

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

2027

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

OPERATING BUDGET REQUEST

10/16/26

Hamilton County

- Commissioner Stephanie Summerow Dumas, President
- Commissioner Alicia Reece, Vice President
- Commissioner Denise Driehaus
- 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
- Reese Johnson, Deputy Director
- Jenny Richmond, Deputy Director
- Ryan Welsh, Deputy Director
- Ian McCoy, Deputy Director

Managing & Contributing Staff

- Amanda Gray, Superintendent, Wastewater Administration
- Scott Bessler, Superintendent, Compliance Services
- Scott Maring, Superintendent, Wastewater Treatment
- Aly Ouermi, Superintendent, Wastewater Treatment
- Todd Trabert, Superintendent, Wastewater Collection
- John Barton, Division Manager, Wastewater Engineering
- Mark Vondermeulen, IT Manager, IT
- Lauren DeGoricia, Division Manager, Office of the Director
- Joseph Schuster, Assistant Superintendent
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- Deb Leonard, Communications Manager
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Cover photo: Mill Creek pump station upgrade under construction - credit: Eric Evers



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


METROPOLITAN
SEWER DISTRICT
OF GREATER CINCINNATI

Table of Contents

Basis of Budgeting & Financial Reporting 5

2027 Overall Budget Request 7

- Overall Request 7
- 2027 Overall Request vs. Prior Years 13

2027 Budget Request by Division

- Office of the Director (OOD) 15
- Wastewater Engineering (WWE) 17
- Wastewater Administration (WWA) 19
- Information Technology (IT) 21
- Compliance Services (CSD) 23
- Wastewater Treatment (WWT) 25
- Wastewater Collection (WWC) 27
- Sewer Backup (SBU) Program 29

Appendix A: Fleet Request & Justification 32

Appendix B: Capital Equipment (OTEA) Request 35

Appendix C: Debt Service 38

Basis of Budgeting & Financial Reporting

As the Metropolitan Sewer District of Greater Cincinnati (MSD) is managed by the City of Cincinnati, its financial practices are designed to mirror those of the City. This alignment ensures consistency, transparency, and a shared standard of fiscal accountability. This section outlines the key principles governing how the budget is prepared, legally controlled, and ultimately reported in audited financial statements.

Budget Preparation (Modified Cash Basis)

The annual operating budget for MSD, which serves as the primary financial plan for the upcoming year, is prepared on a modified cash basis. This method is practical, intuitive, and provides strong control over real-time expenditures, making it ideal for the day-to-day management of a large public utility.

At its core, a cash basis system functions much like a personal checkbook: it recognizes revenues when cash is actually received and records expenditures when payment is actually made. However, the complexities of government operations require a more sophisticated approach, leading to the "modified" system. The most significant modification involves the use of encumbrances.

An encumbrance is a financial commitment representing a legally binding obligation to pay for goods or services in the future. When MSD issues a purchase order for a new piece of machinery or signs a contract with a vendor, the funds required for that transaction are immediately encumbered. This action essentially places the funds in a "locked box," reserving them for that specific purpose. They are then reported as an expenditure for the budget year in which the commitment was made, regardless of when the final invoice is paid.

A practical example illustrates this critical concept: Imagine MSD needs to order a custom-built, high-capacity pump that costs $500,000 and has a nine-month manufacturing lead time. In November, MSD's procurement department issues a purchase order to the manufacturer. At this exact moment, $500,000 of the approved budget is encumbered. Even though no cash has left MSD's bank account, these funds are no longer available for any other purpose, and is considered spent. The pump is delivered and installed the subsequent July. Once the vendor's invoice is received and approved, the encumbrance is "liquidated," and the $500,000 is recorded as a final cash expenditure.

This system of encumbrances is crucial because it prevents the overspending of budgeted funds and provides a true picture of committed resources, not just cash on hand. It ensures that long-term projects and purchases are fully accounted for from the moment of commitment.

Formal Financial Statements (GAAP & Accrual Basis)

While the budget is a practical management tool based on cash flow, MSD's official, audited financial statements are prepared using a different and more comprehensive set of rules. These formal reports, often part of an Annual Comprehensive Financial Report (ACFR) must conform to Generally Accepted Accounting Principles (GAAP) as established for governmental entities by the Governmental Accounting Standards Board (GASB). GAAP provides a standardized framework that ensures government financial statements are consistent, comparable, and transparent across the nation.

The primary difference between the budget and the formal statements lies in the basis of accounting. GAAP requires the use of the accrual basis of accounting, which presents a more complete, long-term view of an organization's financial health. Under the accrual method:

- Revenues are recognized when they are earned, not when cash is received. For MSD, this means sewer service revenue is recorded for the month or quarter the service was provided, even if customers have not yet paid their bills.
- Expenses are recognized when a liability is incurred, not when it is paid. For example, the cost of electricity used in December is recorded as a December expense, even if the utility bill is not paid until January. This principle correctly matches expenses to the operational period in which they were incurred.

The accrual basis provides a more accurate picture of financial reality. It accounts for long-term liabilities, such as pension obligations and accrued employee leave time, which represent future financial commitments. It also recognizes assets like unbilled revenue from services already provided. This holistic perspective is known as the "economic resources measurement focus," as it captures all assets and liabilities, not just current cash.

Appropriation and Budgetary Control

An appropriation is the legal authorization, granted by a legislative body, to make expenditures and incur obligations for specific purposes. It is the cornerstone of budgetary control, as it sets a firm legal limit on spending. For any government entity, spending public funds in excess of the approved appropriation is illegal.

For MSD, the appropriation and control process is dictated by the 1968 Agreement and functions as follows:

- Expenditure Control: The budget is controlled at the level of major expenditure categories, principally Personnel Services, Non-Personnel Services, Capital Outlay, and Debt Service. This allows for some managerial flexibility within each broad category while maintaining strict overall fiscal discipline.
- Approval Authority: The ultimate authority for approving and revising MSD's total budget appropriation rests with the Hamilton County Board of County Commissioners. MSD leadership and staff are responsible for managing operations within the financial limits established by the Board.
- Budgetary Amendments: The budget is a plan, but unforeseen circumstances can arise. If a major operational need requires shifting funds between major categories or requires an increase in the total appropriation, a formal amendment process must be initiated. This request must be presented to and approved by the Board of County Commissioners, ensuring that any significant deviation from the original financial plan receives proper legislative oversight.

This clear chain of authority ensures that MSD remains accountable to the elected officials who represent the public and that the management of ratepayer funds is subject to rigorous and transparent control.



Summary

MSD operates under a dual financial framework designed to meet two distinct but complementary objectives. The modified cash-basis budget serves as the primary tool for operational planning and real-time fiscal control, ensuring that expenditures remain within the legal limits set by the appropriation. Simultaneously, the accrual-basis financial statements, prepared in accordance with national GAAP standards, provide a comprehensive and transparent accounting of the utility's long-term financial position. This two-pronged approach represents a best practice in governmental finance, providing administrators with the tools needed for effective day-to-day management while offering policymakers and the public a full and fair view of the utility's overall fiscal health.

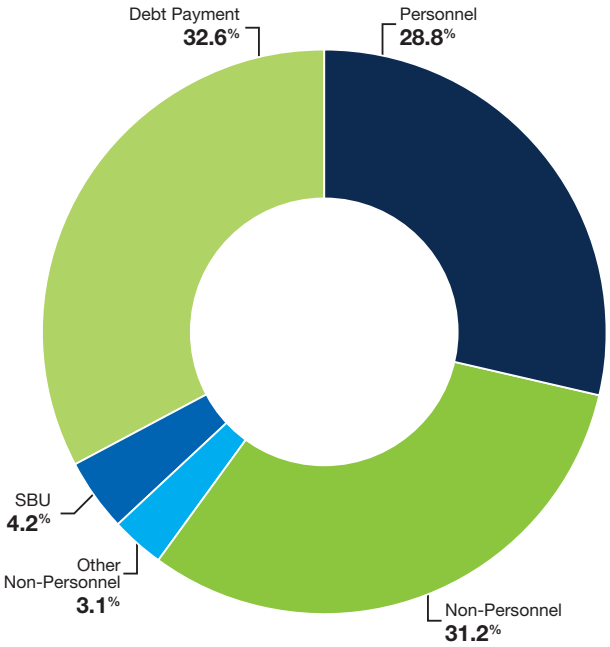
Ultimately, the principles outlined in this section provide the foundation upon which this entire budget document is built. The figures, projections, and justifications contained herein are presented on the modified cash basis, as this directly reflects the operational funding and appropriation authority being requested from the Hamilton County Board of County Commissioners. Adherence to these established and rigorous financial standards ensures that the 2027 Recommended Operating Budget is not only a sound financial plan but also a transparent instrument of accountability, fully consistent with the legal and fiscal responsibilities entrusted to MSD under the 1968 Agreement.



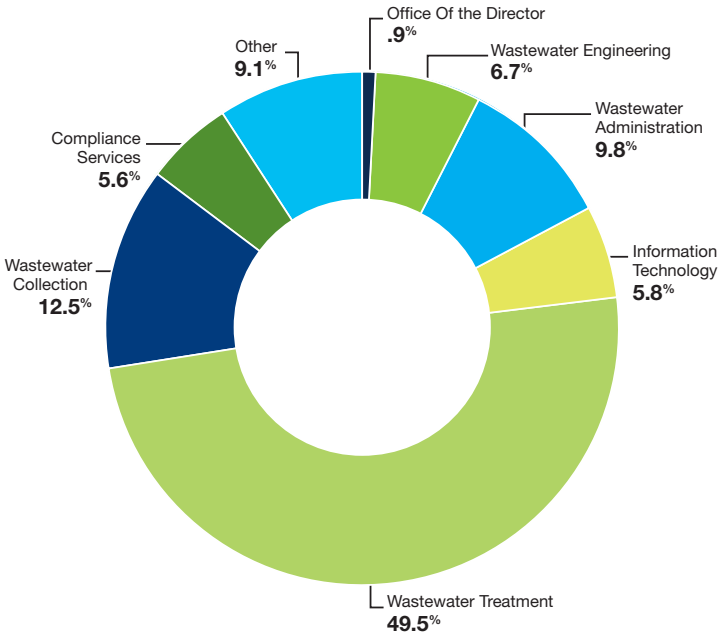
2027 Operating Budget Request

DEPT.	2027 Request
Personnel	**$76,385,872**
Office of the Director (OOD)	$1,866,194
Wastewater Engineering (WWE)	$5,990,045
Wastewater Administration (WWA)	$6,686,277
IT Division (IT)	$3,940,858
Wastewater Treatment (WWT)	$30,732,975
Wastewater Collection (WWC)	$18,557,392
Compliance Services (CSD)	$7,806,650
Sewer Backup Program (SBU)	$805,482
Non-Personnel (without SBU)	**$82,782,515**
Office of the Director	$819,805
Wastewater Engineering	$6,141,229
Wastewater Administration	$8,883,459
IT Division	$5,299,200
Wastewater Treatment	$45,128,241
Wastewater Collection	$11,368,970
Compliance Services	$5,141,611
Other Non-Personnel	**$8,325,000**
NON-DEPARTMENTAL (ERIP)	$564,000
Pension Lump Sum	$231,000
GFOH	$3,200,000
FLEET	$1,830,000
OTEA	$2,500,000
Subtotal (w/o SBU & Debt Payment)	**$167,493,387**
SBU	**$11,213,263**
Debt Payment	**$86,513,000**
Grand Total	**$265,219,650**

Overall Request by Category



Non-Personnel Request by Division



2027 Operating Budget Request

Overall Request

MSD is dedicated to fulfilling its mission of collecting and treating wastewater from Greater Cincinnati communities, protecting the environment and public health by returning clean water to local rivers and streams. The CY 2027 Recommended Operating Budget represents the appropriation MSD believes will be required to fully staff and maintain its critical infrastructure, and where appropriate, expand capacity in areas where service needs are not being met. This operating budget recommendation reflects a restrained, conservative approach designed to manage resources efficiently while keeping operating costs as low as possible.

The Calendar Year 2027 Recommended Operating Budget totals $265.2 million, including personnel, non-personnel, other non-personnel, Sewer Backup Program expenses, and debt service. The request is $3.5 million, or 1.3%, above the CY 2026 Amended Operating Budget. It is the opinion of MSD that this increase is vital to the continued functioning of its core missions and maintenance of its capital assets.

The increase is concentrated primarily in the staffing, power, chemicals, facility maintenance, specialized services, and supplies necessary to operate a continuous wastewater utility. Of the total increase, $2.1 million relates to personnel, $3.8 million relates to non-personnel expenditures, and $1.5 million relates to other non-personnel costs. The remaining change is attributable to debt service and sewer backup response.

2027 Operating Budget Request	2026 Amended	2027 Recommended	$ Change	% Change
Personnel	$74,247,156	$76,385,872	$2,138,716	2.9%
Non-Personnel (w/o SBU)	$78,958,031	$82,782,515	$3,824,484	4.8%
Other Non-Personnel	$6,816,000	$8,325,000	$1,509,000	22.1%
O&M Total (w/o SBU & Debt Payments)	**$160,021,187**	**$167,493,387**	**$7,472,200**	**4.7%**
SBU	$12,713,263	$11,213,263	$(1,500,000)	-11.8%
Debt Payment	$89,000,000	$86,513,000	$(2,487,000)	-2.8%
Grand Total	**$261,734,450**	**$265,219,650**	**$3,485,200**	**1.3%**

Personnel

The CY 2027 recommended personnel budget is $76.3 million, an increase of $2.1 million, or 2.9%, from CY 2026.

	Department	2026 Amended	2027 Recommended	$ Change	% Change
410	Office of the Director	$2,054,223	$1,866,194	$(188,029)	-9.15%
420	Wastewater Engineering	$5,639,117	$5,990,045	$350,928	6.22%
430	Wastewater Administration	$5,749,033	$6,686,277	$937,244	16.30%
431	IT Division	$3,911,312	$3,940,858	$29,546	0.76%
440	Wastewater Treatment	$30,106,047	$30,732,975	$626,928	2.08%
450	Wastewater Collection	$18,142,302	$18,557,392	$415,090	2.29%
460	Compliance Services	$7,892,907	$7,806,650	$(86,257)	-1.09%
480	Sewer Backup Program	$752,215	$805,482	$53,267	7.08%
	TOTAL	**$74,247,156**	**$76,385,872**	**$2,138,716**	**2.88%**

The change reflects negotiated wage adjustments, projected increases for non-represented employees, pension/healthcare costs, and updated funded-position assumptions.

- Existing labor agreements provide 3% cost-of-living adjustments for CODE employees in March 2027 and AFSCME employees in August 2027. In addition, a 3% adjustment for non-represented employees is projected for July 2027. All employees also remain eligible for applicable step and merit increases.

2027 Operating Budget Request

- The employer contribution rate for the Cincinnati Retirement System is projected to increase by 0.75% to 20.0% in July 2027, and employee healthcare costs are projected to increase 3.5%.

- The budget funds 622 full-time-equivalent positions out of 677 positions on MSD's Table of Organization. The 55-position vacancy assumption reflects continued progress in filling vacancies.

MSD carefully manages its personnel budget, maintaining a 2% to 5% margin to accommodate unexpected costs and budget variances. These may include overtime, lump-sum retirement payments, pension contribution increases, workers' compensation costs, and changes in the amount of labor eligible for capital reimbursement. This approach helps ensure sufficient personnel funding while managing resources responsibly.

Non-Personnel

The CY 2027 Recommended Non-Personnel Budget, excluding the Sewer Backup Program, is $82.8 million. This is an increase of $3.8 million, or 4.8%, from CY 2026.

	Department	2026 Amended	2027 Recommended	$ Change	% Change
410	Office of the Director	$788,605	$819,805	$31,200	3.96%
420	Wastewater Engineering	$5,744,039	$6,141,229	$397,190	6.91%
430	Wastewater Administration	$7,924,369	$8,883,459	$959,090	12.10%
431	IT Division	$5,176,812	$5,299,200	$122,388	2.36%
440	Wastewater Treatment	$42,978,260	$45,128,241	$2,149,981	5.00%
450	Wastewater Collection	$11,245,022	$11,368,970	$123,948	1.10%
460	Compliance Services	$5,100,924	$5,141,611	$40,687	0.80%
	TOTAL	**$78,958,031**	**$82,782,515**	**$3,824,484**	**4.84%**

The largest pressures are concentrated in Wastewater Treatment and reflect the cost of electricity, facility maintenance, chemicals, disposal, specialized services, equipment, and operating supplies.

Power and Utility Costs

Wastewater collection and treatment require continuous operation of energy-intensive pumping, aeration, and solids-processing equipment. MSD's annual power costs have risen from approximately $5.5 million in 2023 to a projected $10.4 million in 2027.

MSD has taken steps to reduce exposure to market volatility, including fixed-price energy hedges, participation in a joint solar-energy arrangement, and ongoing energy audits and operational reviews. These measures provide savings and greater budget certainty but do not fully offset the higher regional cost of industrial power.

Facility and Infrastructure Maintenance

MSD operates treatment and collection assets that have been in continuous service for decades. As equipment ages, the utility must rely more heavily on specialized repairs, cleaning, temporary bypass pumping, and contractor support. These operating expenditures maintain treatment reliability and regulatory compliance. Longer-term rehabilitation or replacement through the capital program can reduce recurring maintenance needs and exposure to unplanned failures.

Chemicals, Disposal, Parts, and Supplies

MSD depends on specialized chemicals, industrial parts, machinery, fuel, and contractor services. Costs have increased because of inflation, limited supplier competition, energy and transportation costs, and continued supply-chain volatility. While MSD has closely analyzed these factors, the utility remains subject to the global marketplace.

General inflation continues to drive up the cost of soft and hard inputs alike. From contract labor costs to the procurement of basic construction materials for infrastructure maintenance, the purchasing power of MSDGC's operating budget has faced steady erosion. Current 2026 trends show a consistent upward trajectory in the Producer Price Index (PPI) for construction materials, directly impacting MSD's long-term maintenance and repair costs.

The prices for coagulants, flocculants, and disinfectants are sensitive to the inflation of their raw precursors. If the cost of the energy required to synthesize chlorine or raw minerals for ferric chloride rises, those costs are passed on directly to customers. Until recently, MSD has been protected from these increases by existing contracts that predate these shifts. However, as these chemical contracts have expired MSD is experiencing a large increase.

Reduced numbers of suppliers for critical products and services have also led to a steep increase in some of our most essential functions. This has been most notable as it relates to the disposal of treatment solids via landfill. Over the past two contract periods, only a single bidder has answered the public Requests for Proposal related to these services. As a result, the prices charged by this sole available service provider have sharply increased over a five-year period.

Higher diesel prices affect MSD directly, but also indirectly through fuel surcharges, freight, contractor mobilization, hauling, bypass pumping, and the delivered cost of chemicals and replacement parts. High fuel and energy costs are driving the majority of chemical and disposal contractual increases.

Technology and Software

Technology costs have increased sharply due to the industry changeover from perpetual licensing to subscription-based models as well as a general price increase among more universal software costs. MSD maintains over 30 different proprietary software licensing agreements for the vast array of different systems, equipment, and machinery that relies on these software solutions to function. In addition, MSD pays a proportional share of costs for systems maintained directly by the City of Cincinnati that MSD utilizes, as well as costs associated with the Cincinnati Area Geographic Information System (CAGIS).

To ensure the proper itemization and control of parts and supplies inventory for the wastewater treatment facilities, MSD intends to proceed with phase 2 of the upgrade and implementation of the Maximo Inventory Management software within the Enterprise Asset Management (EAM) platform.

Other Cost Increases

Laboratory Supplies and Tests – Due to a combination of tariff impacts and general product demand, costs related to laboratory supplies, chemicals, and testing are projected to increase in CY 2027.

Fuel Oil for Mill Creek WWTP – New holding tanks for fuel oil are scheduled to be installed at the MCWWTP in CY 2027, and must be filled upon project completion. After this one-time increase, the budget for Fuel Oil will revert to the level necessary to replenish the tanks from regular use.

Fleet Maintenance – Much in the same way that parts and supplies related to treatment operations have seen ongoing price increases, MSD has experienced a significant uptick in expenses related to maintaining our automotive fleet. While operational efficiencies by the staff at Wastewater Collection helped keep costs down, increases are now unavoidable.

Greenway and Green Infrastructure Maintenance – Since 2023, maintenance costs for green infrastructure, including the Lick Run Greenway, have increased 30% due to contractor cost increases and additional maintenance needs.

2027 Operating Budget Request (continued)

Other Non-Personnel

The CY 2027 Other Non-Personnel budget is $8.3 million, an increase of $1.5 million, or 22.1%.

	Department	2026 Amended	2027 Recommended	$ Change	% Change
911	Non-Departmental (ERIP)	$564,000	$564,000	-	0.00%
931	Non-Departmental (Pension)	-	$231,000	$231,000	-
944	General Fund Overhead (GFOH)	$3,200,000	$3,200,000	-	0.00%
981	Fleet Replacements	$1,852,000	$1,830,000	$(22,000)	-1.19%
982	Office, Technology, and Equipment (OTEA)	$1,200,000	$2,500,000	$1,300,000	108.33%
	TOTAL	**$6,816,000**	**$8,325,000**	**$1,509,000**	**22.14%**

The primary changes are a new pension-settlement contribution and an increase in the Office, Technology, and Equipment Allowance.

In March 2026, a joint motion was filed regarding Proposed Amendments to Class Action Settlement Agreement and Consent Decree Concerning the Cincinnati Retirement System in Sunyak v. City of Cincinnati and Harmon v. City of Cincinnati. The proposed amendment includes additional city contributions to the Cincinnati Retirement System (CRS) Pension Trust Fund from all restricted funds listed in the City's approved biennial budget, which includes MSD Operating Fund 701.

The $1,300,000 increase in the Office, Technology, and Equipment Allowance (OTEA) represents a transfer of funds previously allocated to the Critical Asset Management (CAM) capital allocation for CY 2027. This change has been made to better align the purposes of the CAM and OTEA. Critical laboratory equipment and IT infrastructure previously funded from the CAM will instead be budgeted within OTEA.

Sewer Backup Program

The CY 2027 Sewer Backup Program non-personnel budget is $11.2 million, a decrease of $1.5 million, or -11.8%. This amount restores the program to its CY 2024 funding level and provides capacity for damage claims following the record rainfall and sewer-backup events of July, 2026. MSD will continue to monitor program expenditures and funding needs as claims are evaluated.

Debt Service

The CY 2027 debt-service budget is $86.5 million, a decrease of $2.5 million, or -2.8%, from CY 2026. The projection includes revenue bonds, Water Pollution Control Loan Fund loans, Ohio Public Works Commission loans, and liquidity-access costs. The decrease is primarily due to lower principal payments on MSD's 2020A Revenue Bonds. The reduction also represents the termination of a liquidity agreement determined to no longer be necessary.


METROPOLITAN
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2027 Operating Budget Request

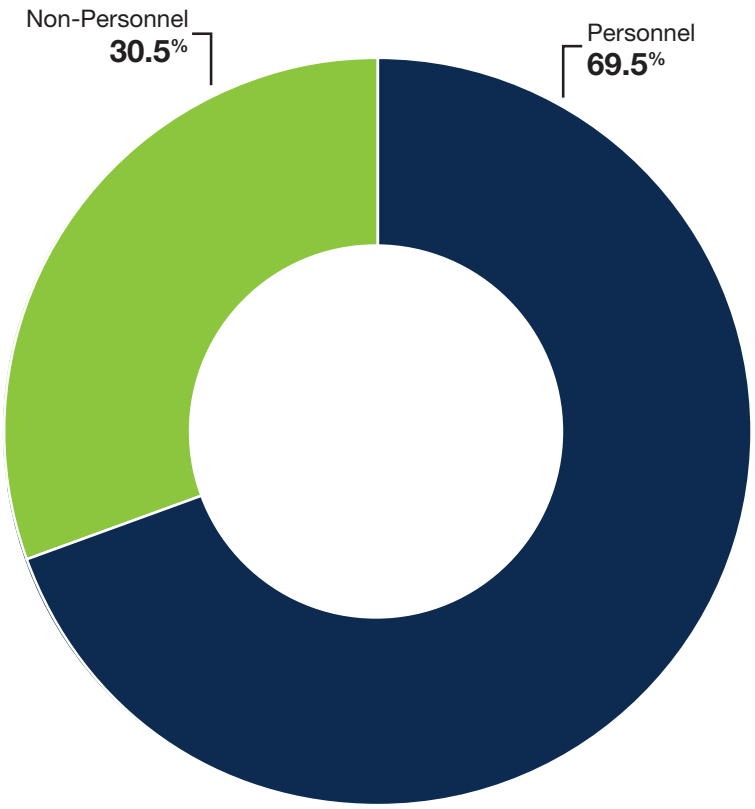
2027 Overall Request vs. Prior Years

DIVISION	2025 ACTUAL	2026 AMENDED	2027 REQUESTED	CHANGE FROM PRIOR YEAR	
PERSONNEL	**$64,591,347**	**$74,247,156**	**$76,385,872**	**$2,138,716**	**2.88%**
410 OOD	$1,563,734	$2,054,223	$1,866,194	$(188,029)	-9.15%
420 WWE	$3,677,449	$5,639,117	$5,990,045	$350,928	6.22%
430 WWA	$5,190,823	$5,749,033	$6,686,277	$937,244	16.30%
431 IT	$3,527,428	$3,911,312	$3,940,858	$29,546	0.76%
440 WWT	$27,580,355	$30,106,047	$30,732,975	$626,928	2.08%
450 WWC	$15,588,743	$18,142,302	$18,557,392	$415,090	2.29%
460 CSD	$6,841,576	$7,892,907	$7,806,650	$(86,257)	-1.09%
480 SBU	$621,239	$752,215	$805,482	$53,267	7.08%
NON-PERSONNEL (without SBU)	**$67,304,883**	**$78,958,031**	**$82,782,515**	**$3,824,484**	**4.84%**
410 OOD	$727,133	$788,605	$819,805	$31,200	3.96%
420 WWE	$5,067,292	$5,744,039	$6,141,229	$397,190	6.91%
430 WWA	$7,928,344	$7,924,369	$8,883,459	$959,090	12.10%
431 IT	$4,549,018	$5,176,812	$5,299,200	$122,388	2.36%
440 WWT	$35,382,948	$42,978,260	$45,128,241	$2,149,981	5.00%
450 WWC	$9,484,038	$11,245,022	$11,368,970	$123,948	1.10%
460 CSD	$4,166,110	$5,100,924	$5,141,611	$40,687	0.80%
OTHER NON-PERSONNEL	**$6,191,573**	**$6,816,000**	**$8,325,000**	**$1,509,000**	**22.14%**
911 NON-DEPT	$563,620	$564,000	$564,000	-	-
931 Pension Lump Sum	-	-	$231,000	$231,000	-
944 GFOH	$2,696,409	$3,200,000	$3,200,000	-	-
981 FLEET	$1,808,407	$1,852,000	$1,830,000	$(22,000)	-1.19%
982 OTEA	$1,123,137	$1,200,000	$2,500,000	$1,300,000	108.33%
GRAND TOTAL (W/O SBU & DEBT PAYMENTS)	**$138,087,803**	**$160,021,187**	**$167,493,387**	**$7,472,200**	**4.67%**
480 SBU	$5,191,042	$12,713,263	$11,213,263	$(1,500,000)	-11.80%
490 Debt Payment	$75,968,212	$89,000,000	$86,513,000	$(2,487,000)	-2.79%
GRAND TOTAL	**$219,247,058**	**$261,734,450**	**$265,219,650**	**$3,485,200**	**1.33%**

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

2027 Budget Request by Division

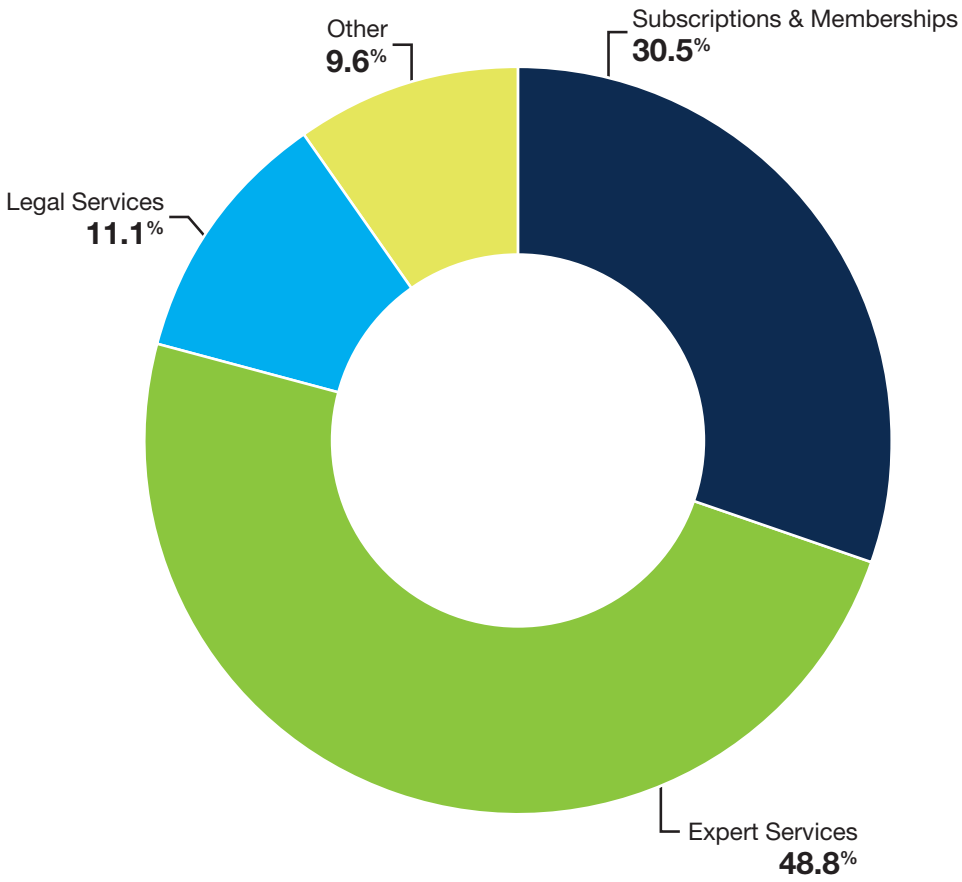
Office of the Director (OOD) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
OOD (410)	**$2,290,867**	**$2,842,828**	**$2,685,999**	**$395,132**	**17.25%**	**$(156,829)**	**-5.52%**
Personnel	$1,563,734	$2,054,223	$1,866,194	$302,460	19.34%	$(188,029)	-9.15%
Non-Personnel	$727,133	$788,605	$819,805	$92,672	12.74%	$31,200	3.96%

2027 Budget Request by Division

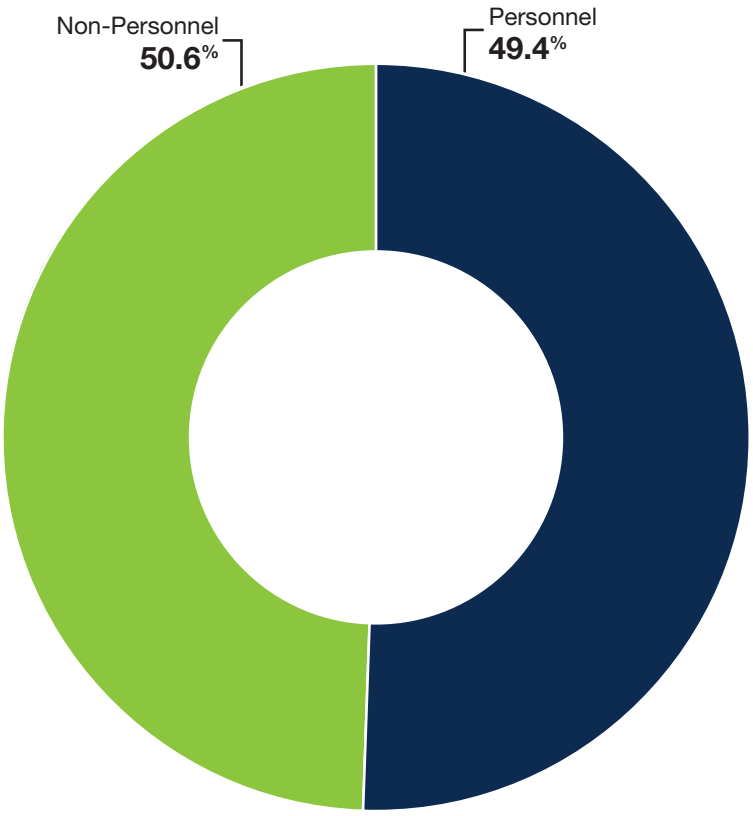
Office of the Director (OOD) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
OOD (410)	**$819,805**	
Subscription and Memberships	$250,000	30.50%
Legal Services	$90,749	11.07%
Expert Services	$400,000	48.79%
Other	$79,056	9.64%

2027 Budget Request by Division

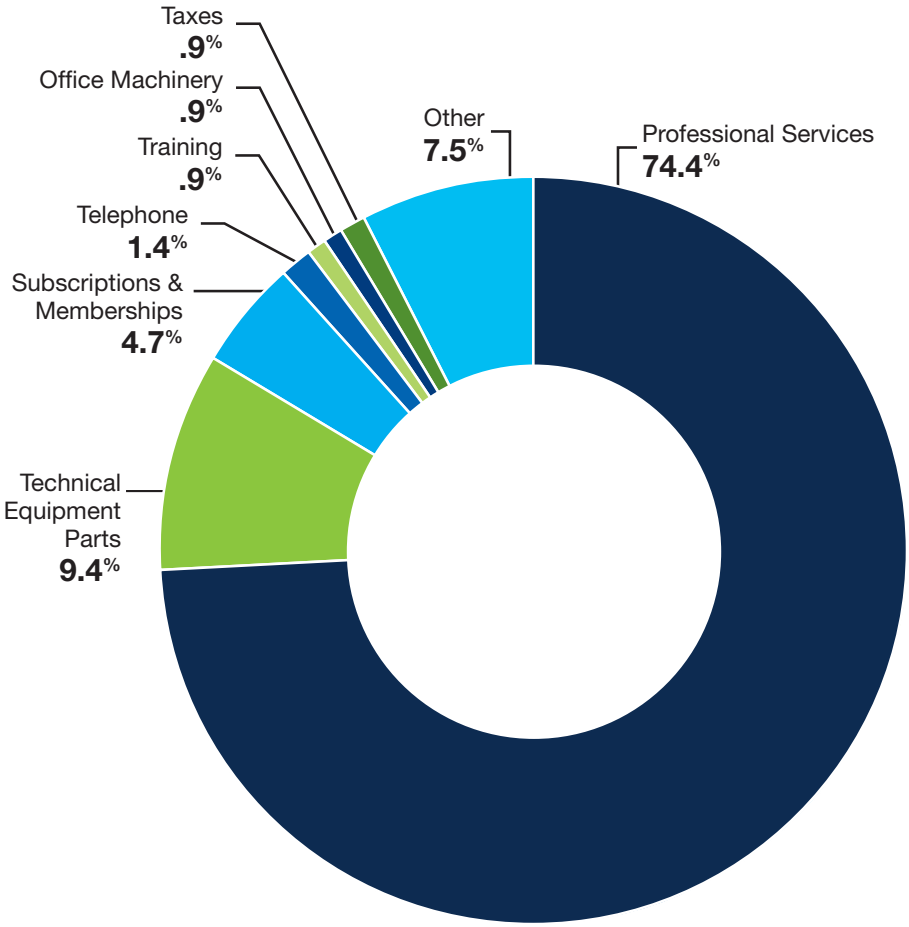
Wastewater Engineering (WWE) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
WWE (420)	**$8,744,741**	**$11,383,156**	**$12,131,274**	**$3,386,532**	**38.73%**	**$748,118**	**6.57%**
Personnel	$3,677,449	$5,639,117	$5,990,045	$2,312,596	62.89%	$350,928	6.22%
Non-Personnel	$5,067,292	$5,744,039	$6,141,229	$1,073,937	21.19%	$397,190	6.91%

2027 Budget Request by Division

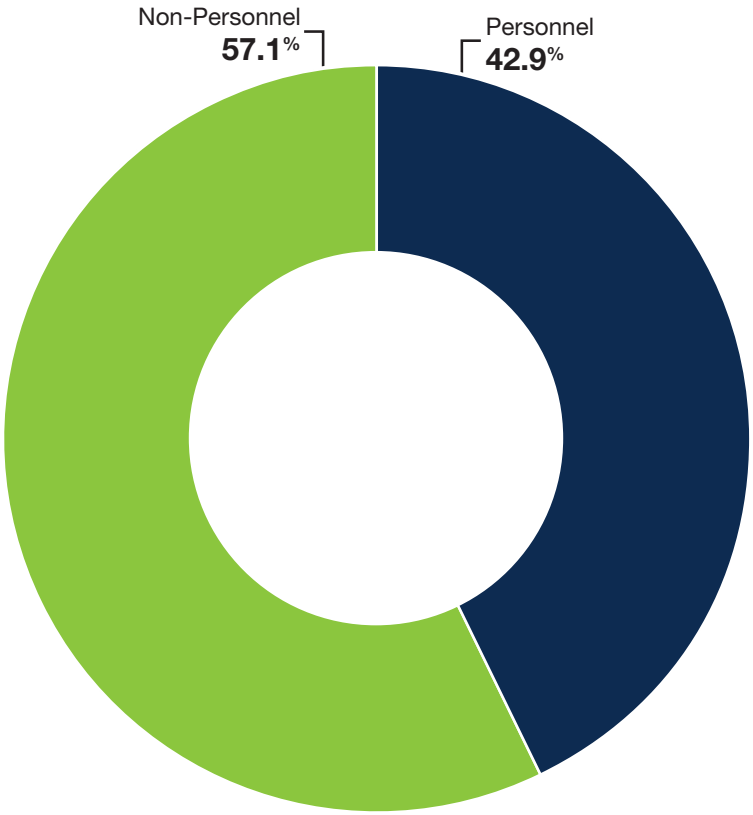
Wastewater Engineering (WWE) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
WWE (420)	**$6,141,229**	
Professional Services	$4,566,347	74.36%
Technical Equipment Parts	$579,384	9.43%
Subscriptions & Memberships	$286,460	4.66%
Telephone	$85,000	1.38%
Training	$55,750	0.91%
Office Machinery Rent	$54,120	0.88%
Taxes	$53,125	0.87%
Other	$461,043	7.51%

2027 Budget Request by Division

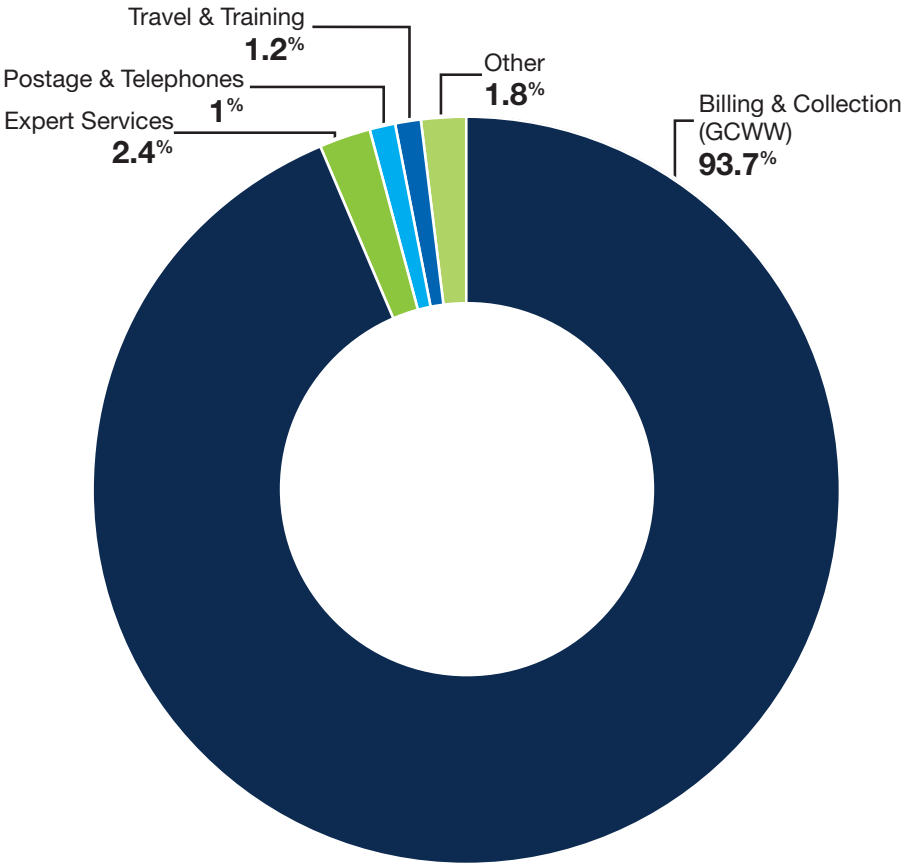
Wastewater Administration (WWA) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
WWA (430)	**$13,119,167**	**$13,673,402**	**$15,569,736**	**$2,450,570**	**18.68%**	**$1,896,334**	**13.87%**
Personnel	$5,190,823	$5,749,033	$6,686,277	$1,495,455	28.81%	$937,244	16.30%
Non-Personnel	$7,928,344	$7,924,369	$8,883,459	$955,115	12.05%	$959,090	12.10%

2027 Budget Request by Division

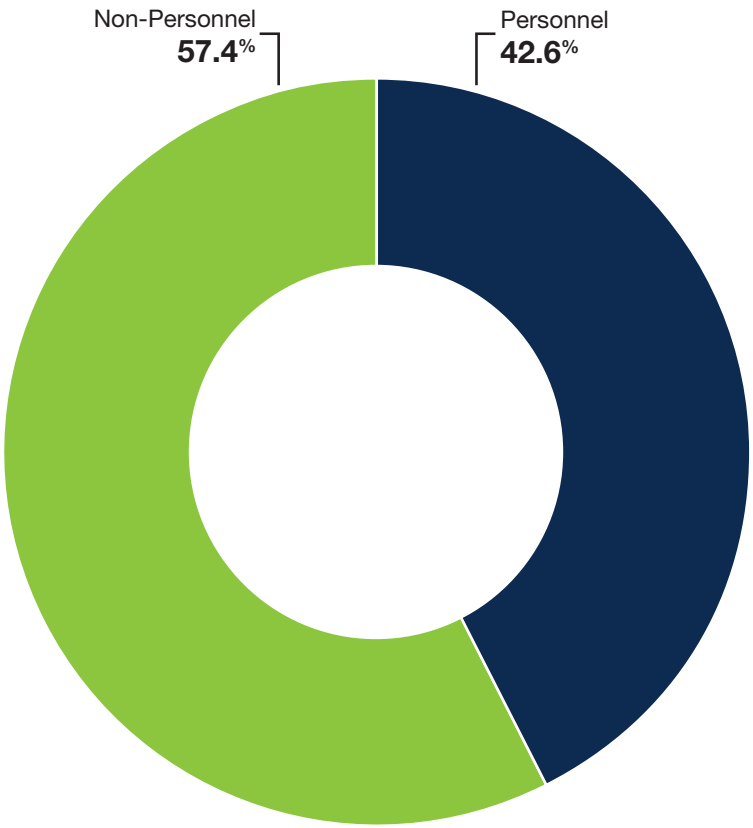
Wastewater Administration (WWA) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
WWA (430)	**$8,883,459**	
Billing & Collection by GCWW	$8,326,000	93.72%
Expert Services	$210,630	2.37%
Postage and Telephones	$85,400	0.96%
Training and Travel Expenses	$105,676	1.19%
Other	$155,753	1.75%

2027 Budget Request by Division

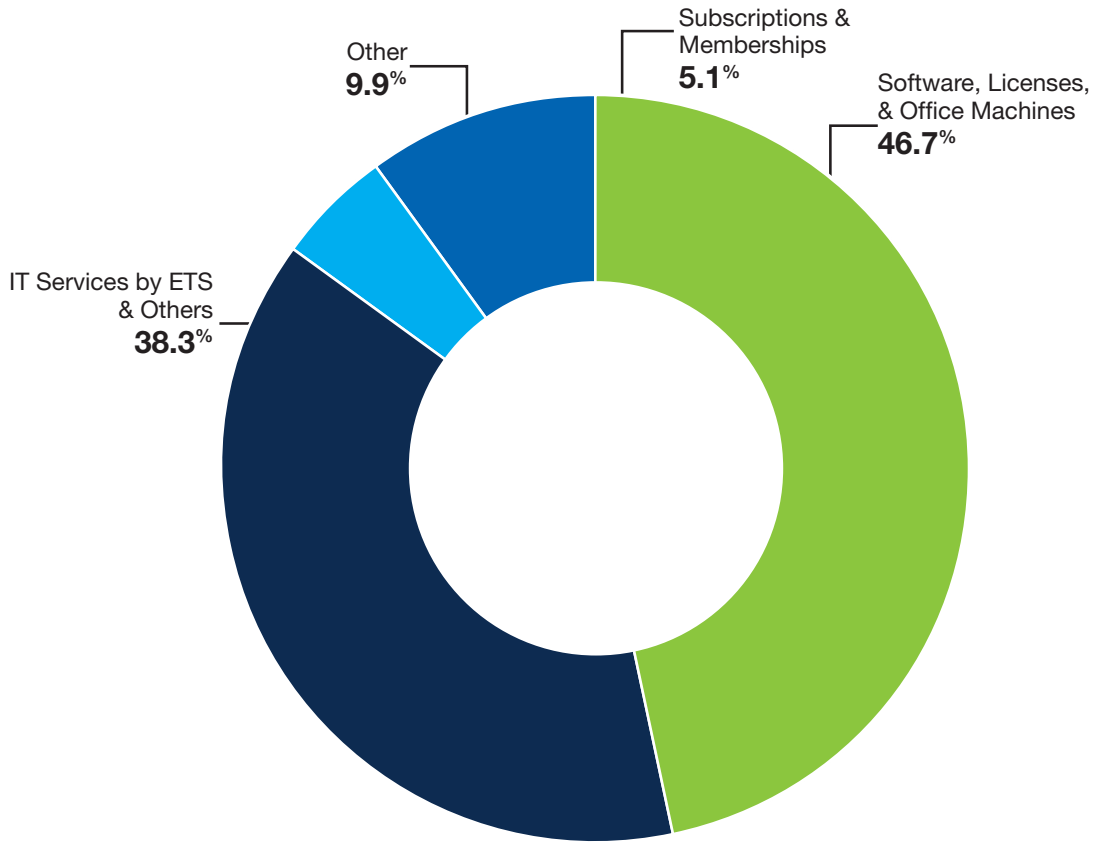
Information Technology (IT) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
IT (431)	**$8,076,446**	**$9,088,124**	**$9,240,058**	**$1,163,612**	**14.41%**	**$151,934**	**1.67%**
Personnel	$3,527,428	$3,911,312	$3,940,858	$413,429	11.72%	$29,546	0.76%
Non-Personnel	$4,549,018	$5,176,812	$5,299,200	$750,182	16.49%	$122,388	2.36%

2027 Budget Request by Division

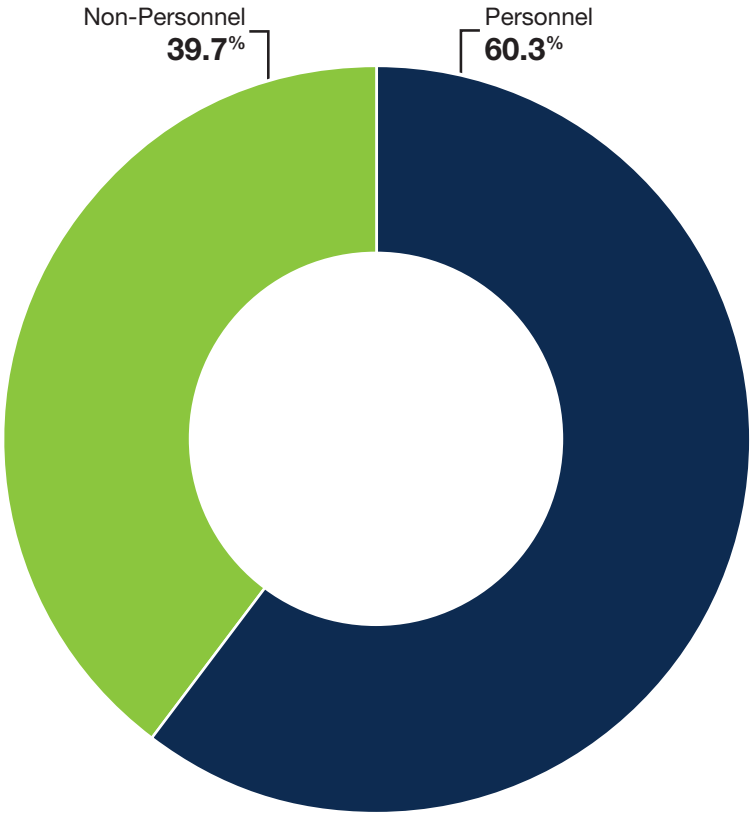
Information Technology (IT) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
IT (431)	**$5,299,200**	
Software & License Fees	$2,476,327	46.73%
IT Services by ETS & others	$2,026,966	38.25%
Subscriptions & Memberships	$269,000	5.08%
Other	$526,907	9.94%

2027 Budget Request by Division

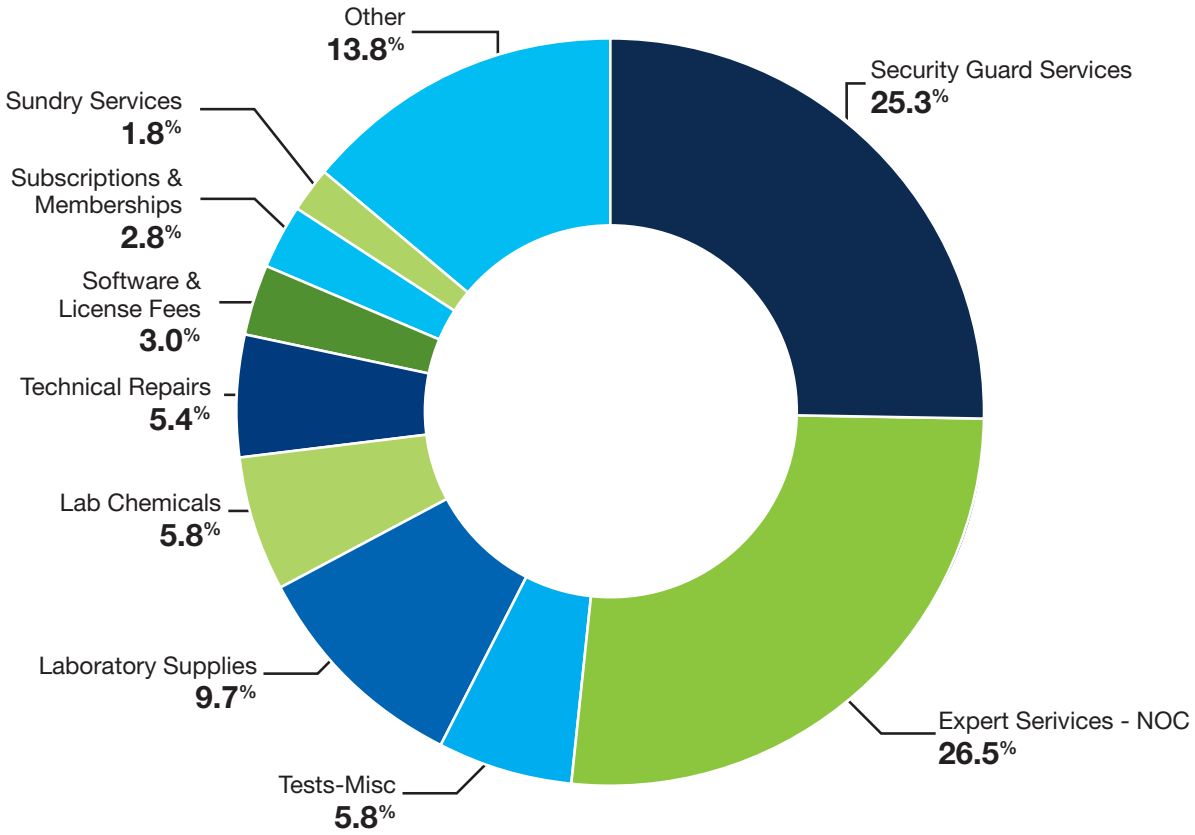
Compliance Services (CSD) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
CSD (460)	**$11,007,687**	**$12,993,831**	**$12,948,261**	**$1,940,574**	**17.63%**	**$(45,570)**	**-0.35%**
Personnel	$6,841,576	$7,892,907	$7,806,650	$965,074	14.11%	$(86,257)	-1.09%
Non-Personnel	$4,166,110	$5,100,924	$5,141,611	$975,501	23.42%	$40,687	0.80%

2027 Budget Request by Division

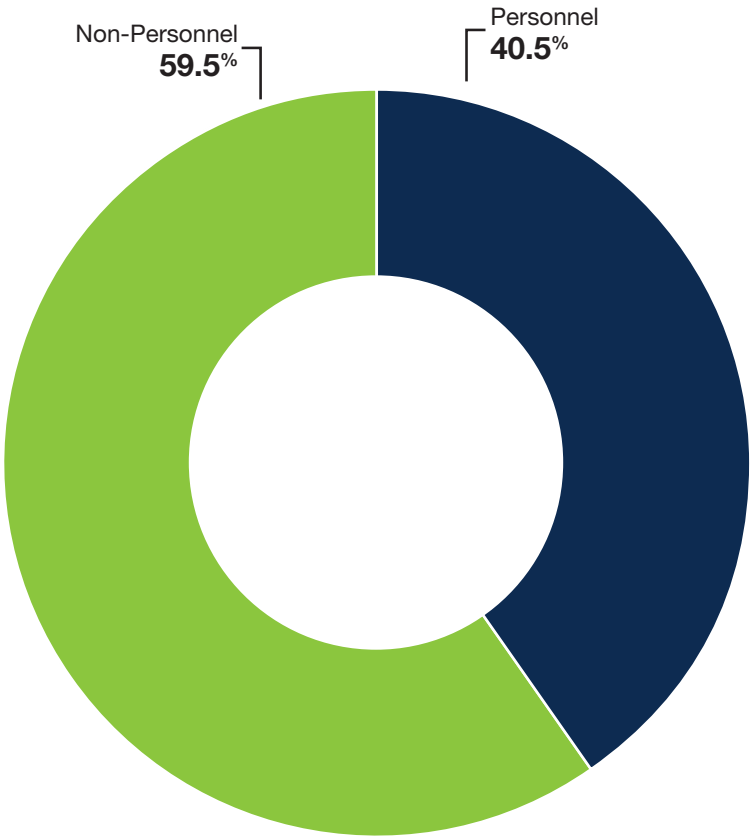
Compliance Services (CSD) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
CSD (460)	**$5,141,611**	
Security Guard Services	$1,300,000	25.28%
Expert Services-Noc	$1,362,411	26.50%
Tests - Miscellaneous	$297,000	5.78%
Laboratory Supplies	$500,500	9.73%
Laboratory Chemicals	$300,000	5.83%
Technical Repairs	$280,000	5.45%
Software & License Fees	$156,600	3.05%
Subscriptions & Memberships	$141,909	2.76%
Sundry Contractual Services	$93,500	1.82%
Other	$709,691	13.80%

2027 Budget Request by Division

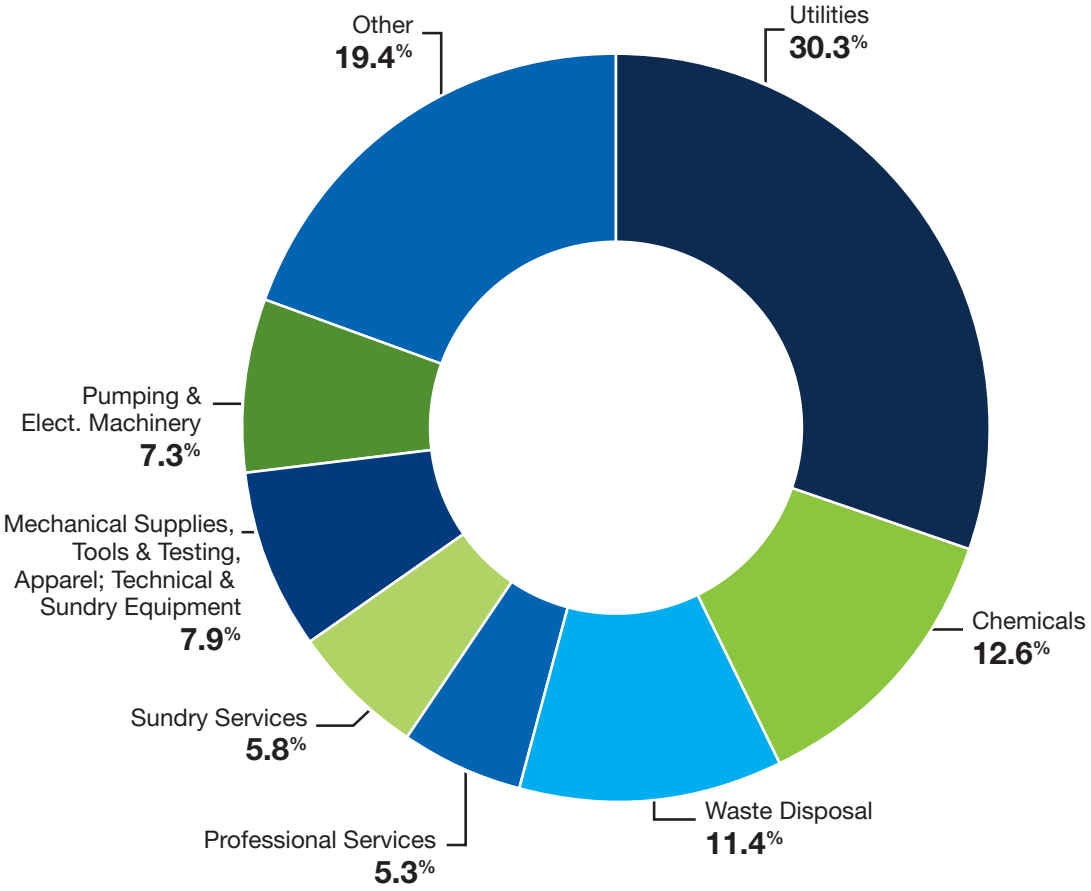
Wastewater Treatment (WWT) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
WWT (440)	**$62,963,303**	**$73,084,307**	**$75,861,216**	**$12,897,912**	**20.48%**	**$2,776,909**	**3.80%**
Personnel	$27,580,355	$30,106,047	$30,732,975	$3,152,619	11.43%	$626,928	2.08%
Non-Personnel	$35,382,948	$42,978,260	$45,128,241	$9,745,293	27.54%	$2,149,981	5.00%

2027 Budget Request by Division

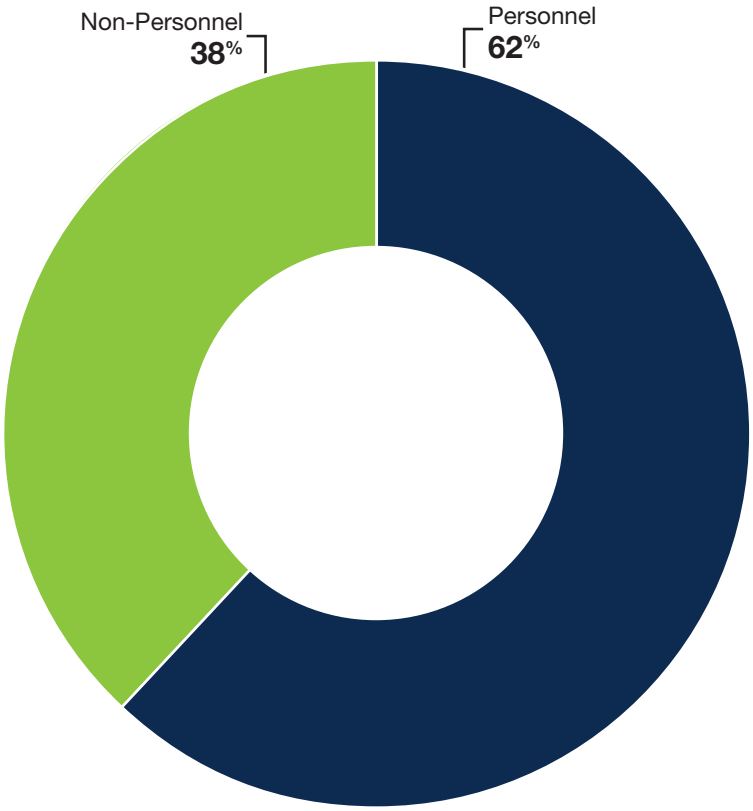
Wastewater Treatment (WWT) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
WWT (440)	**$45,128,241**	
Utilities	$13,681,473	30.3%
Chemicals	$5,681,700	12.6%
Waste Disposal	$5,145,500	11.4%
Professional Services	$2,381,705	5.3%
Sundry Services	$2,624,539	5.8%
Mechanical Supplies, Tools & Testing, Apparel; Technical and Sundry equipment	$3,579,620	7.9%
Pumping and Elect. Parts / Machinery	$3,286,843	7.3%
Other	$8,746,861	19.4%

2027 Budget Request by Division

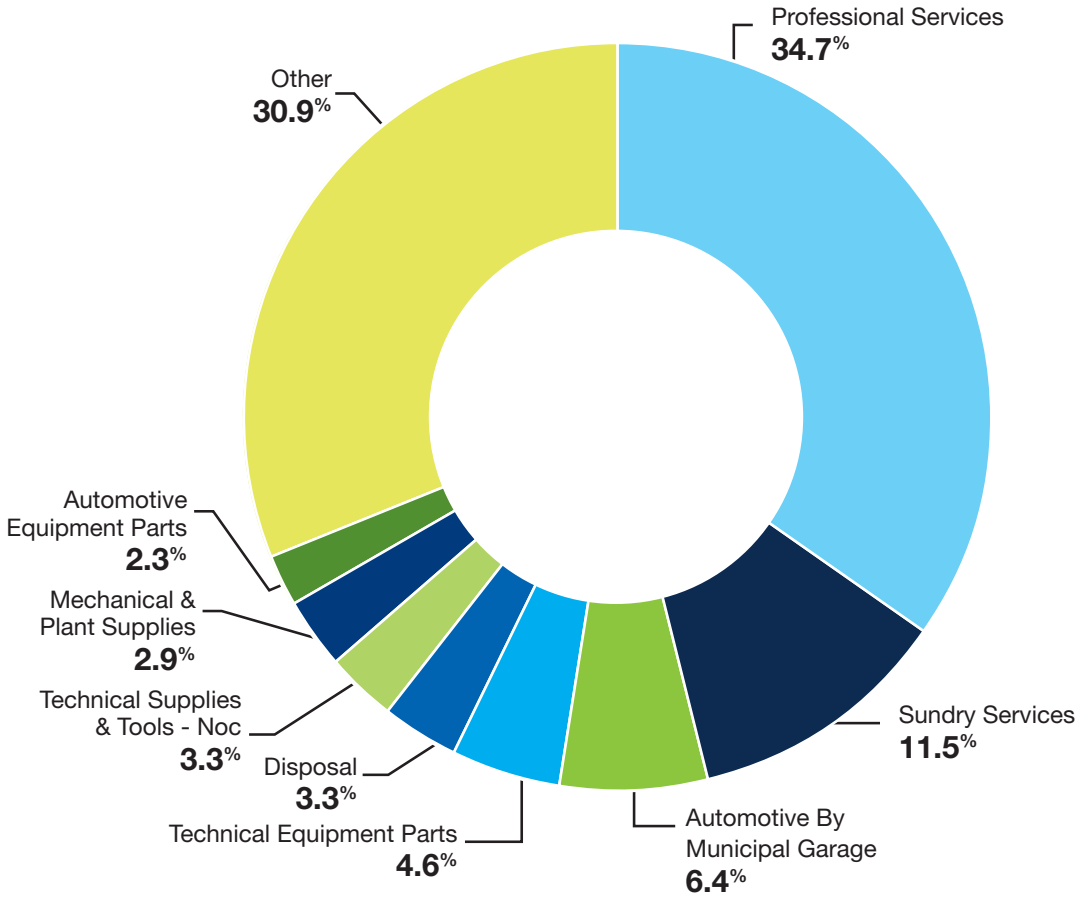
Wastewater Collection (WWC) Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
WWC (450)	**$25,072,780**	**$29,387,324**	**$29,926,362**	**$4,853,581**	**19.36%**	**$539,038**	**1.83%**
Personnel	$15,588,743	$18,142,302	$18,557,392	$2,968,649	19.04%	$415,090	2.29%
Non-Personnel	$9,484,038	$11,245,022	$11,368,970	$1,884,932	19.87%	$123,948	1.10%

2027 Budget Request by Division

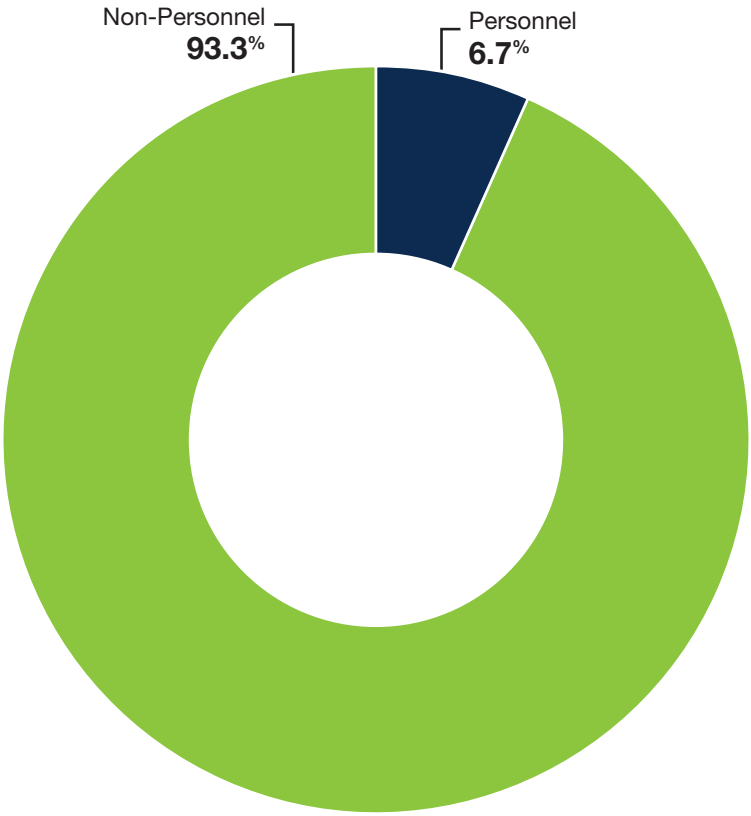
Wastewater Collection (WWC) Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
WWC (450)	**$11,368,970**	
Professional Services	$3,950,306	34.75%
Sundry Contractual Services	$1,312,912	11.55%
Automotive By Municipal Garage	$722,638	6.36%
Technical Equipment Parts	$524,324	4.61%
Disposal	$377,859	3.32%
Technical Supplies & Tools, Noc	$372,814	3.28%
Mechanical And Plant Supplies	$335,077	2.95%
Automotive Equipment Parts	$264,545	2.33%
Other	$3,508,495	30.86%

2027 Budget Request by Division

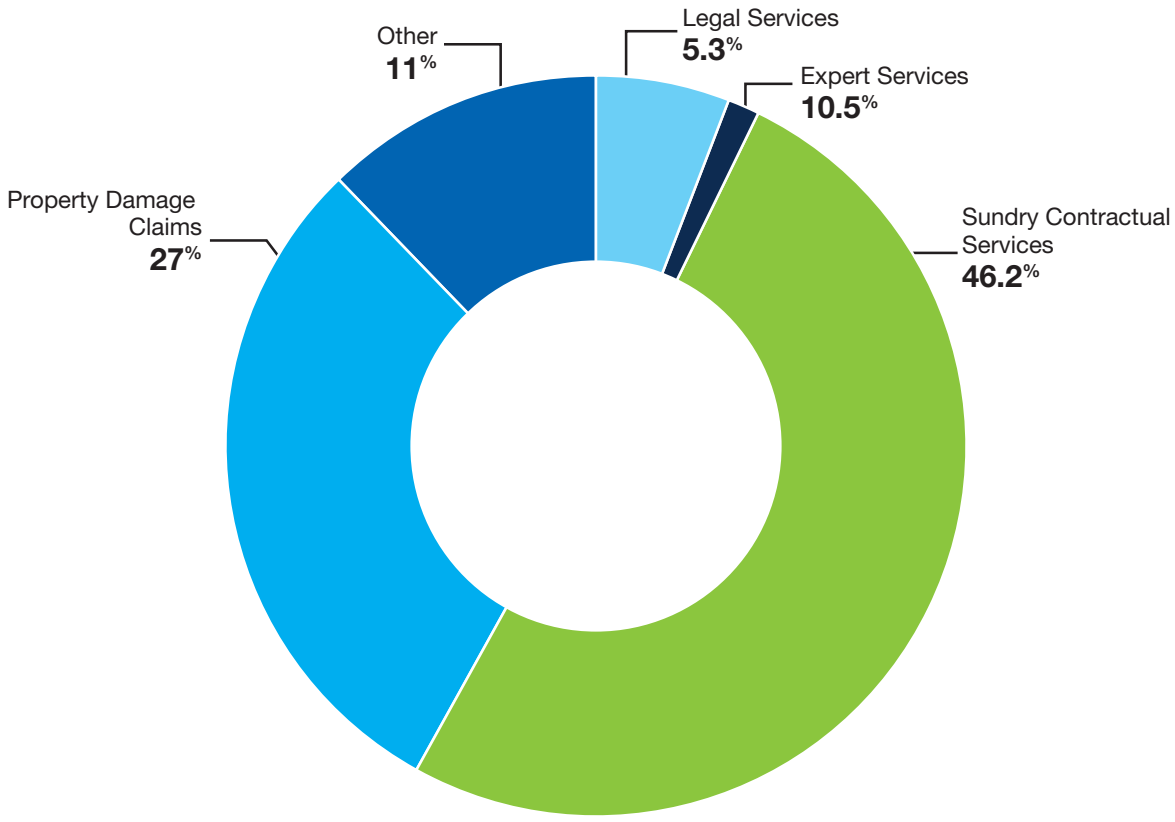
Sewer Backup (SBU) Program Budget Request



	2025 Actual	2026 Amended	2027 Recommended	Changes From 2025		Changes From 2026	
				$	%	$	%
SBU (480)	**$5,812,281**	**$13,465,478**	**$12,018,745**	**$6,206,463**	**106.78%**	**$(1,446,733)**	**-10.74%**
Personnel	$621,239	$752,215	$805,482	$184,243	29.66%	$53,267	7.08%
Non-Personnel	$5,191,042	$12,713,263	$11,213,263	$6,022,221	116.01%	$(1,500,000)	-11.80%

2027 Budget Request by Division

Sewer Backup (SBU) Program Non-Personnel Request



Non-Personnel Item	2027 Recommended	
	$	%
SBU (480)	**$11,213,263**	
Legal Services	$595,279	5.31%
Expert Services	$1,173,537	10.47%
Sundry Contractual Services	$5,183,751	46.23%
Property Damage Claims	$3,030,683	27.03%
Other	$1,230,013	10.97%


METROPOLITAN
SEWER DISTRICT
OF GREATER CINCINNATI

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 2027 Fleet Budget Request seeks to replace 17 pieces of equipment, primarily focused on trucks and utility vehicles. The equipment in question ranges from 11 to 17 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 7.63% 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
31530	Combo Truck	2013	$635,000
21760	Tanker Truck	2013	$290,000
20953	Single Axle Plow/ Spreader	2012	$180,000
40855	Transit Van Window	2014	$55,000
40859	Transit Van Window	2014	$55,000
10845	Transit Van Cargo	2011	$55,000
866	Transit Van Window	2011	$55,000
90889	Transit Van Window	2009	$55,000
867	Transit Van Window	2011	$55,000
10660	Transit Van Cargo	2011	$55,000
858	Transit Cargo	2010	$55,000
90663	SUV/Bronco	2009	$35,000
9175	SUV/Bronco	2009	$35,000
30684	SUV/Bronco	2014	$35,000
30689	SUV/Bronco	2014	$35,000
20830	F350 Ext Cab SRW Utility + Ladder Rack	2012	$70,000
90811	F250 4x4 + Lift Gate & Liner	2009	$55,000
	TOTAL		**$1,810,000**

Capital Valuation of Fleet	$23,722,149
Percent Request/Valuation	7.7%

Appendix A

Fleet Request & Justification

	Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle	Est. Cost	Work Group	Justification
1	Replacement	31530	2013		82,770	$116,069	Combo Truck	Truck is used to inspect, excavate, and flush sewer lines.	$635,000	Assessment & Cleaning	The chassis will be 14 years old at the time it is scheduled to be replaced. Greater chance of a major repair as the unit ages.
2	Replacement	21760	2013	$205,631	144,776	$161,588	Tanker Truck	Truck is used to haul sludge from plants to rumpke.	$290,000	WWT Trucking Section	At the time it is scheduled for replacement unit will be 13 years old and LTD is 78 % of original purchase price.
3	Replacement	20953	2012	$72,133	27,898	$54,061	Single Axle Plow + Spreader	Used by WWC Asset Renewal work group to haul tools and supplies to job site for sewer line repairs.	$180,000	Asset Renewal	At the time it is scheduled for replacement unit will be 15 years old and LTD is 75 % of original purchase price.
4	Replacement	40855	2014	$20,543	110,409	$16,803	Transit Van Window	Used by WWT Asset CSD work group to haul tools and supplies to job site for sewer line repairs.	$55,000	CSD (DIW)	At the time it is scheduled for replacement unit will be 13 years old and LTD is 81 % of original purchase price.
5	Replacement	40859	2014	$15,040	112,992	$15,944	Transit Van Window	Used by WWT Asset CSD work group to haul tools and supplies to job site for sewer line repairs.	$55,000	CSD (DIW)	At the time it is scheduled for replacement unit will be 13 years old and LTD is 73 % of original purchase price.
6	Replacement	10845	2011	$18,081	85,325	$14,771	Transit Van Cargo	Used by WWT Equipment Maintenance work group to haul tools and supplies to job site for repairs.	$55,000	Equipment/Maintenance	At the time it is scheduled for replacement unit will be 18 years old and LTD is 81 % of original purchase price.
7	Replacement	866	2011	$18,788	54,445	$12,467	Transit Van Window	Used by WWT Equipment Maintenance work group to haul tools and supplies to job site for repairs.	$55,000	Equipment/Maintenance	At the time it is scheduled for replacement unit will be 17 years old and LTD is 66 % of original purchase price.
8	Replacement	90889	2009	$17,133	45,991	$10,138	Transit Van Window	Used by WWT Equipment Maintenance work group to haul tools and supplies to job site for repairs.	$55,000	Equipment /Maintenance	At the time it is scheduled for replacement unit will be 18 years old and LTD is 59 % of original purchase price.
9	Replacement	867	2011	$17,777	43,554	$12,498	Transit Van Window	Used by Asset Renewal work group to haul tools and supplies to job site for repairs.	$55,000	Asset Renewal	At the time it is scheduled for replacement unit will be 17 years old and LTD is 70 % of original purchase price.
10	Replacement	10660	2011	$18,989	75,843	$16,098	Transit Van Cargo	Used to take equipment to job sites for repair.	$55,000	Assessment & Cleaning	At the time it is scheduled for replacement unit will be 16 years old and LTD is 89 % of original purchase price.
11		858	2010	$17,302	76,442	$19,297	Transit Cargo	Truck is used by painters to haul paint and supplies to all treatment facilities.	$55,000	Equipment/Maintenance	At the time it is scheduled to be replaced unit will be 17 years old and has a LTD cost @111 % of the original purchase.
12	Replacement	90663	2009	$20,172	42,065	$18,625	Suv/Bronco	Car used by CSD supervisor to check crews and work sites.	$35,000	CSD (DIW)	At the time it is scheduled for replacement unit will be 18 years old and LTD is 92 % of original purchase price.
13	Replacement	9175	2009	$16,211	68,300	$12,559	Suv/Bronco	Car used by maintenance crews to check work sites.	$35,000	Taylor Creek T.P.	At the time it is scheduled for replacement unit will be 18 years old and LTD is 76 % of original purchase price.
14	Replacement	30684	2014	$21,797	121,267	$15,589	Suv/Bronco	Truck used by maintenance crews work sites.	$35,000	Taylor Creek T.P.	At the time it is scheduled for replacement unit will be 13 years old and LTD is 71 % of original purchase price.
15	Replacement	30689	2014	$21,770	111,322	$21,933	Suv/Bronco	Used by supervisors to spot check crews in the field.	$35,000	MCTP	At the time it is scheduled for replacement unit will be 13 years old and LTD is 71 % of original purchase price.
16	Meade	20830	2012	$35,876	124,650	$26,032	F350 Srw Utility + Ladder Rack	Used to haul supplies and personnel to pump stations.	$70,000	Equipment/Maintenance	At the time it is scheduled for replacement unit will be 15 years old and LTD is 72 % of original purchase price.
17	Replacement	90811	2009	$24,961	56,327	$25,295	F250 4x4 + Tool Box + Liner	Used by supervisors to spot check crews in the field.	$55,000	SBU	At the time it is scheduled for replacement unit will be 18 years old and LTD is 100% of original purchase price.

TOTAL	$1,810,000

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

Appendix B

Capital Equipment (OTEA) Request

DEPT.		DESCRIPTION	COST
WWE			
420	DJI Mavic Drones (2)	For Tap Inspections	$10,000
420	Leica GPS Antenna	For Construction and CAGIS surveys	$10,000
420	Vega Level Sensor Upgrade	Systematic conversion of contactless level sensors from APG Ultrasonic to Vega Radar sensors for improved accuracy, range, and power usage	$403,767
	WWE TOTAL:		**$423,767**
WWA			
430	Office furniture upgrades	This project would allow for upgrading the furniture in two senior management offices (Room 116 and Room 235).	$40,000
430	LED lighting upgrade	Upgrade lighting on one floor of the Admin. Building. Numerous bulbs are out and it is more cost efficient to replace with LED bulbs.	$30,000
	WWA TOTAL		**$70,000**
IT			
431	Datacenter Improvements	2 Exagrids for storage to support encryption	$150,000
431	Datacenter Improvements	Watershed SAN replacement	$300,000
431	Datacenter Improvements	Database Servers Lifecyce Replacement	$75,000
431	Workstation/Laptop Lifecycle Replacement	Lifecycle Replacement Plans set a goal of replacing 1/15th of our entire asset inventory each year. Failure to take a holistic view of PC lifecycle services can lead to inefficiencies, duplication, omissions and, ultimately, unnecessary cost - essentially raising the total cost of ownership (TCO).	$100,000
431	Specialty/Security Items	Wi-Fi Access Points	$50,000
431	Specialty/Security Items	Tapes	$40,000
431	Specialty/Security Items	WSD 2130 firewall replacement- Cisco 3105	$45,000
431	Datacenter Improvements	LCR for switches	$30,000
431	Monitor Lifecycle Replacement	LCR for monitors	$30,000
431	Specialty/Security Items	Lab instrument PCSD	$30,000
431	Specialty/Security Items	Smart TV for conference rooms (2-100 inch to replace existing)	$8,000
431	Specialty/Security Items	iPads for CSD	$20,000
	IT TOTAL:		**$878,000**

Appendix B

Capital Equipment (OTEA) Request

DEPT.		DESCRIPTION	COST
WWC			
450	WWC Parking Lots - Seal Coating and Crack Repairs	This project will extend the life of the parking lot by sealing cracks and protecting the asphalt from salt used during inclement weather.	$40,000
450	WWC Garage - Wash Rack Floor Coating	This project will protect the floor and provide an anti-slip coating that will create a safer environment to wash vehicles while protecting against slips.	$25,000
450	WWC Garage - Tire Balancer	This piece of equipment is necessary when installing tires. Keeping them balanced properly increases tire life, reduces overall operating costs (Reduced chassis damage) and improves fuel economy.	$25,000
450	WWC Garage - Drive on Lift	This project will complete the major garage equipment overhaul we started in 2025. The current Mowhawk lift is decades old with failing lock/release mechanisms. Due to its age the parts are not available. Its replacement will keep mechanic's safe and create a more efficient workplace.	$50,000
450	3rd Ramp Garage Door		$90,000
450	Assembly Room Divider	This divider is necessary to create a quiet training environment while being able to open for larger gatherings. The current unit is failing and worn.	$20,000
450	Maintenance Shop Painting	This project will be needed to get the old siding to match the new building. The siding is from 1989 and in need of painting to extend its lifespan.	$15,000
450	Handicap Accessible Elevator	This elevator will benefit the division in multiple ways. It will also create a way for disabled visitor access to the garage area that currently does not exist.	$200,000
450	Envirosight/Ibak Inspection Equipment	Upgrade and replacement of TV inspection equipment	$150,000
450	Plumbing Tap Camera Equipment	Ridgid Tap camera equipment replacement	$25,000
450	Nozzles and Sewer Cleaning Equipment	Sewer cleaning nozzles upgrade and replacement	$50,000
	WWC TOTAL		**$690,000**
CSD			
460	3 Ducted FumeHoods	To replace 3 out of the 5 laboratory fume hoods that are currently out of service and require replacement, along with the associated exhaust motor and supporting electrical infrastructure.	$300,000
	CSD TOTAL		**$300,000**
	TOTAL		**$2,361,767**


METROPOLITAN
SEWER DISTRICT
OF GREATER CINCINNATI

Appendix C
Debt Service

Debt Payment	Principal	Interest	Total
Revenue Bond	$35,685,000	$15,004,514	$50,689,514
OWDA	$27,169,985	$6,792,359	$33,962,344
OPWC	-	$11,000	$11,000
Capital Lease (Eng. Bldg)	$965,000	$99,000	$1,064,000
Credit Facility Costs			$313,000
Total	**$63,819,985**	**$21,906,873**	**$86,039,858**

Revenue Bond	Principal	Interest	Total
2019 Bonds	$7,380,000	$3,500,250	$10,880,250
2020A Bonds	$3,400,000	$1,853,250	$5,253,250
2022A Bonds	$14,985,000	$2,607,014	$17,592,014
2024A Bonds	$1,770,000	$4,835,500	$6,605,500
2024B Bonds	$8,150,000	$2,208,500	$10,358,500
TOTAL	**$35,685,000**	**$15,004,514**	**$50,689,514**