

November 18, 2022

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 are resolutions by the City of Cincinnati, through its Department of Sewers (the "City"), as the sole management agency for the operation and maintenance of the sewer system on behalf of the Metropolitan Sewer District of Greater Cincinnati ("MSD"), (1) to authorize the adoption of the recommended 2023 MSD Operating Budget, and (2) to authorize the adoption of the recommended 2023-2027 MSD Capital Improvement Program (CIP).

2023 OPERATING BUDGET REQUEST

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 \$139,925,589. Sewer Backup (SBU) Program Non-Personnel totals \$11,560,265, and debt service obligations total \$79,000,000. The total recommended 2023 MSD Operating Budget is \$230,485,854. This amount is \$526,070 less than the approved 2022 Operating Budget.

This \$230.5M proposed 2023 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.

The District's operation costs continue to be heavily impacted by inflation, which was at a reported 8.3% annual rate as of September 2022. This affects nearly all areas of MSD's operations, but most notably has resulted in increases in chemical and disposal costs as well as utilities costs. Despite these challenges, MSD has developed the 2023 MSD Operating Budget using strategic budget reductions where feasible and allocating increased funding where necessary to maintain continuity of operations throughout the District, resulting in an overall reduced recommended 2023 MSD Operating Budget. Further detail regarding the basis of the recommended operating budget is provided below.

Personnel Request

The 2023 Personnel budget request of \$65.50M is a \$2.2M (3.45%) increase over the approved 2022 Personnel budget. Some important drivers for this increase include: (1) cost of living adjustments of 4% for certain represented MSD employees and 3% for non-represented employees; (2) employer pension contributions at a rate of 16.25% for Cincinnati Retirement System (CRS) members and 14% for OPERS members; and (3) a 2.2% increase in health care expenses. Additionally, this recommended 2023 MSD Operating Budget permits MSD to fund up to six additional AFSCME labor positions within the Wastewater Treatment division to ensure operational integrity.

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

The 2023 Divisional Non-Personnel request of \$68.76M is a \$3M (4.63%) increase over the approved 2022 Non-Personnel budget. As stated, significant drivers for this increase include: (1) inflationary pressures, for which MSD applied a 3% CPI increase to most non-personnel items to provide sufficient funding to maintain continuity of operations throughout the District; (2) increased utilities costs, which have increased as much as 50% for natural gas and electric utilities costs during some billing cycles; and (3) significant increases in costs related to core chemicals for treatment and disposal.

Other Non-Personnel requests include \$5.67M for General Fund Overhead (GFOH), Fleet, and Office Technology Equipment Allowance (OTEA), a \$100K (-1.73%) decrease from the approved 2022 Operating Budget. Further explanation regarding these requested amounts is provided in the 2023 MSD Operating Budget book.

SBU (Non-Personnel)

The request for Non-Personnel expenses related to the Sewer Backup (SBU) Program is \$11.6M or a \$347K (3.09%) increase over the approved 2022 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 and installing 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 significantly reduced by this action, and MSD adjusted this budget request accordingly to \$79M, a \$6M (-7.06%) decrease from the approved 2022 Operating Budget for debt service.

2023-2027 CAPITAL IMPROVEMENT PROGRAM (CIP) REQUEST

Summary

The enclosed legislation and book for MSD's recommended five-year Capital Improvement Program (CIP) requests approval of \$140.5M in capital spending for 2023, with \$88.3M being appropriated with this legislation and the remainder being requested throughout the calendar year. These capital funds will allow MSD to proceed with the necessary engineering planning and design of various projects to support the overall delivery of the CIP. Additionally, these requested funds will facilitate the construction of projects that are essential to the continuous operation of MSD, mitigating the highest business-risk by addressing urgent and critical wastewater system asset needs. This requested \$88.3M

appropriation is for projects contained in **EXHIBIT A** (planning/design/easements) and **EXHIBIT B** (construction allowances). The balance of the capital spending in 2023 will be for construction projects totaling \$52.2M. MSD will request these projects' funds when engineering is complete, and they are ready to be constructed in the coming calendar year based on their baseline schedules.

The 2023 capital budget request is a 3.2% increase over the 2022 CIP Budget. A comparison of the 2023 budget request to the capital budget approved for the previous three years is as follows:

2023 CIP	2022 CIP	2021 CIP	2020 CIP
\$140.5M	\$136.1 M	\$123.4 M	\$128.6 M

The recommended 2023-2027 MSD CIP encompasses a five-year planning period for a total of \$1,406.7M in spending, broken down as follows:

Year	CIP Budget	No. CIP Projects
2023	\$140.5M	44
2024	\$296.5M	58
2025	\$364.9M	41
2026	\$244.8M	31
2027	\$360.0M	37
Total	\$1,406.7M	211



2023 CIP
<ul style="list-style-type: none"> • 31 P/D/E Projects - \$49.7M (Exhibit A) • 5 Construction Allowances - \$38.6M (Exhibit B) • Construction Projects - \$52.2M

Strategy

MSD’s wastewater collection and treatment infrastructures are aging – some parts of the sewer system are over 200 years old and its largest WWTPs were constructed in the 1950s with much of the equipment in operation well-beyond its useful life. MSD has sought to balance the competing needs of investment necessary to maintain infrastructure and facilities, regulatory mandates, and assets to support growth and new infrastructure. The 2023-2027 CIP projects are all necessary investments in MSD’s wastewater collection and treatment systems to meet regulatory compliance and permit obligations, and customer levels of service. Wet weather projects required by the federal Consent Decree are subject to ongoing discussions with the regulatory agencies and the completion of Hamilton County’s affordability study. As such, projects in the CIP are not identified by the category of “Wet Weather Improvement Plan (WWIP)” or “Asset Management (AM)”.

The overall magnitude of the five-year CIP is impacted by the inclusion of the proposed Phase 2A WWIP foundational projects related to the High-Rate Treatment and Pump Station facilities (HRT/PS) at the three large WWTPs, and the requisite related projects. It is important to note that the HRT project schedules used to develop the CIP are based on the best available information and are subject to change based on ongoing technical and regulatory discussions related to Phase 2A of the WWIP. These schedules extend over a minimum 10-year period and the initial five years are presented in this CIP, all of which are subject to a determination of affordability. The overall projects and associated costs and schedules will be refined once the overall financial parameters for Phase 2A have been determined.

There are also two significant strategic risks that require constant adjustment:

- 1) Market uncertainty associated with supply chain disruptions and inflationary cost pressures, which will continue to be a challenge to timely project delivery in 2023, and
- 2) Ongoing uncertainty with respect to the scope and schedule of Phase 2A WWIP, which is directly tied to MSD's ability to retain adequate staffing for delivery of the Phase 2A WWIP.


LEGISLATIVE ACTIONS REQUESTED

To summarize, MSD and the City request that the County Commissioners take the following actions regarding the recommended 2023 MSD Operating Budget and the recommended 2023-2027 MSD CIP:

1. Consider and approve the recommended \$230,485,854 2023 MSD Operating Budget.
2. Consider and approve the recommended 2023-2027 MSD CIP, which includes:
 - a. Ordering the commencement of planning, design, and easement acquisition activities for 31 projects contained in the 2023 MSD CIP's Exhibit A, which also include but are not limited to MSD 2023 Programmatic Contingency (\$5M), MSD Labor (\$6M), Program Management (\$7.1M), and County Oversight (\$4.7M); and
 - b. Take all legislative actions necessary to progress with construction activity on the five projects contained in the 2023 MSD CIP's Exhibit B.
 - c. Appropriate a total of \$88,336,641 (\$49.7M for Exhibit A activities; \$38.6M for Exhibit B activities) to be used for implementation of the CIP.

RECOMMENDED:

Approved:



Diana R. Christy
Director, MSD



Sheryl M. M. Long
City Manager

Provided to Hamilton County on 11/21/2022

Reviewed by _____, and recommended by County Administration.

On motion of _____, seconded by _____, the following resolutions were adopted...

MSD RESOLUTION

APPROVING AND ADOPTING A 2023 OPERATING BUDGET FOR
THE METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

HAMILTON COUNTY, OHIO

WHEREAS, the Director of the Metropolitan Sewer District of Greater Cincinnati (“MSD”) and the City of Cincinnati Department of Sewers did, on November 21, 2022, submit to the Board of County Commissioners of Hamilton County, Ohio (the “Board”) an operating budget for calendar year 2023 for MSD, attached hereto as **EXHIBIT A**, and made a part hereof; and

WHEREAS, this Board, after legal advertisement, conducted public hearings on December 1, 2022 and December 8, 2022; and

WHEREAS, this Board did, on December _____, 2022, conclude said public hearings on said 2023 MSD operating budget; and

WHEREAS, this 2023 MSD operating budget request (1) continues to be 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 Fleet, General Fund Overhead (GFOH), Office, Technology and Equipment Allowance (OTEAL); and (3) includes funding for non-personnel expenses for SBU and Debt Payment; and

WHEREAS, the Director-recommended 2023 MSD operating budget is well developed, providing for necessary and essential operational needs to protect public health and the environment as required under the 1968 Management Agreement for MSD; continues to reflect best practice fiscal management and responsibility; is in alignment with industry standards, performance measures, and compliance requirements; and supports the delivery of MSD organizational priorities that include customer service, innovation, compliance, public communication and outreach, and collaboration; and

WHEREAS, estimated operating revenues for the calendar year beginning January 1, 2023 through December 31, 2023 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, 2023 through December 31, 2023, be and hereby is adopted and appropriated as follows:

EXHIBIT A

PERSONNEL	\$65,503,380.00
Office of the Director	\$2,203,370.00
Wastewater Engineering	\$6,558,110.00
Wastewater Administration	\$4,988,181.00
Information Technology	\$3,804,648.00
Wastewater Treatment	\$25,628,160.00
Wastewater Collection	\$14,064,575.00
Compliance Services	\$7,397,773.00
Sewer Backup Program*	\$858,563.00
NON-PERSONNEL	\$68,756,209.00
Office of the Director	\$824,605.00
Wastewater Engineering	\$802,414.00
Wastewater Administration	\$7,306,388.00
Information Technology	\$4,750,231.00
Wastewater Treatment	\$37,140,784.00
Wastewater Collection	\$10,392,540.00
Compliance Services	\$7,539,247.00
OTHER NON-PERSONNEL	\$5,666,000.00
GFOH	\$2,600,000.00
FLEET	\$1,816,000.00
OTEA	\$1,250,000.00
SUB TOTAL	\$139,925,589.00
(w/o SBU Non-Personnel & Debt Payment)	
SBU Non-Personnel	\$11,560,265.00
Debt Payment	\$79,000,000.00
GRAND TOTAL	\$230,485,854.00

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

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 _____ day of _____, 2022

Ms. Summerow-Dumas _____

Ms. Reece _____

Ms. Driehaus _____

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 _____ day of _____, 2022.

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 _____ day of _____, 2022.

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

2023

METROPOLITAN SEWER DISTRICT OF GREATER CINCINNATI

RECOMMENDED OPERATING BUDGET REQUEST

11/18/22



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
- Jenny Richmond, Deputy Director
- Ryan Welsh, Deputy Director and Chief Engineer

Managing & Contributing Staff

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



MISSION STATEMENT

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





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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 yearend. 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).



2023 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 2023 Recommended Operating Budget totals \$230.48 million, which represents a \$0.53 million decrease (-0.23%) from the 2022 Approved Operating Budget. This request includes:

- \$65.50 million for personnel
- \$68.76 million for non-personnel
- \$5.67 million for General Fund Overhead (GHOH), Fleet, and Office Technology Equipment Allowance (OTEA)
- \$11.56 million for the SBU program
- \$79.00 million for debt service

Budget Assumptions

The following summary includes the major assumptions used developing the 2023 Operating Budget Request:

- AFSCME (American Federation of State, County and Municipal Employees) represented employees are budgeted for a 4.0% cost-of-living adjustment (COLA) during 2023 per the executed labor agreement.
- The CODE (Cincinnati Organized and Dedicated Employees) represented employees are budgeted for a 4.0% cost-of-living adjustment (COLA) during 2023 per the executed labor agreement.
- There is a 3.0% cost-of-living adjustment (COLA) budgeted for non-represented employees in 2023.
- 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 2023.
- The 2023 Operating Budget Request includes a 16.25% employer pension contribution rate for members of the Cincinnati Retirement System (CRS). This amount is consistent with the Collaborative Settlement Agreement (CSA) entered into by the City of Cincinnati on April 30, 2015. The budget also provides for employer contributions to the Ohio Public Employees Retirement System (OPERS) at 14.0%.

- Calendar Year 2023 health care expenses are budgeted to increase by 2.2%
- The 2023 Operating Budget Request includes a 3.0% Consumer Price Index (CPI) inflationary increase across non-personnel expenses due to the exceptional inflationary environment.

Changes By MSD Division

Office of the Director (OOD):

- In an effort to realign staff into the most effective reporting structures, the Right of Way (ROW) team has been moved from OOD into Wastewater Engineering in 2023. This change will result in a net reduction of staff and personnel expenses within OOD.
- As part of 2023 budget development, each MSD division was tasked with reviewing non-personnel spending and appropriations to find efficiencies where possible. As part of this review, OOD has reduced its appropriation request for fees and membership costs to outside agencies.

Wastewater Engineering (WWE):

- Since the change to capital labor reimbursement in 2020, WWE has become more efficient in capturing that reimbursement in full. As a result, the overall personnel cost projection for WWE has been reduced to reflect this efficiency. This savings was offset by the transfer of the ROW team from OOD.

Wastewater Administration (WWA):

- The increase in personnel costs is due to the payment of additional retirements being appropriated into WWA, but is offset by the re-balancing of personnel appropriation to match the current, funded Table of Organization.

Information Technology (IT):

- When IT was separated into an independent division, the personnel appropriation did not fully factor in the funded positions on the Table of Organization (TO). The increase to personnel would allow all of IT's positions to be filled.

2023 Operating Budget Request

Wastewater Treatment (WWT):

- Since 2021, key WWT non-personnel expenses have increased in the areas of waste disposal, treatment chemicals, electrical power, natural gas, and spare parts and materials. In 2023, it is estimated that WWT expense in natural gas, disposal, and treatment chemicals will increase by \$2.33 million as new contracts are negotiated with available suppliers.
- A review of staffing and operations within WWT has determined that 6.0 FTE of previously unfunded positions should become funded in order to maintain operational integrity. The personnel budget recommendation has been amended from the CY 2023 Budget Request Summary to reflect the funding of these positions.

Wastewater Collection (WWC):

- Union negotiated cost of living increases (COLAs) combined with a lower level of position vacancy compared to other agencies led to a significant increase in estimated personnel costs to maintain the current funded positions.

Compliance Services (CS):

- Compliance Services continues to rebalance its internal teams based on needs and is not expected to see a significant increase in costs. Personnel increases from COLAs have been offset by anticipated position vacancies through 2023.

2022 Amended Budget

On September 29th, 2022 a CY 2022 Budget Amendment was approved by the Hamilton County Board of County Commissioners. This amendment was an internal transfer that made the following adjustments:

- A personnel budget decrease in Wastewater Engineering of \$1,160,882
- A non-personnel budget decrease in the Office of the Director of \$200,000
- A personnel budget increase in Information Technology of \$600,000
- A personnel budget increase in the Office of the Director of \$200,000
- A personnel budget increase in Wastewater Administration of \$560,882

The columns marked as '2022 Amended' reflect these changes to the original approved budget.



2023 Operating Budget Request

Overall Request by Category

DEPT.	2023 Request
Personnel	\$65,503,380
Office of the Director (OOD)	\$2,203,370
Wastewater Engineering (WWE)	\$6,558,110
Wastewater Administration (WWA)	\$4,988,181
IT Division (IT)	\$3,804,648
Wastewater Treatment (WWT)	\$25,628,160
Wastewater Collection (WWC)	\$14,064,575
Compliance Services (CS)	\$7,397,773
Sewer Backup Program (SBU)	\$858,563

Non-Personnel (without SBU)	\$68,756,209
Office of the Director	\$824,605
Wastewater Engineering	\$802,414
Wastewater Administration	\$7,306,388
IT Division	\$4,750,231
Wastewater Treatment	\$37,140,784
Wastewater Collection	\$10,392,540
Compliance Services	\$7,539,247

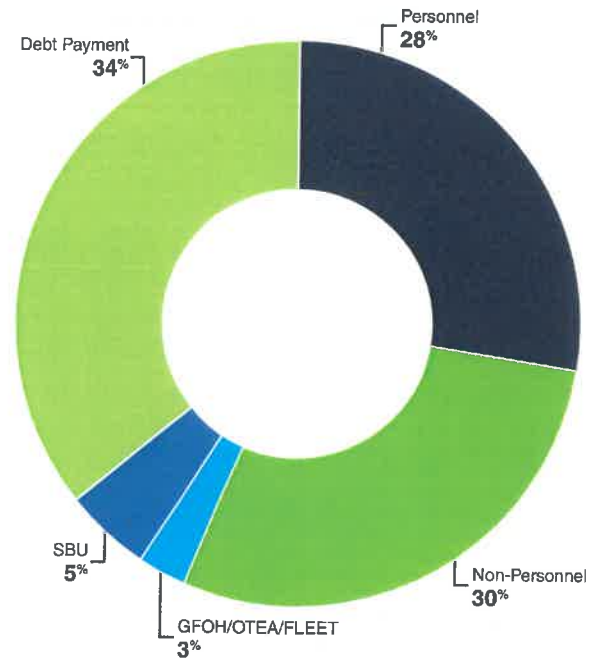
Other Non-Personnel	\$5,666,000
GFOH	\$2,600,000
FLEET	\$1,816,000
OTEA	\$1,250,000

Subtotal (w/o SBU & Debt Payment)	\$139,925,589
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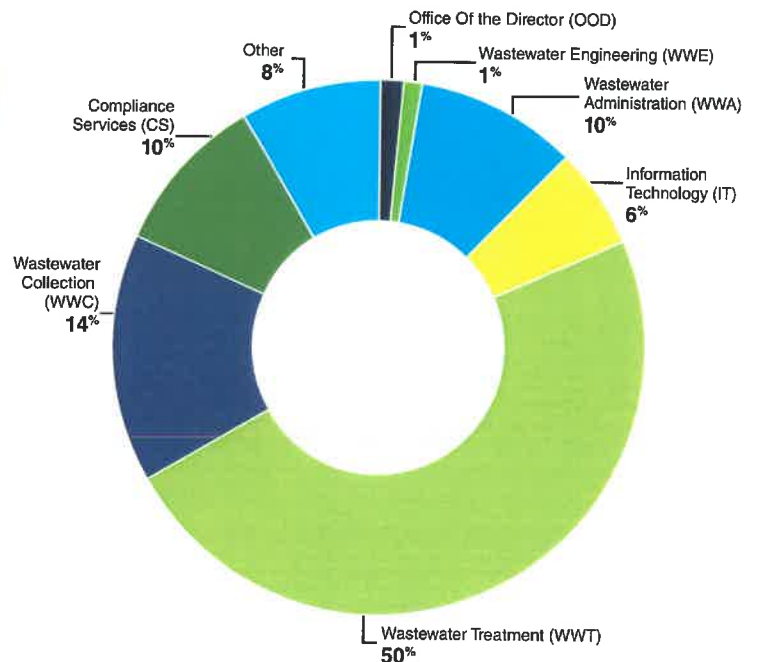
SBU	\$11,560,265
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Debt Payment	\$79,000,000
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Grand Total	\$230,485,854
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Non-Personnel Request by Division



2023 Operating Budget Request

2023 Overall Request vs. Prior Years

DIVISION	2021 ACTUAL
PERSONNEL	\$56,223,758
410 OOD	\$2,271,649
420 WWE	\$5,916,783
430 WWA	\$4,360,778
431 IT	\$2,557,546
440 WWT	\$20,862,015
450 WWC	\$11,450,140
460 RCS	\$5,025,130
470 WO	\$3,134,761
480 SBU	\$644,956
NON-PERSONNEL (without SBU)	54,467,715
410 OOD	\$618,091
420 WWE	\$539,640
430 WWA	\$6,778,860
431 IT	\$3,984,842
440 WWT	\$26,416,204
450 WWC	\$8,187,952
460 RCS	\$2,218,739
470 WO	\$5,723,387
OTHER NON-PERSONNEL	\$5,443,042
944 GFOH	\$2,514,927
981 FLEET	\$1,427,835
982 OTEA	\$1,500,280
GRAND TOTAL (W/O SBU & DEBT PAYMENTS)	\$116,134,515
480 SBU	\$8,075,135
490 Debt Payment	\$81,043,369
GRAND TOTAL	\$205,253,019

2023 Operating Budget Request

2022 AMENDED	2023 REQUESTED	CHANGES FROM PRIOR	
\$63,315,970	\$65,503,380	\$2,187,410	3.45%
\$2,750,826	\$2,203,370	\$(547,456)	-19.90%
\$5,900,147	\$6,558,110	\$657,963	11.15%
\$5,400,907	\$4,988,181	\$(412,726)	-7.64%
\$3,058,195	\$3,804,648	\$746,453	24.41%
\$24,783,435	\$25,628,160	\$844,725	3.41%
\$13,140,075	\$14,064,575	\$924,500	7.04%
\$7,349,551	\$7,397,773	\$48,222	0.66%
\$932,834	\$858,563	\$(74,271)	-7.96%
\$65,716,691	\$68,756,209	\$3,039,518	4.63%
\$1,018,739	\$824,605	\$(194,134)	-19.06%
\$864,087	\$802,414	\$(61,673)	-7.14%
\$7,231,156	\$7,306,388	\$75,232	1.04%
\$4,449,255	\$4,750,231	\$300,976	6.76%
\$33,726,423	\$37,140,784	\$3,414,361	10.12%
\$11,060,761	\$10,392,540	\$(668,221)	-6.04%
\$7,366,270	\$7,539,247	\$172,977	2.35%
\$5,766,000	\$5,666,000	\$(100,000)	-1.73%
\$2,600,000	\$2,600,000	-	0.00%
\$1,816,000	\$1,816,000	-	0.00%
\$1,350,000	\$1,250,000	\$(100,000)	0.00%
\$134,798,661	\$139,925,589	\$5,126,928	3.80%
\$11,213,263	\$11,560,265	\$347,002	3.09%
\$85,000,000	\$79,000,000	\$(6,000,000)	-7.06%
\$231,011,924	\$230,485,854	\$(526,070)	-0.23%



2023 Operating Budget Request

2023 Notable Budget Changes

Cost Increases for Utilities and Treatment Chemicals	<p>Costs related to natural gas, electric power, and treatment chemicals increased beyond expectations in CY 2022 and are expected to continue to rise in CY 2023. Natural gas and electric costs have increased by as much as 50% in some billing cycles, and the downstream effects of gasoline prices have increased the costs for waste disposal.</p>	\$1,918,826
Non-Personnel Increases Related to Consumer Price Index	<p>Actual inflation as measured by the US Department of Labor has increased at an annual rate of 8.3% as of September 2022. As a result, MSD has applied a 3.0% Consumer Price Index (CPI) increase to most non-personnel object codes to partially offset the general increase in all goods and services. Where possible, the impact of these increases was offset by targeted reductions. MSD will continue to identify efficiencies where possible to offset this general rise in prices.</p>	\$1,120,693
Information Technology Personnel Increase	<p>In CY 2022, the amount budgeted for the Information Technology (IT) division was not correctly aligned with the funded positions. This increase will correct that error and permit the IT Division to achieve full employment.</p>	\$746,453
Wastewater Treatment Personnel Increase	<p>MSD has concluded a review of staffing and operations within treatment facilities and determined that six additional positions that were previously unfunded should become funded to ensure operational integrity. These positions would be represented by the American Federation of State, County and Municipal Employees (AFSCME) and be split across plant operations.</p>	\$550,000
Debt Service Reduction	<p>MSD has received a revised estimate of debt service costs after bond refinancing that occurred earlier within CY 2022. The expected debt service costs have been significantly reduced by this action, and the budget request has been adjusted to reflect this.</p>	-\$6,000,000
TOTAL		-\$1,664,029



2023 Budget Request by Division

Office of the Director (OOD)



Office of the Director (OOD)

The Office of the Director (OOD) leads the MSD organization and establishes the department's goals and metrics to identify and track performance, as well as create organizational goals and policies that protect environmental and public health. Its specific programming includes:

- Internal and external communications
- Community interaction and public affairs engagement
- Legislative and legal affairs
- Public records requests and management
- Budget development oversight
- Special projects implementation such as MSD's Customer Assistance Program (CAP)

OOD works to align resources and efforts, between and among MSD's divisions to achieve the organizational mission, ensuring the utility is performing the necessary tasks in a fiscally responsible, efficient, and sustainable.

Notable OOD Program Highlights

Customer Assistance Program (CAP)

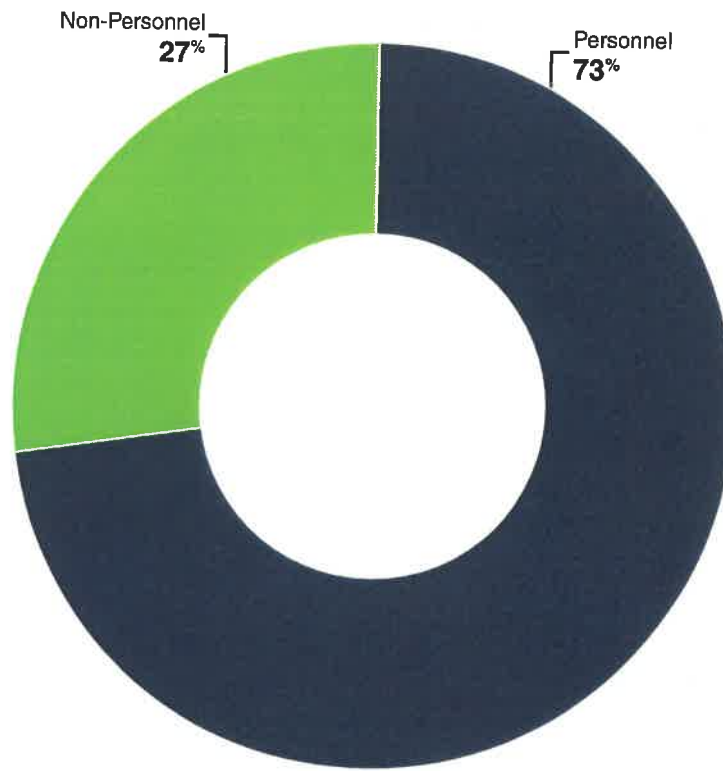
In July 2019, MSD created the first program to assist with affordability for senior ratepayers – the CAP. Since that time, it has been very successful in both its mission and size, providing a 25% discount to approximately 3,100 65-year-old and older ratepayers. MSD estimates this discount to be about a \$120 annual savings for ratepayers who are in a fixed-income status. The CAP is defined by age (65+),

income (less than \$35,000 in 2021), home ownership (per Ohio's Homestead legal provision), and being an MSD ratepayer.

Based upon 2020 US Census data, the MSD CAP enrollment is about 17% of the 18,100 eligible population in Hamilton County for this program. Although recent national studies have indicated that this percentage of CAP enrollees constitutes the "sweet spot" among the population expected to be enrolled in this type of program, MSD continues to market the program through sewer bill advertisements and outreach to Cincinnati AARP and other local senior service agencies. In 2022, MSD increased participation in the CAP Program using a direct mailing to 92,000 Hamilton County seniors. MSD will continue CAP communication and marketing outreach in 2023 to further expand its enrolled population.

2023 Budget Request by Division

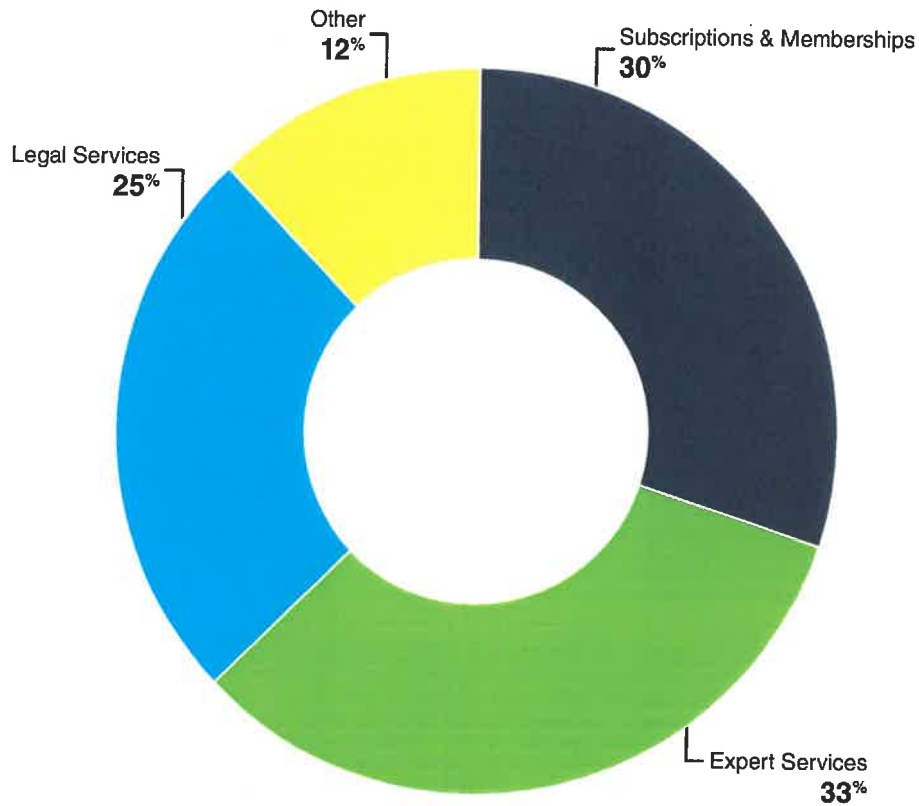
OOD Budget Request



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
OOD (410)	\$2,889,740	\$3,769,565	\$3,027,975	\$138,235	4.78%	\$(741,590)	-19.67%
Personnel	\$2,271,649	\$2,750,826	\$2,203,370	\$(68,279)	-3.01%	\$(547,456)	-19.90%
Non-Personnel	\$618,091	\$1,018,739	\$824,605	\$206,514	33.41%	\$(194,134)	-19.06%

2023 Budget Request by Division

OOD Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
OOD (410)	\$824,605	
Subscription and Memberships	\$250,000	30%
Expert Services	\$268,975	33%
Legal Services	\$203,981	25%
Other	\$101,649	12%



2023 Budget Request by Division

Wastewater Engineering (WWE)



Wastewater Engineering (WWE)

Administration/Document Management

The Administration section manages the operational tasks for Wastewater Engineering. The group provides divisional budgeting, payables, payroll, training, human resources, and external communications. The section provides record management and customer service to the entire Department.

The Customer Service function (CS) at MSD's Wastewater Engineering Division (WWE) focuses primarily on providing external customers access to information and resources.

Document Management (DM) provides technical assistance with the processing and recording of all CIP-related project documents. Staff work with internal and external customers to route a large volume of documents including but not limited to; contracts, change orders, design packages and permits.

Asset Management / Development Services

The Asset Management and Watershed Planning (AMWP) section works with internal and external stakeholders to identify future capital projects in a systematic manner using data from MSD's asset management systems and various consent decree objectives. The projects identified are coordinated with MSD's operating divisions to address maintenance, operation, and systematic deficiencies.

Development Services reviews private and public development plans that impact MSD's sewer system. Everything from lateral connections, sewer extensions and relocations, stormwater detention systems, coordinated reports, customer inquiries and GIS updates are overseen and executed in Development Services.

Construction

The Construction sections oversees the construction, rehabilitation, and inspection of new conveyance and facility infrastructure for MSD. Ensures projects are constructed in compliance with the Consent Decree and MSD standards. Utilizes the Project Delivery System, eBuilder, and OnBase to manage change orders, work directive changes, and contractor invoices. Manages response to citizens' issues on construction projects and escalates appropriately.

Program Management (Stantec)

In order to position MSD for another successful phase of consent decree work, MSD has established a Program Management Team (PMT) with Stantec to provide integrated program management support to MSD's Program Manager and WWE staff for delivery of the Capital Program. The integrated team provides on-site specialized staff to effectively working with MSD staff on efforts to develop and manage capital project schedule, budget, cost and estimating as necessary. The PMT and MSD confirm and refine specific goal-oriented management support activities for the capital program annually, including work necessary to address the needs of the Board of County Commissioners, City of Cincinnati and any governance changes that may be implemented.

2023 Budget Request by Division

WWE Budget Request

Project Management

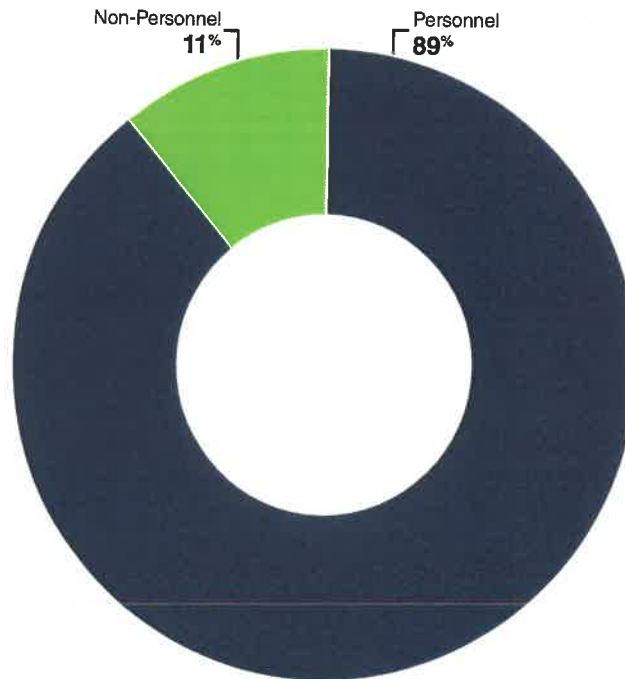
The Project Management branch manages the planning, detailed design, and alternate project delivery (e.g., Design-Build) efforts for MSD's capital projects. These projects include facility projects at MSD's seven major treatment plants, approximately 100 pump stations, and satellite treatment facilities as well as conveyance projects constructing new or replacement sewers, sewer control structures, and rehabilitating sewers.

Quality Assurance/Quality Control

The QA/QC Branch provides technical expertise, project design, and technical review of consultant design submittals, internal estimating, and quality assurance in accordance with the Project Delivery System (PDS). They develop and maintain project delivery procedures, the design standards and specifications, and administer the Water Pollution Control Loan Fund for the Department.

Right of Way Section

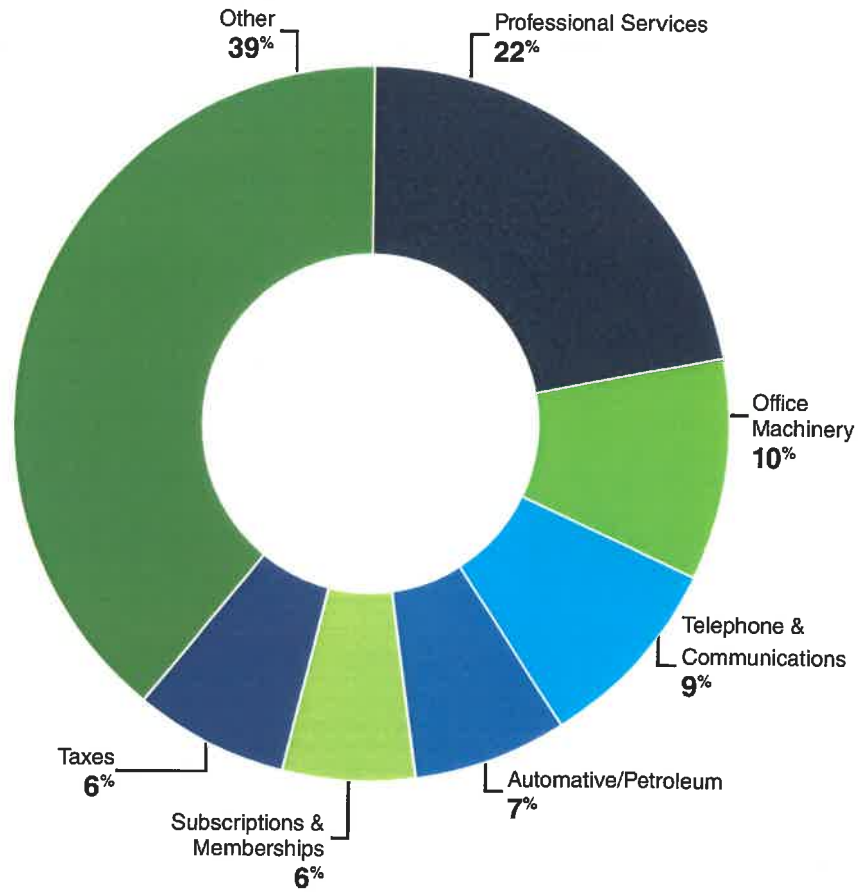
The Right of Way Section has several disciplines on its team to ensure compliant acquisitions for all of MSD projects, from Engineering Technicians for accurate drawings, to seasoned Negotiators for all types of property acquisitions and leases, to Appraisers who review submitted appraisals, to an Administrative Technician to process the hundreds of contracts and invoices each year all overseen by the Right of Way Manager. In addition to ensuring property owners rights are protected, the team balances the interest of MSD ratepayers to be equitable to all.



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
WWE (420)	\$6,456,423	\$6,764,234	\$7,360,524	\$904,101	0.14	\$596,290	8.82%
Personnel	\$5,916,783	\$5,900,147	\$6,558,110	\$641,327	0.11	\$657,963	11.15%
Non-Personnel	\$539,640	\$864,087	\$802,414	\$262,774	0.49	\$(61,673)	-7.14%

2023 Budget Request by Division

WWE Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
WWE (420)	\$802,414	
Professional Services	\$178,602	22%
Office Machinery	\$81,670	10%
Telephone and Communication	\$74,242	9%
Automotive/Petroleum	\$55,074	7%
Subscriptions & Memberships	\$50,081	6%
Taxes	\$51,578	6%
Other	\$311,167	39%



2023 Budget Request by Division

Wastewater Administration (WWA)



Wastewater Administration (WWA)

The Wastewater Administration (WWA) Division provides support to MSD employees, vendors, contractors, applicants, and MSD customers. WWA provides an array of services for internal and external customers, ranging from processing payroll for all MSD employees, to helping attract, develop, and retain a prepared workforce, to managing utility finances and performing various accounting functions for the utility.

Finance & Accounting

The Finance and Accounting section oversees project-related accounting functions and ensures processing of 14,000 invoices per year in collaboration with divisional staff, contractors, and over 1,300 vendors. The section also prepares the Annual Financial Statements and related documents for the year end audit review. With the release of the 2021 Financial Audit Report by the Ohio Auditor of State's Office, MSD received a clean unmodified opinion and no findings for the 6th year in a row.

Human Resources

The Human Resources (HR) section promotes, grows, hires, and sustains a diverse workforce with a key focus on workforce development, workforce management and labor relations. In 2021, HR filled 149 positions and processed over 1,100 HR-related requests and actions.

Learning and Development

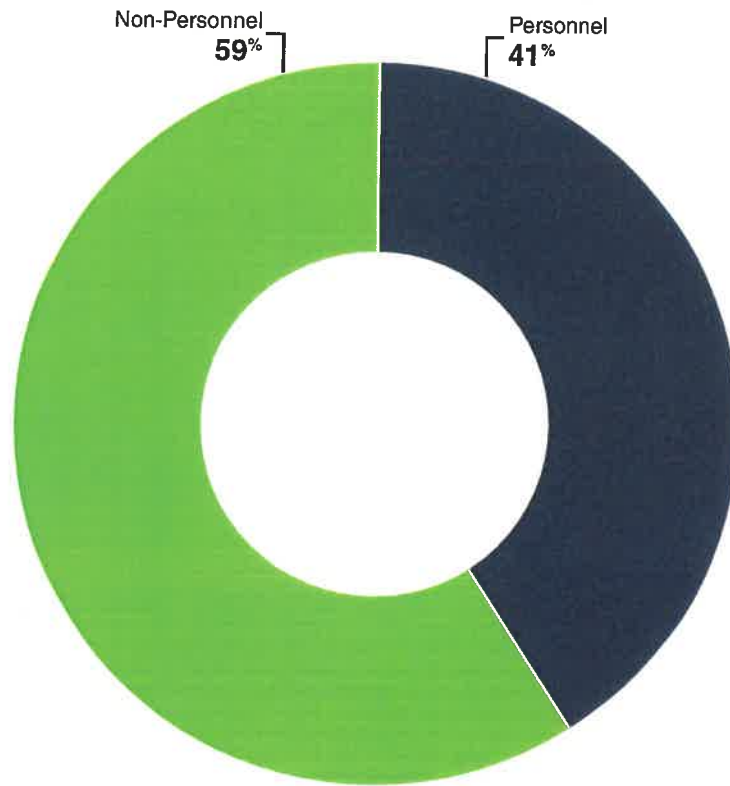
The Learning and Development section (L&D) provides training and development to enhance employees' knowledge, skills, and abilities. L&D coordinates training for OEPA credit, which is directly linked with the OEPA certifications required by Wastewater Treatment plant operators to maintain their plant operators' license. In 2022, L&D launched the MSD Supervisors Academy, a six-part training series designed to strengthen the knowledge base and leadership skills of MSD's nearly 200 supervisors.

Small Business Enterprise (SBE), Sewer Billing and Payroll

Small Business Enterprise Program (SBE), Sewer Billing and Payroll monitors contract compliance with SBE Program rules and guidelines, serves as the sewer billing liaison between MSD, GCWW, ratepayers, and several local municipalities, and processes payroll and payroll reimbursements for all 600+ MSD employees. Through collaborative efforts between the SBE Program and internal and external partners, MSD spent nearly \$19.7 million with SBEs in 2021.

2023 Budget Request by Division

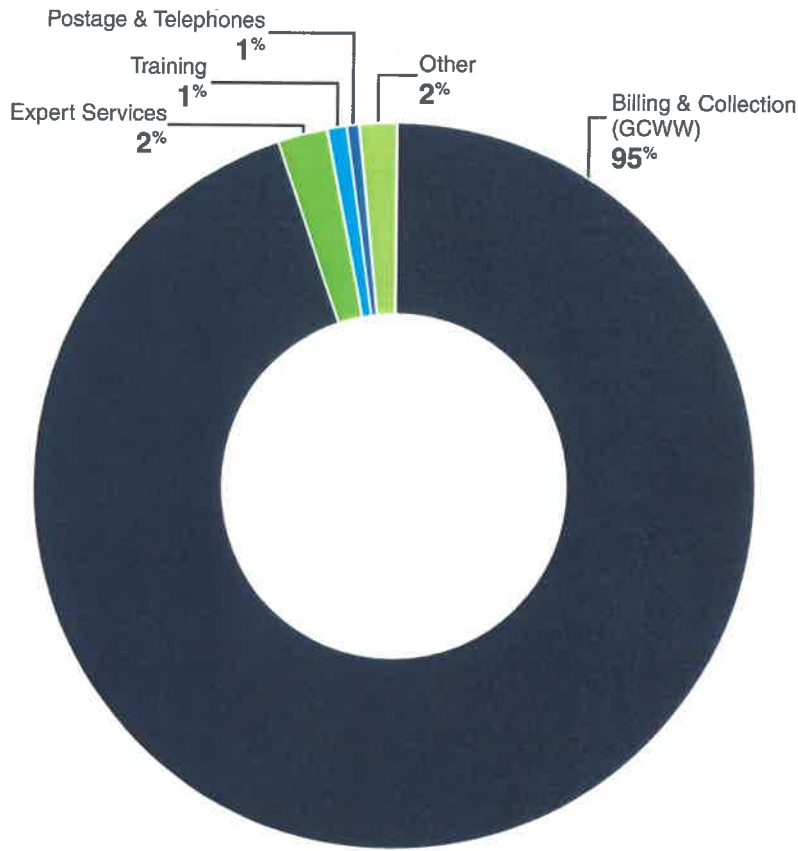
WWA Budget Request



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
WWA (430)	\$11,139,638	\$12,632,063	\$12,294,569	\$1,154,931	10.37%	\$(337,494)	-2.67%
Personnel	\$4,360,778	\$5,400,907	\$4,988,181	\$627,403	14.39%	\$(412,726)	-7.64%
Non-Personnel	\$6,778,860	\$7,231,156	\$7,306,388	\$527,528	7.78%	\$75,232	1.04%

2023 Budget Request by Division

WWA Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
WWA (430)	\$7,306,388	
Billing & Collection by GCWW	\$6,905,500	95%
Expert Services	\$184,407	3%
Training and Travel Expenses	\$49,186	1%
Postage and Telephones	\$50,273	1%
Other	\$117,022	2%



2023 Budget Request by Division

Information Technology (IT)



Information Technology (IT)

The IT Division supports all the Utility's business needs with specialized expertise to maintain the databases and infrastructure that supports them.

The foundational service component of the MSD IT service stack is the Infrastructure Services team, which consists of datacenter, database, network, telecommunication, service desk and IT procurement services. The infrastructure service team supplies services to the Business Application Services teams and our customers in accordance with an Operational Level Agreement (OLA).

IT helps MSD determine what IT applications and systems might be best suited to make their work processes more efficient and their employees more effective. The Business Analyst works with Application Managers from various IT areas, as well as with IT vendors, to manage implementation projects to meet these business needs.

MSD IT consists of two distinct service areas to provide support for the ever-changing business requirements of MSD. The infrastructure services team and application services teams form the MSD IT Service structure to supply IT services to our customers.

Infrastructure Services

The foundational service component of the MSD IT service stack is the Infrastructure Services team, which consists of datacenter, database, network, telecommunication, service desk and IT procurement services. The infrastructure service team supplies services to the application services teams and our customers in accordance with an Operational Level Agreement (OLA).

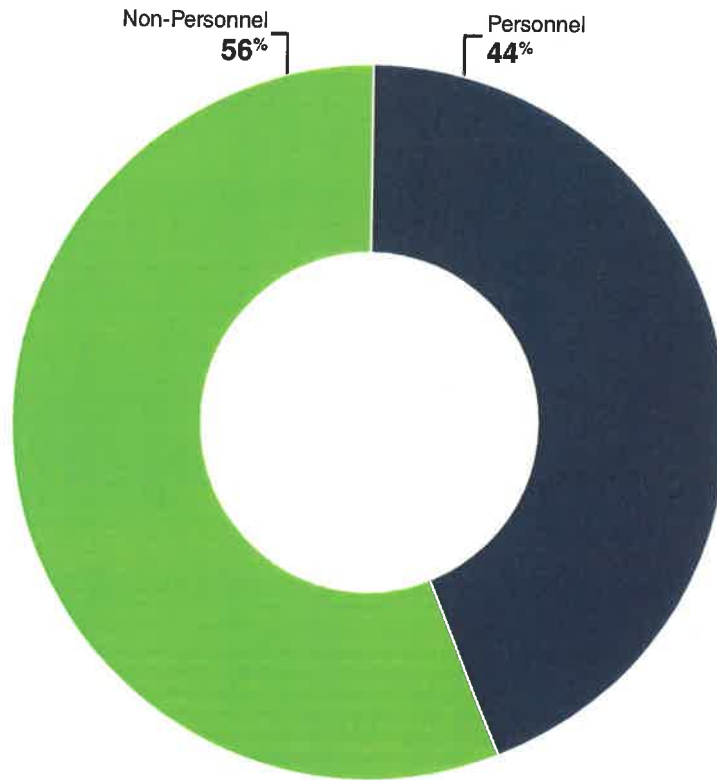
Application Services

The customer-facing component of the MSD IT service stack is the Application Services teams, which consists of (3) application service areas: Asset Management Application services, Business Application services and Program Management Application services.

- **Asset Management Application Services:** The Asset Management application services consists of implementation, administration, development, integration, and support for the following business systems: Asset Management, Maintenance Management and Geographical Information Systems (GIS).
- **Business Application Services:** Business application services consists of implementation, administration, development, integration, and support for the following business systems: Communication, Content Management, Workforce Management, Document Management and Workflow Management systems.
- **Program Management Application Services:** PC/PM application services consists of data analytics, data architecture, development, integration, system implementation, system administration and support services for the following business systems: Financials, Program/Project Management and Decision Support systems. PC/PM also provides Program/Project Management services for MSD IT.

2023 Budget Request by Division

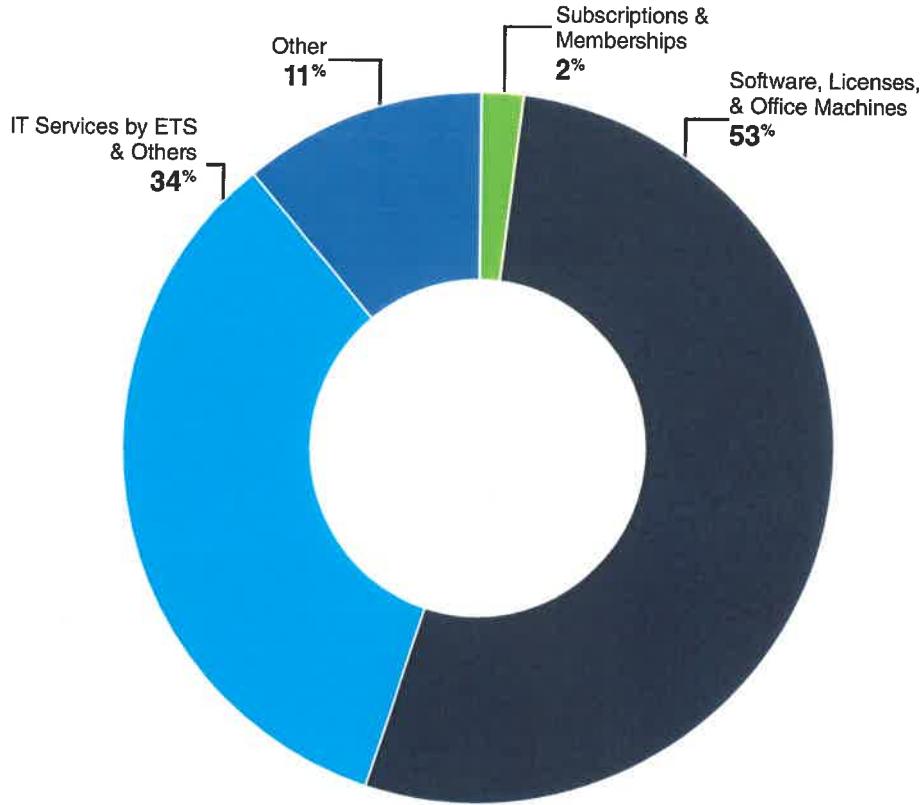
IT Budget Request



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
IT (431)	\$6,542,388	\$7,507,450	\$8,554,879	\$2,012,491	30.76%	\$1,047,429	13.95%
Personnel	\$2,557,546	\$3,058,195	\$3,804,648	\$1,247,102	48.76%	\$746,453	24.41%
Non-Personnel	\$3,984,842	\$4,449,255	\$4,750,231	\$765,389	19.21%	\$300,976	6.76%

2023 Budget Request by Division

IT Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
IT (431)	\$4,750,231	
Subscriptions & Memberships	\$100,000	2%
Software, Licenses & Office Machines	\$2,504,930	53%
IT Services by ETS & others	\$1,632,300	34%
Other	\$513,001	11%



2023 Budget Request by Division

Compliance Services (CS)



Compliance Services

The Compliance Services (CS) Division ensures MSD, its employees, and its customers, are following all federal, state and local rules and regulations. CS is divided into three branches, which are further divided into 8 sections, to accomplish its mission.

Environmental Compliance

The Environmental Compliance Section is charged with ensuring MSD's compliance with applicable federal, state and local environmental rules and regulations. Such rules and regulations include USEPA and Ohio EPA rules on surface water discharges (NPDES permits), sewage sludge, air quality, spill control, hazardous and universal waste management, and chemical management.

Safety

MSD proactively works to eliminate workplace hazards and prevent injuries and accidents by performing training and enabling more conversations around employee safety. This Section conducts or coordinates the training needed to meet MSD's 27 safety. This section also oversees MSD's security efforts.

Commercial/Industrial Waste

This section is responsible for managing MSD's Ohio EPA-approved Industrial Pretreatment Program, ensuring industrial customer compliance with federal, state and local wastewater discharge rules and regulations. The section also manages the implementation of the MSD's surcharge programs as well as the Hauled Waste Program, and the Infrastructure Protection Program.

Consent Decree Compliance

MSD's Wet Weather Consent Decrees, initially lodged in 2002, are the most complex and most expensive drivers of the district's operations. This group assists the operating and engineering divisions fulfill the ongoing requirements of the consent decrees, particularly in the areas of reporting and outfall tracking and resolution.

Water Quality Laboratory

MSD's nationally certified (NELAC) environmental laboratory provides a broad range of basic environmental analytical testing services. The laboratory analyzes for inorganic, metals, organic, and microbiological parameters utilizing state of the art instrumentation. The laboratory reviews over 19,000 samples and requires over 110,000 analyses a year.

Remote Monitoring Services

The Remote Monitoring Section provides remote data collection and storage to support all of MSD's mission areas, including operations, maintenance, planning, and engineering. It maintains a fleet of sensors, including flow monitors, level sensors, odor sensors and rain gages, with over 800 deployed in the field at any one time.

2023 Budget Request by Division

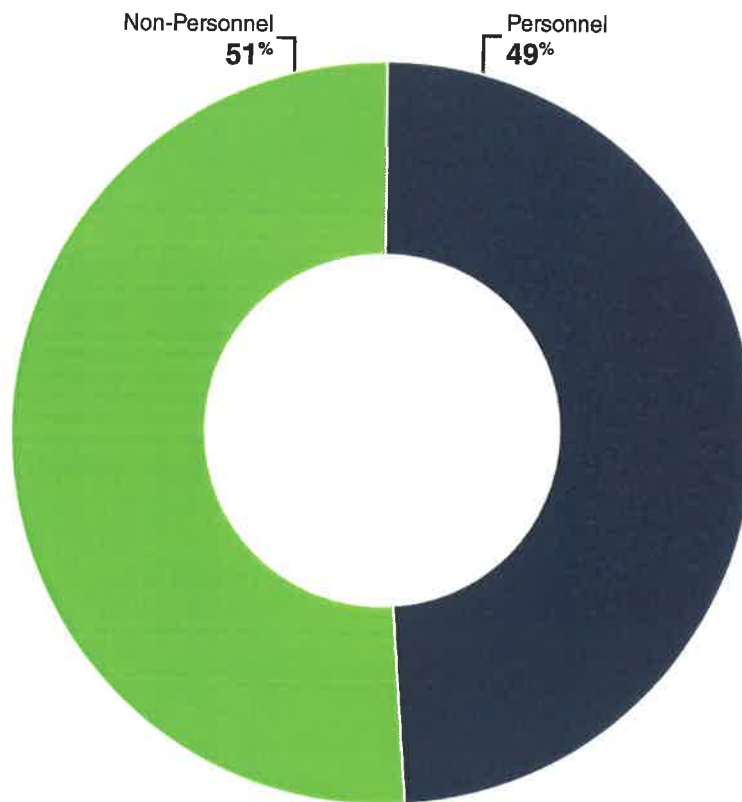
CS Budget Request

Hydraulic Modeling Services

Modeling of the wastewater collection system, selected surface water channels, and wastewater treatment plants is performed within the Modeling Services Section. Personnel continuously improve the accuracy of the existing system-wide models and develop project specific models to assist operations and engineering with project selection or impact analysis, collecting and disseminating data for organizational needs.

Operational Optimization Services

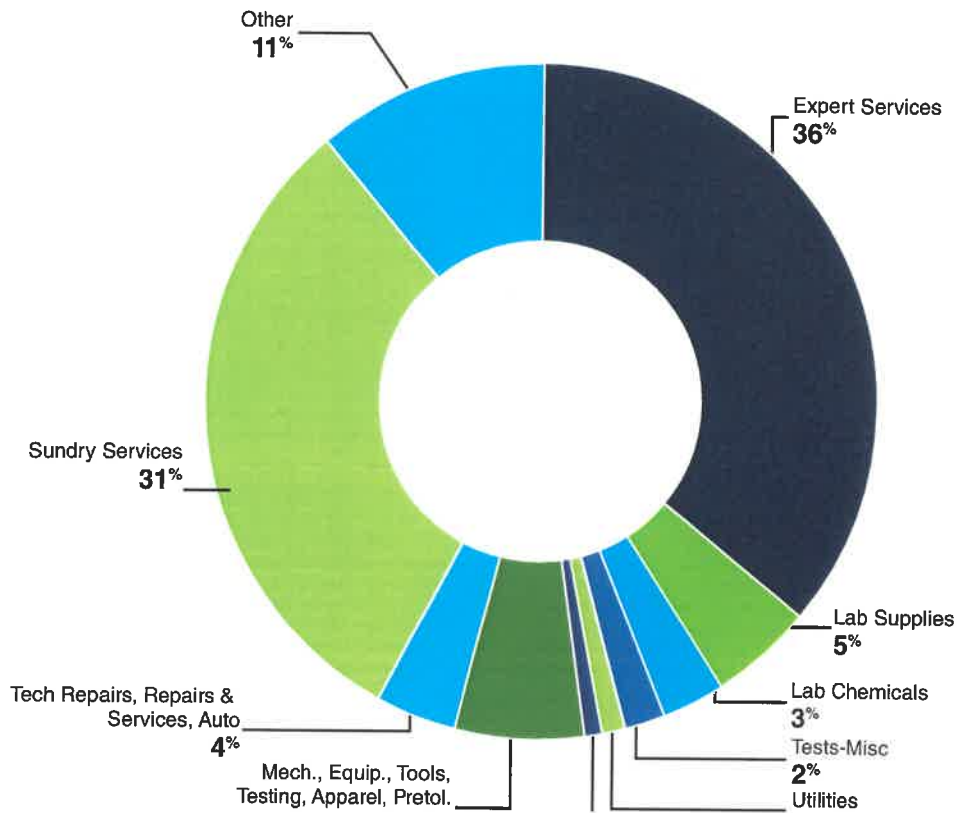
The Optimization Section coordinates with WWT and WWC to evaluate performance of MSD's Central (Mill Creek), East (Little Miami, Polk, Sycamore) and West (Muddy, Taylor, Indian, Ft. Scott, Mayflower) basins. This group spearheads the use of MSD's Smart Sewer System as part of the Watershed SCADA system to optimize operations basin-wide.



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
CS (460)	\$7,245,291	\$13,003,929	\$14,888,799	\$7,643,507	105.50%	\$1,884,870	14.49%
Personnel	\$5,026,552	\$5,637,659	\$7,349,552	\$2,322,999	46.21%	\$1,711,893	30.37%
Non-Personnel	\$2,218,739	\$7,366,270	\$7,539,247	\$5,320,508	239.80%	\$172,977	2.35%

2023 Budget Request by Division

CS Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
CS (460)	\$7,539,247	
Expert Services	\$2,690,550	36%
Lab Supplies	\$372,500	5%
Lab Chemicals	\$209,500	3%
Tests-Misc.	\$193,590	3%
Utilities	\$49,442	1%
Disposal, Cleaning & Waste Services	\$65,500	1%
Mechanical, Equipment, Tools, Testing, Apparel, Petroleum	\$464,858	6%
Technical Repairs, Repairs & Services , Auto	\$294,930	4%
Sundry Services	\$2,342,000	31%
Other	\$856,377	11%



2023 Budget Request by Division

Wastewater Treatment (WWT)



Wastewater Treatment (WWT) Biosolids Management

The Wastewater Treatment (WWT) division treats and manages wastewater, removing over 97% of pollutants received at nine treatment plants, returning clean water to rivers and streams.

Over 190 million gallons of wastewater is treated each day at MSD facilities by licensed operators and skilled maintenance staff that work around the clock to ensure clean water is provided to our local area streams and rivers.

MSD's operational excellence is recognized nationally for its compliance with National Pollutant Discharge Elimination System (NPDES) permits, and distinction in safety and an advanced maintenance program.

The continuous treatment of wastewater at its nine permitted facilities requires significant resources to ensure the environment and public health is protected. WWT also operates and maintains the districts 97 pump stations and nine wet weather facilities that reduced over 4.6 billion gallons of combined or sanitary sewage overflows between 2021 and Q2 2022.

Specialized equipment, various databases, electronic workflows and programs such as SCADA and other instrumentation assists in efficiently treating wastewater, processing solids, reducing overflows, and mitigating odors. Electricity and natural gas, chemicals, safety practices and procedures, maintenance and repair of equipment, calibration of instrumentation, and training for our employees are all some of the critical inputs to keeping these essential clean water services working optimally for the benefit of the region.

WWT currently disposes biosolids (the solids byproduct from wastewater treatment) by incineration at Mill Creek or by landfilling at Rumpke Landfill. MSD operates three fluidized bed biosolid incinerators at Mill Creek to dispose of the solids generated at that facility. The incinerators are continuously monitored to ensure proper operation and air quality controls and routine preventative maintenance is performed to ensure maximum reliability and effectiveness.

Odor Control

MSD's odor control program focuses on continuous monitoring and measuring, identification of causes and sources of odors, and odor control through operation and maintenance of numerous engineering systems designed to community expectations of performance.

Wet Weather Facilities

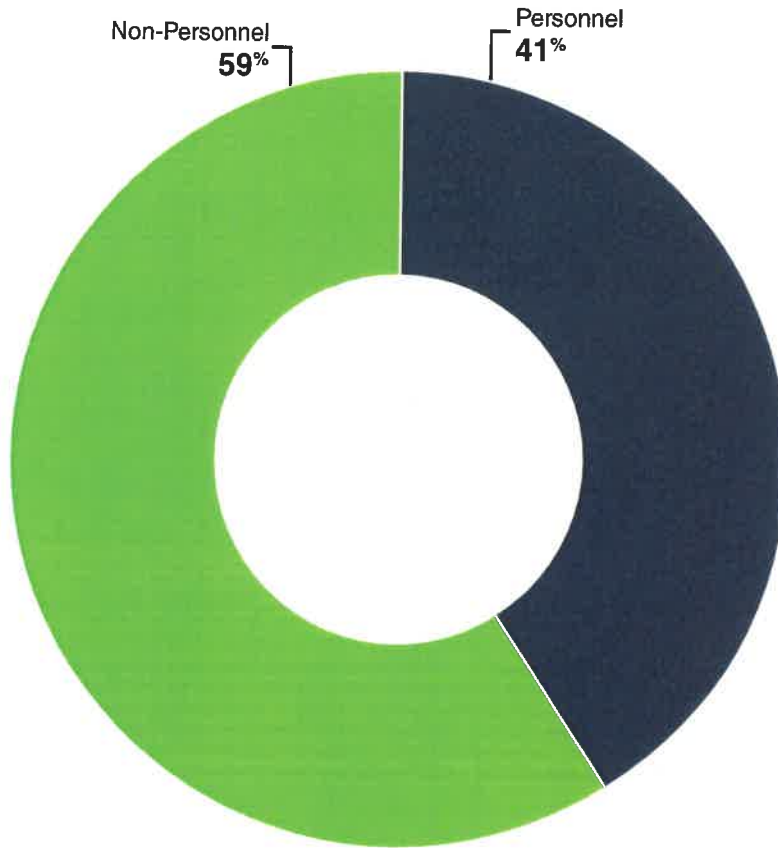
WWT's Wet Weather Facilities and Pump Station Group operates and maintains MSD's real time control and high-rate treatment facilities and pump stations with the goal of maximizing the capture, storage and treatment. MSD's Consent Decree required the construction and operation of several new facilities, many of which were installed as part of Phase 1 of MSD's wet weather program.

Pump Stations

MSD operates and maintains 97 pump stations all throughout the district. The Pump Station Telemetry Upgrades project is currently underway and will provide enhanced visibility for the pump stations.

2023 Budget Request by Division

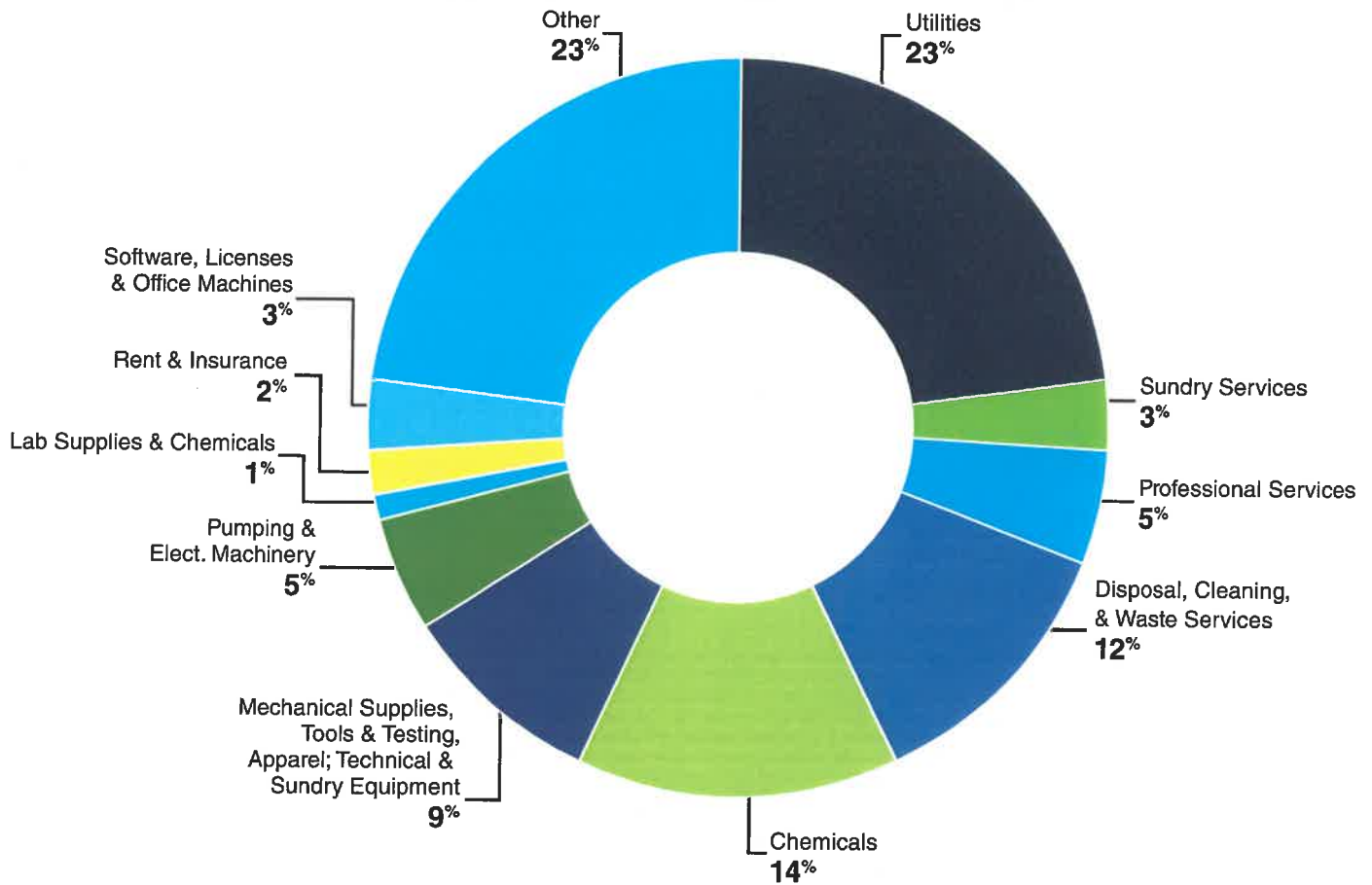
WWT Budget Request



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
WWT (440)	\$47,278,219	\$58,509,858	\$62,768,944	\$15,490,725	32.77%	\$4,259,086	7.28%
Personnel	\$20,862,015	\$24,783,435	\$25,628,160	\$4,766,145	22.85%	\$844,725	3.41%
Non-Personnel	\$26,416,204	\$33,726,423	\$37,140,784	\$10,724,580	40.60%	\$3,414,361	10.12%

2023 Budget Request by Division

WWT Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
WWT (440)	\$37,140,784	
Utilities	\$8,388,942	23%
Sundry Services	\$1,036,423	3%
Professional Services	\$1,983,731	5%
Disposal, Cleaning, & Waste Services	\$4,555,147	12%
Chemicals	\$5,332,636	14%
Mechanical Supplies, Tools & Testing, Apparel; Technical and Sundry equipment	\$3,338,112	9%
Pumping and Elect. Machinery	\$1,953,357	5%
Lab Supplies and Chemicals	\$173,559	1%
Rent and Insurance	\$693,092	2%
Software, Licenses & Office Machines	\$1,069,721	3%
Other	\$8,616,063	23%



2023 Budget Request by Division

Wastewater Collection (WWC)



Wastewater Collection

The Wastewater Collection (WWC) division operates, maintains, cleans, repairs and reconstructs all assets comprising the MSD wastewater collection system including approximately 3,000 miles of main sewers, 90,000 manholes, 225,000 building sewers in the public right-of-way, and a wide variety of mechanical gates and valves. In addition, WWC provides 24/7/365 customer service response for all issues associated with the MSD wastewater collection system and the Sewer Backup (SBU) Program.

Customer Service Section

WWC's Customer Service Section acts as the primary 24/7/365 interface with MSD residential customers reporting potential problems with the wastewater collection system by phone or web tickets. Customer Service Agents/Dispatchers log service requests, manage the creation of field investigation work orders, dispatch work to field crews, and process work returned by field agents.

In addition to responding to customer service requests, WWC's Customer Service Section completes cyclically scheduled preventive maintenance and cleaning work orders on all of MSD's Combined Sewer Overflow (CSO) structures to minimize overflows, and responds to all overflow alarms.

Asset Management Section

WWC's Asset Management Group is the "planning" group for activities associated with the assets comprising the MSD wastewater collection system including maintenance, condition assessment, cleaning, repair and rehabilitation.

This group utilizes the information gathered during Field Investigation work orders completed by the Customer Service Group and standardized information gathered by WWC's Condition Assessment and Cleaning Group to generate asset-specific cleaning, inspection, repair and rehabilitation work orders prioritized by Structural and Maintenance Risk.

Condition Assessment and Cleaning Section

WWC's Condition Assessment and Cleaning Group is responsible for both in-house and contracted work to complete planned and reactive standardized condition assessments of main sewers, manholes and building sewers comprising the MSD wastewater collection system. The Condition Assessment Group visually inspects Building Sewers within the public right-of-way with specialized remotely operated robotic equipment to produce inspections consistent with the industry standard Lateral Assessment Certification Program (LACP).

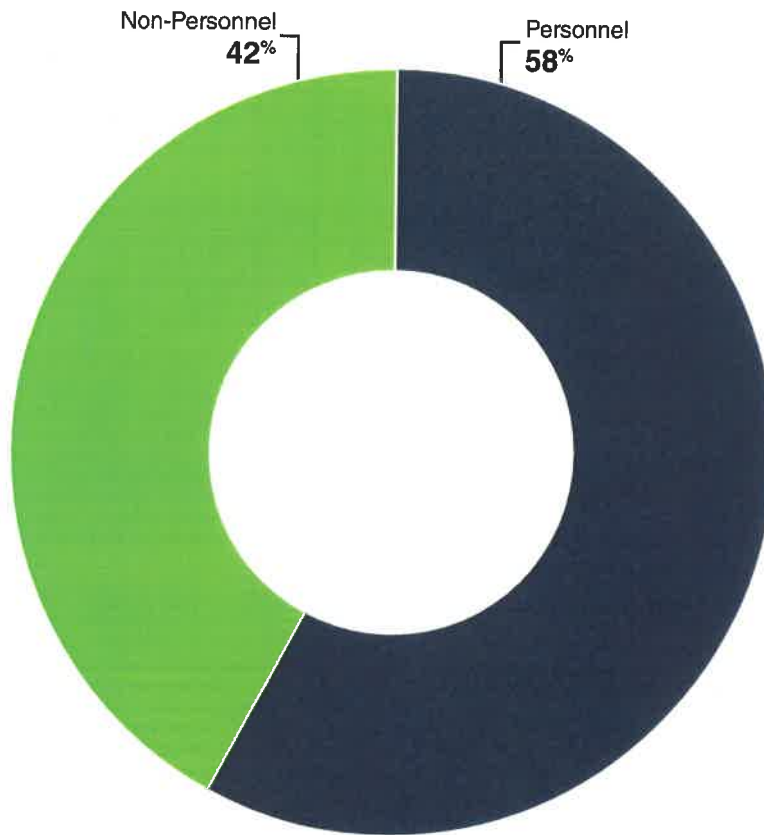
In conjunction with asset inspection activities, the Condition Assessment and Cleaning Group completes planned and reactive work orders to Flush/Vacuum, Root-cut, and Deposit Cut Main Sewers, Manholes and Building Sewers to maximize the system's flow capacity.

Stormwater Control Measures Section

Stormwater Control Measures Section is responsible for both gray and green stormwater infrastructure to effectively manage them as more assets are brought online and turned over to MSD. This section has been utilizing internal staff, contracts and an ambassador program to assist in the management of Lick Run and other Green Infrastructure assets.

2023 Budget Request by Division

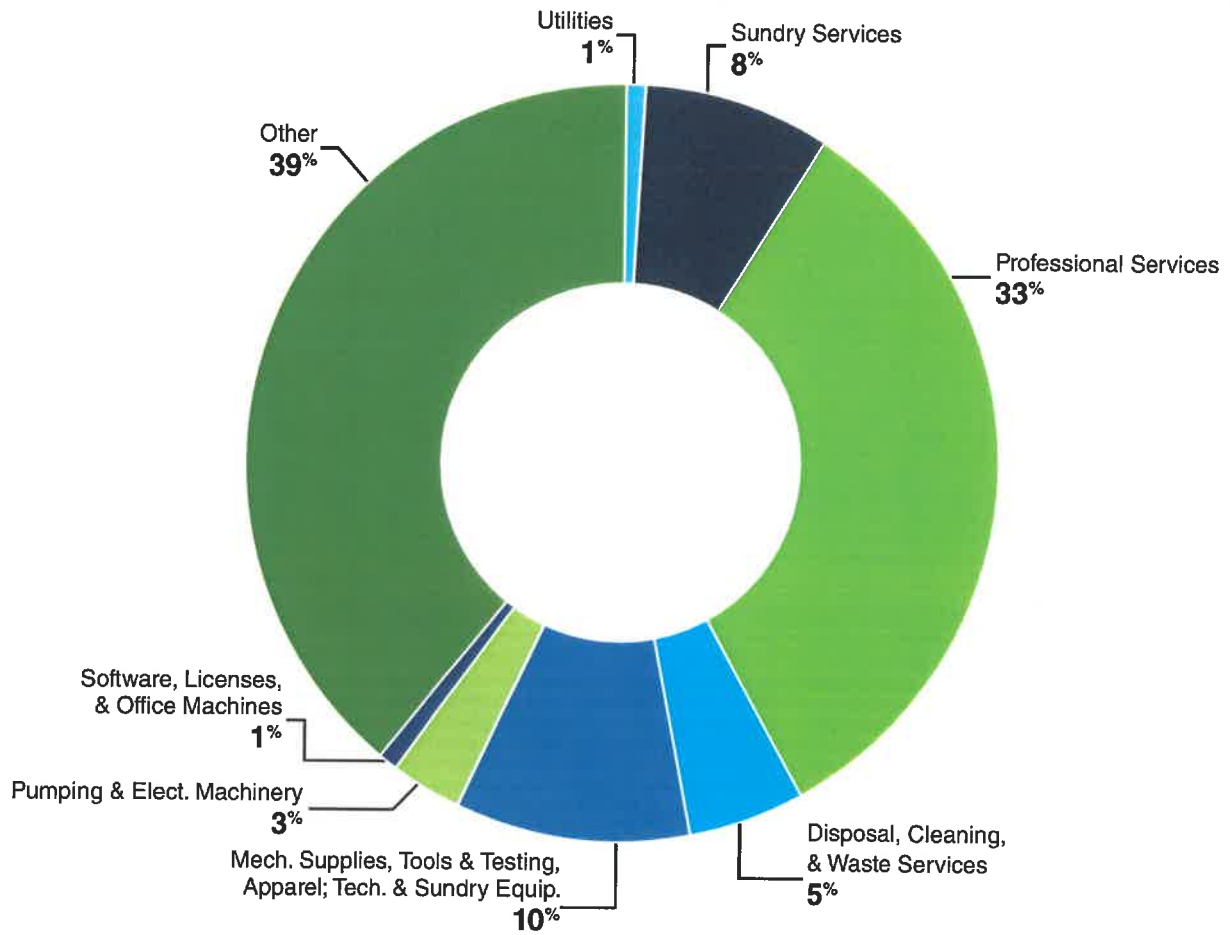
Wastewater Collection Budget Request



Dept.	2021 Actual	2022 Amended	2023 Request	Changes From 2021		Changes From 2022	
				\$	%	\$	%
WWC (450)	\$19,638,092	\$24,200,836	\$24,457,115	\$4,819,023	24.54%	\$256,279	1.06%
Personnel	\$11,450,140	\$13,140,075	\$14,064,575	\$2,614,435	22.83%	\$924,500	7.04%
Non-Personnel	\$8,187,952	\$11,060,761	\$10,392,540	\$2,204,588	26.92%	\$(668,221)	-6.04%

2023 Budget Request by Division

WWC Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
WWC (450)	\$10,392,540	
Utilities	\$142,368	1%
Sundry Services	\$781,601	8%
Professional Services	\$3,413,955	33%
Disposal, Cleaning, & Waste Services	\$537,820	5%
Chemicals	\$28,360	0%
Mechanical Supplies, Tools & Testing, Apparel; Technical and Sundry equipment	\$1,003,427	10%
Pumping and Elect. Machinery	\$322,612	3%
Software, Licenses & Office Machines	\$112,976	1%
Other	\$4,049,421	39%



2023 Budget Request by Division

Sewer Backup (SBU) Program



Sewer Backup (SBU) Program

The Sewer Backup (SBU) program, which is required under MSD's federal Consent Decree, has been in operation since January 2004. Under the SBU program, MSD provides the following services to its customers:

- 24/7 reporting of sewer backups by phone at (513) 352-4900 or online.
- Professional cleaning services for eligible sewer backups.
- Reimbursement of damages when the backup is caused by a capacity issue in the public sewer or MSD's negligence.
- Protection from future sewer backups for recurring sewer backups caused by the public sewer.

MSD's WWC division is responsible for managing the SBU Program in coordination with the Director's Office. WWC deploys crews to investigate and assist customers in response to reports of sewer backups on private property. In large storm events, thousands of service requests for investigation can be requested within hours.

Our region has experienced a 37% increase in rainstorm intensity over the last 10 years. Our sewer system was not built to handle storms of the magnitude we have been experiencing. This trend has had negative impacts on our community and has increased the cost of the SBU Program significantly.

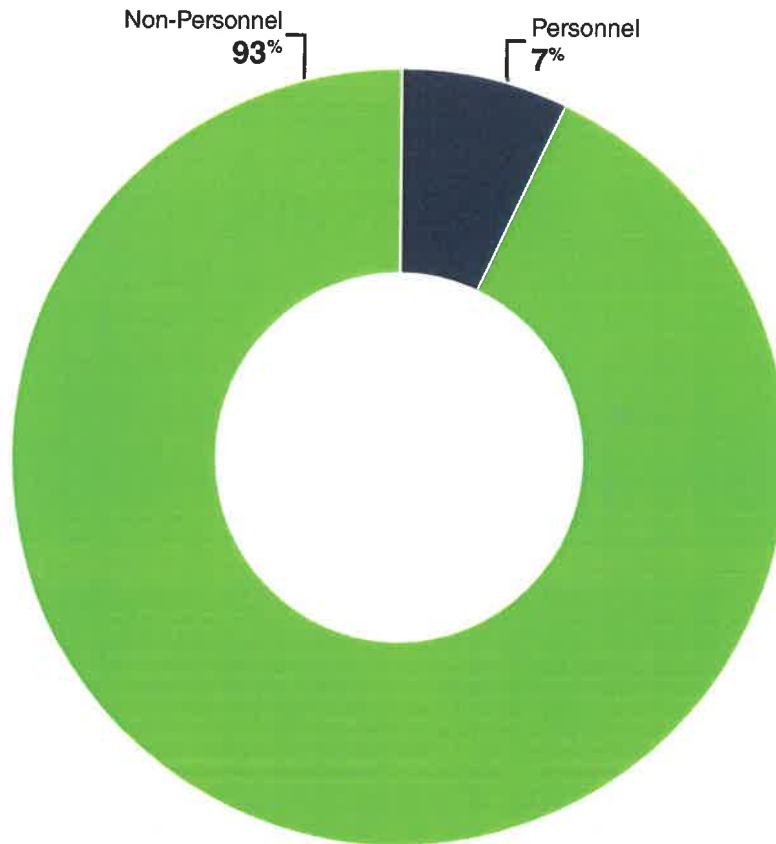
Since 2004 and depending on the rainfall, has spent anywhere from \$3.8M to \$19M in a calendar year. MSD has spent \$149M on investigations and cleaning private property impacted by SBUs, paying damage claims to property owners and installing backup prevention devices.

Of the \$149M, only 42% or \$63M is attributed to installing prevention devices – \$86M has been spent on cleaning, investigations and damage claims.

On average, 15% of the SBUs are determined to be covered under the SBU program. The rest, about 85% are investigated and determined to be ineligible as they are caused by building lateral failures, blockages stormwater drainage and overland flooding.

2023 Budget Request by Division

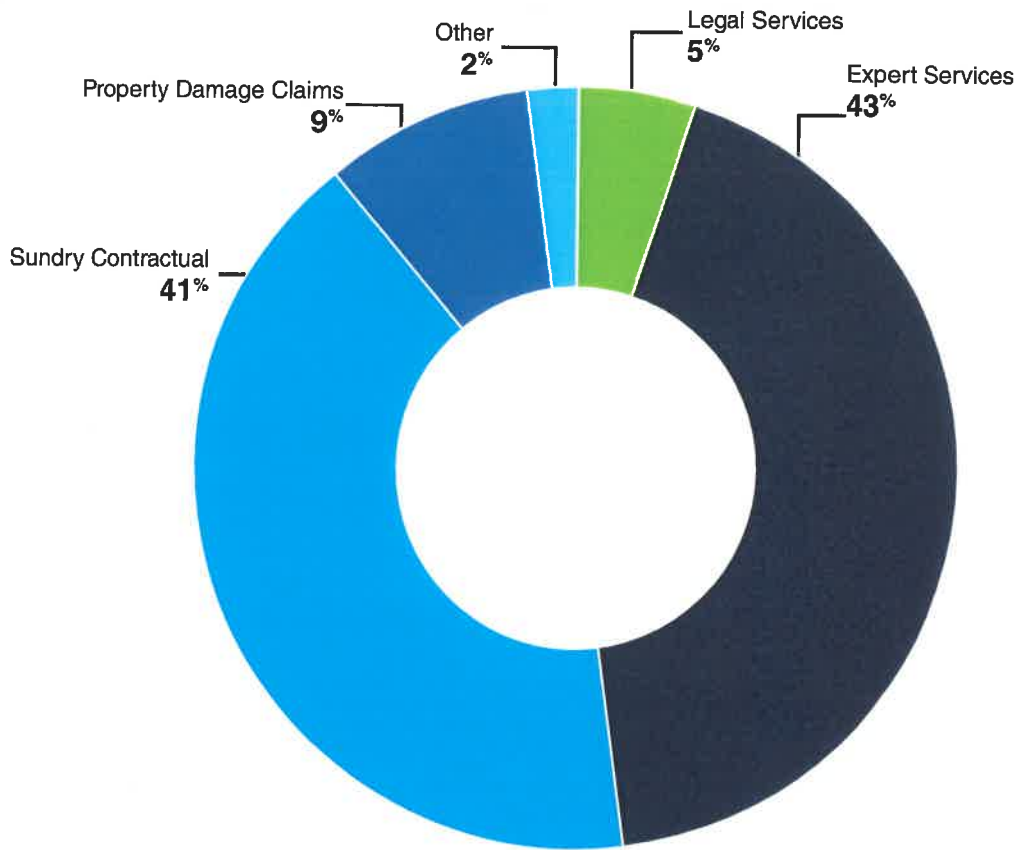
Sewer Backup (SBU) Program Budget Request



Dept.	2020 Actual	2021 Amended	2022 Request	Changes From 2019		Changes From 2020	
				\$	%	\$	%
SBU (480)	\$8,720,091	\$12,146,097	\$12,418,828	\$3,698,737	42.42%	\$272,731	2.25%
Personnel	\$644,956	\$932,834	\$858,563	\$213,607	33.12%	\$(74,271)	-7.96%
Non-Personnel	\$8,075,135	\$11,213,263	\$11,560,265	\$3,485,130	43.16%	\$347,002	3.09%

2023 Budget Request by Division

Sewer Backup (SBU) Program Non-Personnel Request



Non-Personnel Item	2023 Request	
	\$	%
SBU (480)	\$11,560,265	
Legal Services	\$595,281	5%
Expert Services	\$5,020,537	43%
Sundry Contractual Services	\$4,683,751	41%
Property Damage Claims	\$1,020,072	9%
Other	\$240,624	2%



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 2023 Fleet Budget Request seeks to replace 32 pieces of equipment, covering the whole range of vehicles used by MSD. The equipment in question ranges from 10 to 22 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 11.02% 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
1890	Flush/Vac Tandem Axle	2011	\$600,000
91469	TV Truck	2008	\$433,500
70967	Single axle dump truck	2007	\$150,000
85810	Wheel Loader	2008	\$137,000
10910	Utility truck w/crane	2011	\$150,000
60914	Utility truck w/crane	2006	\$150,000
90882	Small Utility	2009	\$59,000
20893	Sprinter Van	2012	\$50,000
909	Sprinter Van	2010	\$50,000
90685	Pickup Truck	2009	\$30,000
90686	Pickup Truck	2009	\$30,000
90666	SUV	2009	\$30,000
80676	SUV	2009	\$30,000
90670	SUV	2009	\$30,000
Additional	SUV		\$30,000
630	Minivan	2010	\$30,000
631	Minivan	2010	\$29,500
634	Minivan	2010	\$29,500
90827	Ford Transit Van	2009	\$40,000
90828	Ford Transit Van	2009	\$40,000
90829	Ford Transit Van	2009	\$40,000
90877	Ford Transit Van	2009	\$40,000
9175	Passenger Car	2009	\$19,000
9177	Passenger Car	2009	\$19,000
175	Passenger Car	2010	\$19,000
92812	All Terrain 4W 4WD	2010	\$20,400
12816	All Terrain 4W 4WD	2011	\$20,400
12817	All Terrain 4W 4WD	2011	\$20,400
12670	Forklift	2001	\$47,300
22671	Forklift	2002	\$42,000
3356	Compressor	2000	\$26,000
3357	Compressor	2000	\$26,000
TOTAL			\$2,468,000
Budget Requested			\$1,816,000
Remaining Need			\$652,000

Capital Valuation of Fleet	\$22,39,095
Percent Request/Valuation	11.02%

Appendix A

Fleet Request & Justification

Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle
1	Replacement	1890	2011	\$361,983	45,640	\$170,301	Hydro Excavating truck Used by WWC Asset Renewal for their Vac-A-Tee program.
2	Replacement	91469	2008	\$341,728	76,166	\$46,903	TV Truck CCTV inspections, coding of the condition of sewer pipe
3	Replacement	70967	2007	\$69,374	73,229	\$55,930	Single axle dump truck Truck is used to haul spoils from job site to WWC and landfill. Also used to haul gravel, pipe, and dirt to job site.
4	Replacement	85810	2008	\$96,204	5,248	\$70,634	Wheel Loader Used by WWT Trucking work Group to load grit from pit to be hauled to the landfill.
5	Replacement	10910	2011	\$83,433	53,207	\$31,372	Utility truck w/crane Used by WWC Mechanical Maintenance Group to do off site repairs and maintenance
6	Replacement	60914	2006	\$78,585	28,801	\$31,620	Utility truck w/crane Used by Muddy Creek Treatment Plant Maintenance to haul personnel, parts and tools to the job site. Air compressor and crane used to lift pumps and motor they are performing maintenance and repairs on.
7	Replacement	90882	2009	\$33,350	43,322	\$19,287	Small Utility Used by WWC Mechanical Maintenance Group crew leader to take supplies and tools to crew in the field

Est, Cost	Division 701X	Work Group	Reason	Justification	Impact if not replaced
\$600,000	701X4500000	Cleaning and Assessment	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.
\$433,500	701X4500000	Cleaning and Assessment	Age & Condition	The chassis will be 15 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.
\$150,000	701X4500000	Asset Repair	Age, Condition and Life-to-Date	This vehicle will be 16 years old at the time it is scheduled to be replaced. The LTD cost are currently 73% of the original purchase price.	Increased maintenances cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$137,000	701x4420000	WWT Trucking	Age & Condition	This vehicle will be 15 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.
\$150,000	701X4500000	WWC Mechanical Maintenance	Age & Condition	Truck will be 12 years old at its scheduled replacement time. Current LTD is 37% of the original cost.	Increased maintenances cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$150,000	701X444000	Plant Maintenance/ Muddy Creek	Age & Condition	Truck will be 17 years old at its scheduled replacement time. Chassis only will be replaced. Current LTD is 43% of the original cost.	Increased maintenances cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$59,000	701X4500000	WWC Mechanical Maintenance	Age, Condition and Life-to-Date	Truck will be 14 years old at its scheduled replacement time. Current LTD is 58% of the original cost.	Increased maintenances cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.

Appendix A

Fleet Request & Justification

Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle
8 Replacement	20893	2012	\$59,032	111,419	\$79,685	Sprinter Van	Used by WWC Asset Renewal work group to haul tools and supplies to job site for sewer line repairs.
9 Replacement	909	2010	\$55,182	70,745	\$79,884	Sprinter Van	Used by WWC Asset Renewal work group to haul tools and supplies to job site for sewer line repairs.
10 Replacement	90685	2009	\$18,868	85,409	\$23,968	Pickup Truck	Used by RCS crew for investigations and to take samples at various locations around the county
11 Replacement	90686	2009	\$29,508	84,717	\$8,551	Pickup Truck	Used by RCS crew for investigations and to take samples at various locations around the county
12 Replacement	90666	2009	\$17,939	48,251	\$10,881	SUV	Administration pool car used to attend meeting and check on crews.
13 Replacement	80676	2009	\$22,575	79,672	\$12,447	SUV	Used by Watershed supervisor to respond to emergency call out.
14 Replacement	90670	2009	\$17,939	58,713	\$8,415	SUV	Used by sewer construction inspector to visit various sites having sewers repaired by contractors

Est, Cost	Division 701X	Work Group	Reason	Justification	Impact if not replaced
\$50,000	701X4500000	Asset Renewal	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced it will be 11 years old. Current LTD cost is 134% of the original purchase price.	Increased maintenances cost, increase down time for repairs. Could lead to increased time to repair sewer line if vehicles is not available.
\$50,000	701X4500000	Asset Renewal	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced it will be 13 years. Current LTD cost is 144% of the original purchase price.	Increased maintenances cost, increase down time for repairs. Could lead to increased time to repair sewer line if vehicles is not available.
\$30,000	701x4600000	RCS	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced it will be 14 years old, the mileage will exceed 90,000 . Current LTD cost is 127% of the original purchase price.	Increased maintenances cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$30,000	701x4600000	RCS	Age & Condition	At the time it is scheduled to be replaced it will be 14 years old, the mileage will exceed 90,000. Current LTD cost is 29% of the original purchase price.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$30,000	701x44900000	CMF Pool	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit is 14 years old. The LTD costs are at 60% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$30,000	701x4480000	Watershed	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 15 years old. The LTD costs are at 55% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$30,000	701X4500000	Asset Repair	Age & Condition	At the time it is scheduled to be replaced unit is 14 years old. The LTD costs are at 47% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.

Appendix A

Fleet Request & Justification

Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle
15 Additional	n/a	n/a	n/a	n/a	n/a	SUV	The vehicle is needed for the supervisor to support th Heavy Electric crew.
16 Replacement	630	2010	\$20,592	41,921	\$14,632	Mini Van	Van is used by Sycamore T.P. instrumentation crew around the treatment plant and outside of the treatment plant
17 Replacement	631	2010	\$20,220	62,328	\$18,910	Mini Van	Transport maintenance people and tools and supplies for the treatment plants
18 Replacement	634	2010	\$20,220	41,921	\$13,906	Mini Van	Transport maintenance people and tools and supplies for the treatment plants
19 Replacement	90827	2009	\$16,798	57,497	\$37,419	Ford Transit Van	transporting tools and supplies for the maintenance personnel
20 Replacement	90828	2009	\$19,768	31,484	\$19,505	Ford Transit Van	transporting tools and supplies for the maintenance personnel
21 Replacement	90829	2009	\$16,798	31,944	\$22,743	Ford Transit Van	transporting tools and supplies for the surveyor personnel

Est, Cost	Division 701X	Work Group	Reason	Justification	Impact if not replaced
\$30,000	701X450000	Asset Repair	Requested Addition	Requested Addition	Requested Addition
\$30,000	701X4450000	Sycamore Treatment Plant	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 13 years old. LTD cost is currently @ 32% of the original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization.
\$29,500	701x4490000	WWT Plant Maintenance	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 13 years old. LTD cost is currently @ 94% of the original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization.
\$29,500	701x4490000	WWT Plant Maintenance	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 13 years old. LTD cost is currently @ 69% of the original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization.
\$40,000	701x4500000	Asset Repair	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 14 years old with the LTD costs are at 223% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$40,000	701x4490000	WWT Plant Maintenance	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 14 years old with the LTD costs are at 100% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$40,000	701X4440000	Muddy Creel T.P.	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 14 years old with the LTD costs are at 135% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.

Appendix A

Fleet Request & Justification

Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle
22 Replacement	90877	2009	\$16,798	45,644	\$39,792	Ford Transit Van	transporting tools and supplies for the maintenance personnel
23 Replacement	9175	2009	\$15,796	49,406	\$14,873	Passenger Car	Transporting tools and supplies for field personnel/treatment plant
24 Replacement	9177	2009	\$15,796	35,905	\$14,571	Passenger Car	Transporting tools and supplies for field personnel/treatment plant
25 Replacement	175	2010	\$15,892	61,379	\$18,199	Passenger Car	Transporting tools and supplies for field personnel/treatment plant
26 Replacement	92812	2010	\$18,000	1,561	\$12,247	All Terrain 4W 4WD	Transport maintenance people and tools and supplies for the treatment plants
27 Replacement	12816	2011	\$16,609	2,625	\$12,689	All Terrain 4W 4WD	Transport maintenance people and tools and supplies for the treatment plants
28 Replacement	12817	2011	\$16,609	1,779	\$13,126	All Terrain 4W 4WD	Transport maintenance people and tools and supplies for the treatment plants



Est, Cost	Division 701X	Work Group	Reason	Justification	Impact if not replaced
\$40,000	701x4490000	Ground Crews	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 14 years old with the LTD costs are at 236% of original purchase.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$19,000	701X4460000	Taylor Creek T.P.	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 14 years old with the LTD costs are at 94% of original purchase.	Increased maintenances cost, increase down time for repairs.
\$19,000	701X4450000	Sycamore Treatment Plant	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 14 years old with the LTD costs are at 92% of original purchase.	Increased maintenances cost, increase down time for repairs.
\$19,000	701x4490000	Planners Group	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 13 years old with the LTD costs are at 115% of original purchase.	Increased maintenances cost, increase down time for repairs.
\$20,400	701X4500000	Cleaning and Assessment	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced the unit will be 14 years old and current LDT maintenance cost is at 68% of the purchase price.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$20,400	701X4420000	WWT Plant Maintenance	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 12 years old and current LDT maintenance cost is at 76% of the purchase price.	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$20,400	701X4420000	WWT Plant Maintenance	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 12 years old but the LTD costs are at 79% of the original cost	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.

Appendix A

Fleet Request & Justification

Replacement or Addition	Repl. No.	Year	Purchase Price	Mileage	L.T.D. Cost	Description	Purpose of Vehicle
29 Replacement	12670	2001	\$32,358	1,860	\$47,772	Forklift	Loading materials
30 Replacement	22671	2002	\$33,593	1,378	\$24,007	Forklift	Loading materials
31 Replacement	3556	2000	\$11,879	1,229	\$15,920	Compressor	Compressor is mounted on flat bed truck to support the lateral lining program.
32 Replacement	3557	2000	\$11,879	1,265	\$12,211	Compressor	Compressor is mounted on flat bed truck to support the lateral lining program.



Est, Cost	Division 701X	Work Group	Reason	Justification	Impact if not replaced
\$47,300	701X4430000	Little Miami T.P.	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 22 years old and has a LTD cost 147% of the original purchase	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$42,000	701X4500000	WWC Mechanical Maintenance	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 21 years old but the LTD costs are at 71% of the original cost	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$26,000	701X4500000	WWC Asset Renewal	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 23 years old but the LTD costs are at 134% of the original cost	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
\$26,000	701X4500000	WWC Asset Renewal	Age, Condition and Life-to-Date	At the time it is scheduled to be replaced unit will be 23 years old but the LTD costs are at 102% of the original cost	Increased maintenance cost, increase down time for repairs. Reduced utilization. Crews not having equipment to perform their duties.
TOTAL					\$2,468,000



Appendix B

Capital Equipment (OTE) Request

DEPT.	DESCRIPTION	2023
OOD		
410	MSD Woodrow Street Signage Upgrade	\$10,000
410	OOD Furniture Replacement	\$25,000
	OOD Total	\$35,000
WWE		
420	Replace plotter in MSD Reproduction and Print shop	\$60,000
	WWE Total	\$60,000
WWT		
449	SCADA Annual Server Replacement Program	\$120,000
	WWT Total	\$120,000
IT		
431	Workstation/Laptop Lifecycle Replacement	\$100,000
431	Specialty/Security Items	\$130,000
	IT Total	\$230,000
WWC		
450	WWC Yard Equipment Building	\$250,000
450	Fitness Room Exterior Door Replacement	\$10,000
450	RTU-1 / WWC Annex HVAC	\$65,000
450	Maintenance Shop Furniture	\$40,000
450	Fleet shop tools (\$5k Gest St./ \$5k WWC)	\$10,000
450	IBAK equipment	\$125,000
450	Plumbing tap camera equipment	\$50,000
450	Envirosight equipment	\$100,000
450	Nozzles & Sewer Cleaning equipment	\$50,000
450	Reusable tunnel liner plates for pipe installation	\$50,000
	WWC TOTAL	\$750,000
CS		
460	Replace carpet in conference rooms	\$25,000
460	New Cubicles for DIW Open space	\$30,000
	CS TOTAL	\$55,000
TOTAL		\$1,250,000



Appendix C

Debt Service

2023 Debt Payment	Principal	Interest	Total
Revenue Bond	\$25,175,000	\$17,915,392	\$43,090,392
OWDA	\$22,479,104	\$6,978,324	\$29,457,428
OPWC	\$39,635	\$1,107	\$40,742
Capital Lease (Eng. Bldg.)	\$825,000	\$240,050	\$1,065,050
City	\$780,000	\$259,550	\$1,039,550
TOTAL	\$49,298,739	\$25,394,423	\$74,693,162

Revenue Bond	Principal	Interest	Total
2014 Bonds	\$9,795,000	\$5,307,000	\$15,102,000
2015 Bonds	\$1,900,000	\$299,000	\$2,199,000
2019 Bonds	\$6,150,000	\$4,822,750	\$10,972,750
2020 A Bonds	\$6,360,000	\$3,221,750	\$9,581,750
2022 A Bonds	\$970,000	\$4,264,892	\$5,234,892
TOTAL	\$25,175,000	\$17,915,392	\$43,090,392

Appendix D

2023 Hamilton County Budget Targets



Hamilton County

County Administrator

BOARD OF COMMISSIONERS

Stephanie Summerow Dumas
Alicia Reece
Denise Driehaus

Todd B. Portune Center for County Government
138 East Court Street, Room 603
Cincinnati, Ohio 45202

ADMINISTRATOR

Jeff Aluotto
Phone (513) 946-4436

Phone: (513) 946-4400
Fax: (513) 946-4444
TDD/TTY: (513) 946-4719
www.hamiltoncountyohio.gov

DATE: July 6, 2022

TO: Diana Christy, Director, MSD

FROM: Holly Christmann, Assistant County Administrator

CC: Jeff Aluotto, Karen Ball, Joe Graf

SUBJECT: Target Amounts for MSD's 2023 Operations and Maintenance Budget and Capital Improvement Program (CIP) Budget

MSD Rule Section 2405-12 requires the County to provide an Operating and Maintenance (O&M) budget target and a Capital Improvement Program (CIP) budget target to MSD in anticipation of the annual budget process. As the name implies, these targets provide MSD the County's expectations as to what will be reasonable and appropriate budgets, aligned with affordability analyses. The final budgets may require adjustment once the Board decides whether there will be any MSD rate increase. MSD should be prepared to adjust, in coordination with the County Team, as needed.

I welcome the opportunity to collaborate with MSD staff during its development of the O&M and CIP budget requests. Doing so should streamline the budget review and approval process. Please propose a schedule of dates for our teams to meet to begin these conversations. We would prefer a first meeting be held no later than the last week of July, if possible.

2023 O&M Budget Target

The O&M budget represents all fund 701 expense transactions in a calendar year less debt service and non-personnel SBU costs. Debt service and SBU non-personnel costs are backed out of the O&M target since debt is fixed and SBU is dependent on weather events.

The 2023 O&M budget target is \$138.1M (Personnel - \$65.3M, Non-Personnel - \$66.9M, Other Non-Personnel - \$5.9M). The County is mindful of upward pressures on rates that may occur based on continued personnel costs and economic inflationary expectations. However, the County still seeks to protect ratepayers to the greatest extent possible. This 2023 budget target includes a roughly 2.5% increase (or \$3.3M) over the 2022 authorized budget to account for cost increases that are outside of MSD's control. It is expected that MSD include a thorough explanation or evaluation if its budget submission proposes any significant changes from the approved 2022 budget.



2023 MSD CIP Budget Target

The County and MSD are currently engaged in Phase 2A plan negotiations with the Regulators. The details of those negotiations remain privileged and confidential. Any rate increases necessary to support a negotiated resolution will reflect what our community can afford. It likely will be at least several months until the Board determines the financial constraints under which a final plan is possible. Given this fact, I suggest that Ryan Welsh and Joe Graf discuss the details as to how to best prepare the proposed 2023 CIP Book aligned with existing Board guidance.

Please contact Joe Graf or me if you have any questions. Again, I encourage a collaborative effort so that both the O&M and CIP budgets are planned and documented long before December. I look forward to working with you and the MSD team on the 2023 budgets.