembly Room Floor Replacement	Remove VCT and install LVT	\$30,000
450	Grit Pit	Concrete/Steel Beam anchoring repairs and painting of the steel structure	\$50,000
450	Fleet shop tools	\$5k Gest St./ \$5k WWC	\$10,000
450	IBAK equipment		\$100,000
450	Plumbing tap camera equipment		\$50,000
450	Envirosight equipment		\$50,000
450	Nozzles & Sewer Cleaning equipment		\$25,000
450	Reusable tunnel liner plates for pipe installation		\$25,000
WWC TOTAL			\$400,000

Appendix B

Capital Equipment (OTEA) Request

DEPT.	DESCRIPTION		
CS			
460	Sampling & Field analysis equipment	Replacement of antiquated (no longer supported) sampling equipment	\$100,000
460	Remote Monitoring system equipment	Level sensors and flow monitor components of the Smart Sewer System	\$300,000
CS TOTAL			\$400,000
WWA			
430	WWA Superintendent & Asst. Superintendent Office Upgrades	Replacement of Office Furniture in the Superintendent & Assistant Superintendent Offices	\$35,000
WWA TOTAL			\$35,000
TOTAL			\$1,225,000



Appendix C

Debt Service

2024 Debt Payment	Principal	Interest	Total
Revenue Bond	\$36,050,000	\$16,018,461	\$52,068,461
OWDA	\$22,974,119	\$6,448,449	\$29,422,568
OPWC	\$25,354	\$224	\$25,579
Capital Lease (Eng. Bldg)	\$860,000	\$207,050	\$1,067,050
TOTAL	\$59,909,473	\$22,674,185	\$82,583,658

Revenue Bond	Principal	Interest	Total
2013 Bonds	\$0	\$0	\$0
2014 Bonds	\$10,285,000	\$4,817,250	\$15,102,250
2015 Bonds	\$1,990,000	\$204,000	\$2,194,000
2019 Bonds	\$6,450,000	\$4,515,250	\$10,965,250
2020A Bonds	\$6,675,000	\$2,903,750	\$9,578,750
2022A Bonds	\$10,650,000	\$3,578,211	\$14,228,211
TOTAL	\$36,050,000	\$16,018,461	\$52,068,461