



MSD Public Hearing Presentation

Board of County Commissioners of
Hamilton County, Ohio



2024 Operating Budget
2024-2028 CIP Budget
2024 Rate Schedule

November 2 & 9, 2023



At MSD, caring for the environment isn't just our job. It's our priority. Rivers and streams depend on us to help keep them clean.



Agenda

- Budget Overview
- Operating Budget
- Capital Budget
- Rate Recommendation

MSD Operates & Maintains >\$13B in Infrastructure



160 million gallons of wastewater treated daily



9 treatment plants & 100 pump stations



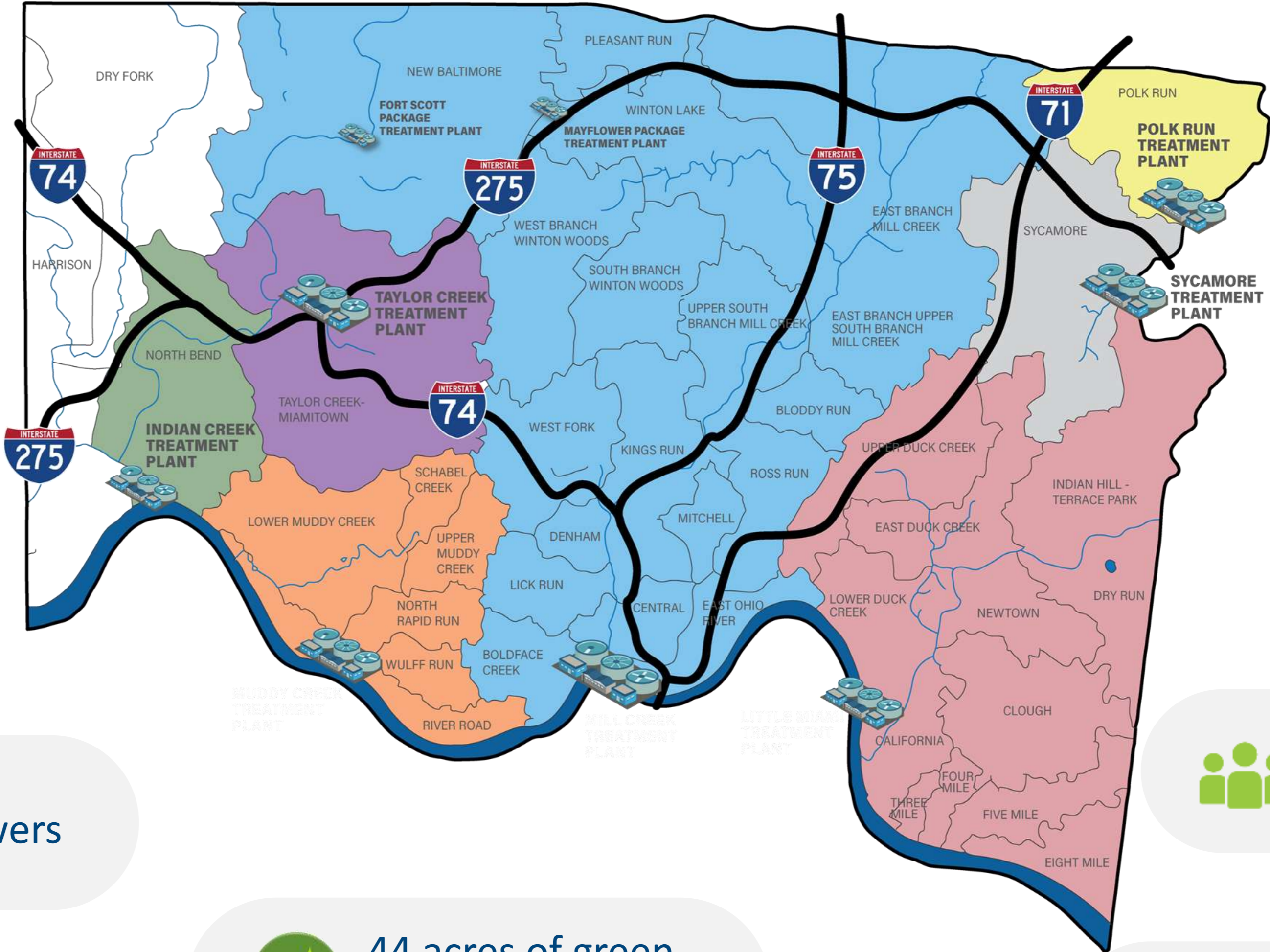
3,000 miles of sewers



44 acres of green infrastructure



9 wet weather facilities



MSD Provides a Vital Service

We think about wastewater, so you don't have to. We're here 24/7, keeping our waterways clean and addressing your needs as a customer.



MSD collects, conveys and treats 65 billion gallons of wastewater annually.

Average single-family household cost for sewer is \$630/year.*

Average US household pays over \$1,500/year for internet and cell service.**



What's more important to quality of life and the environment?

* Based on 2023 MSD sewer rates

**US Consumer Reports 2022 data

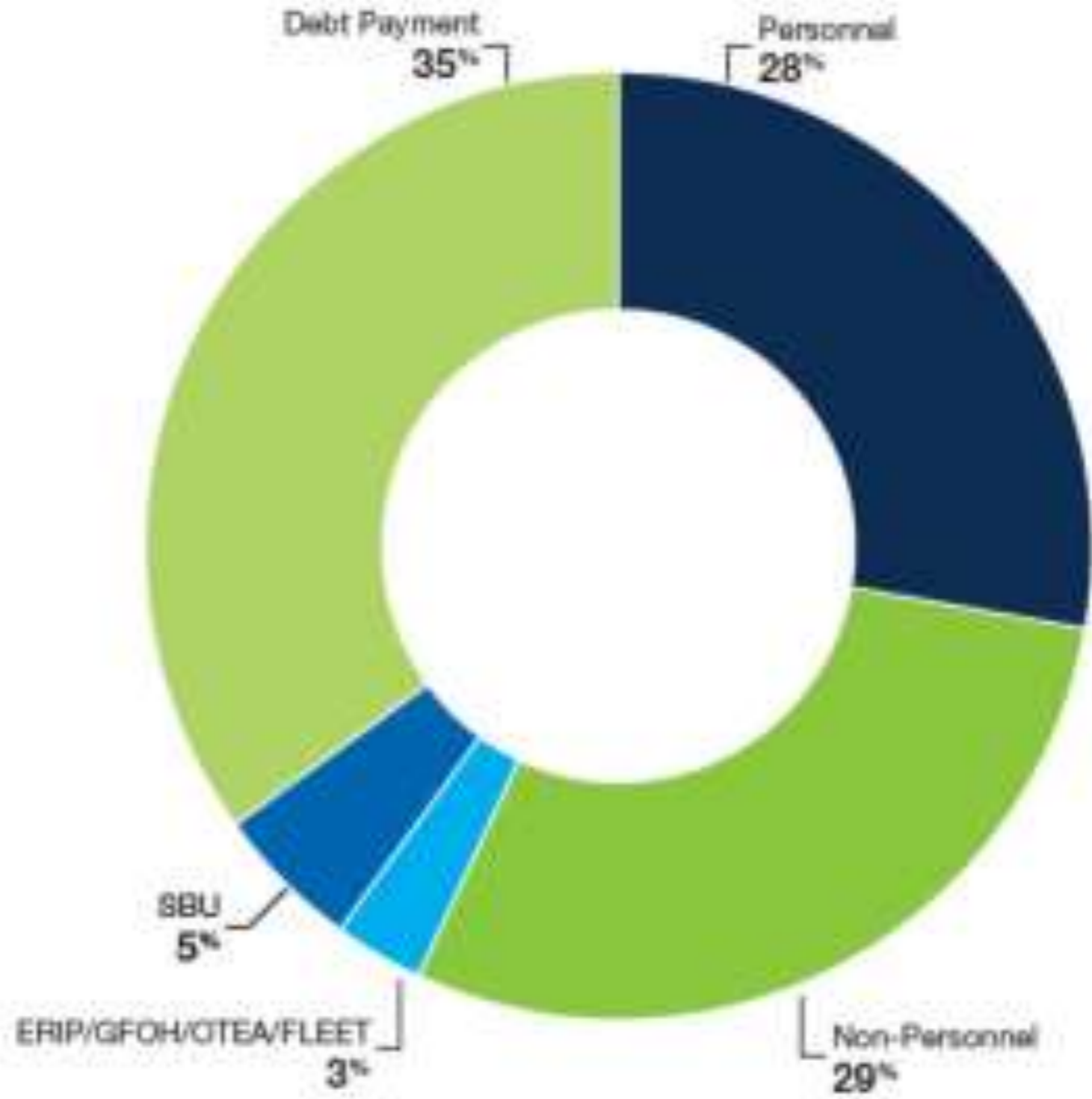
Budget Considerations

- Aging infrastructure
- Future phases Wet Weather Improvement Program
- Regulatory changes and challenges
- Higher O&M costs due to inflationary pressures
- Affordability and level of service to ratepayers
- Increasing staff vacancies



2024 Operating Budget Request

2024 Request		Increase over 2023
Personnel	\$67,662,841	4.61%
Non-Personnel	\$69,064,466	4.72%
Other Non-Personnel	\$6,961,000	23.40%
O&M Subtotal	\$143,688,307	5.44%
SBU Program	\$11,213,263	0%
Debt Payment	\$83,000,000	-1.19%
Grand Total	\$237,901,570	2.77%



Comparison with Prior Approved Budgets

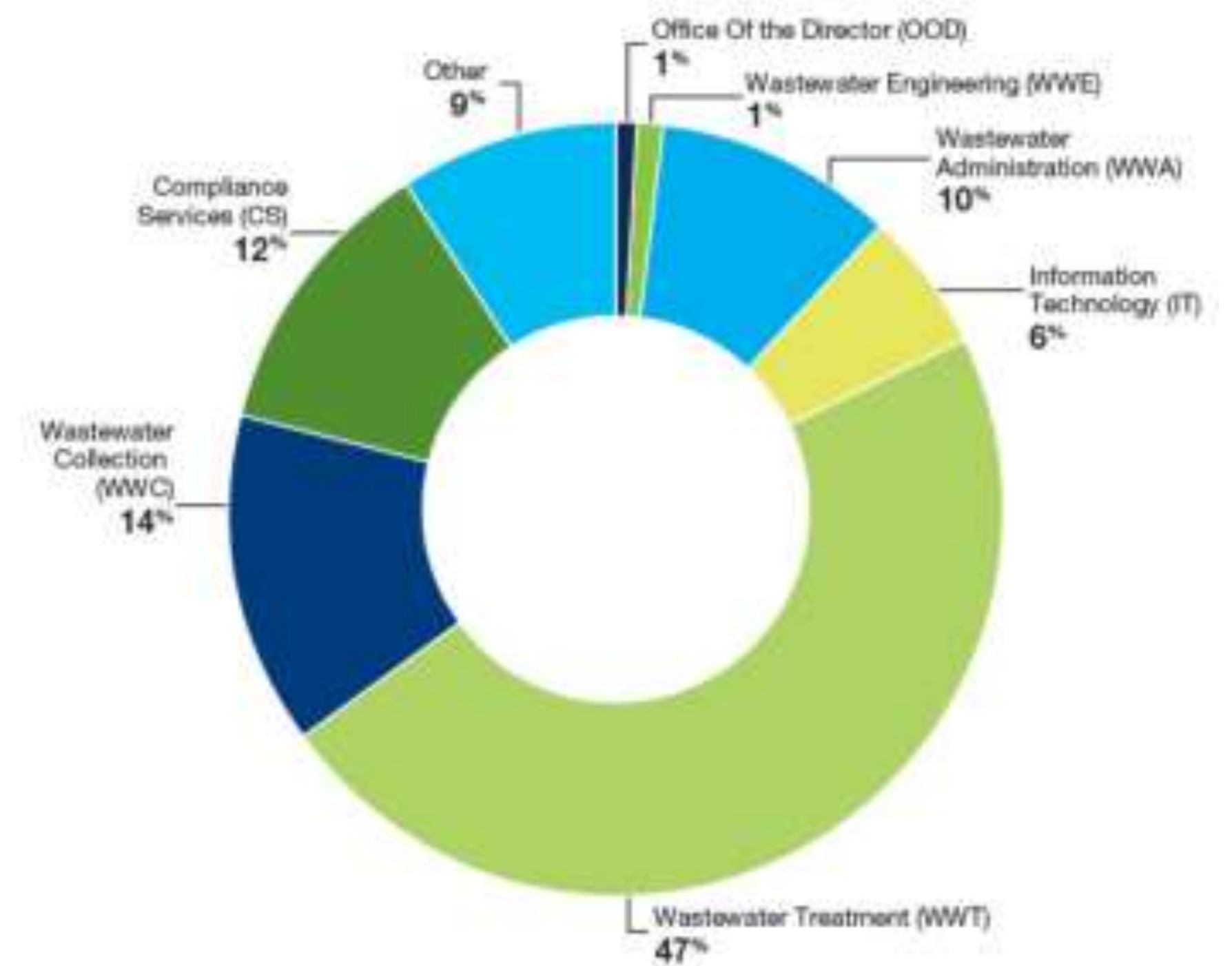
2024	2023	2022
\$237.9M	\$231.5M	\$231.0M

2024 Operating Budget Highlights

Primary Drivers of Increases*

- Personnel increase of \$2.98M or 4.61%
 - Compounded effects of COLAs for all bargaining units
- Non-personnel increase of \$3.1M or 4.72%
 - Increasing chemical costs for treatment
 - Increasing O&M costs for green infrastructure
 - Inflationary increases across industries for goods and services
- Other non-personnel increase of \$1.3M or 23.4%
 - Aged heavy equipment replacements

Non-personnel by Division



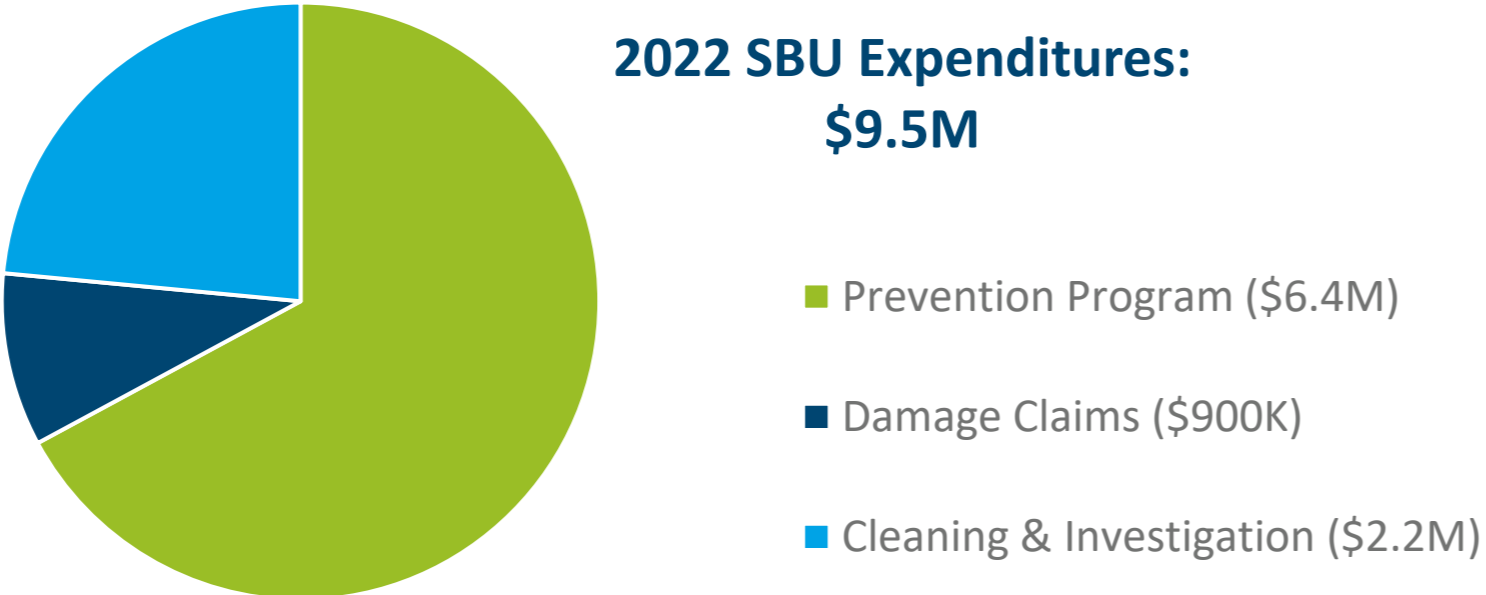
**Increase from 2023 Approved Operating Budget*

Sewer Backup Program

2024 SBU Program Request: \$11.2M

SBU Services Provided:

- 24/7 reporting of sewer backups at (513) 352-4900
- Investigation to determine eligibility
- Cleaning services for eligible properties.
- Reimbursement of damages for eligible properties.
- Protection from future sewer backups



Service Description	Total for 2023 through September
Sewer Back Up (SBU)	
Sewer Backup (SBU) Investigation Work Orders	1,911
Properties Considered for Cleanups	113
SBU Cleanups Performed/Accepted	87
Cleanups - Final Status Yet to be Determined @ Reporting Time	16
Cleanouts Installed at ROW (by MSD Repair Section)	923
Prevention Program	
Properties Contacted	26
Properties Protected	46
Professional Service Costs- Capital Funds	\$ -
Professional Service Costs- Operating Funds	\$ 570,315
Contractor Costs- Capital Funds	\$ -
Contractor Costs- Operating Funds	\$ 2,963,561
Total SBU Prevention Dollars Spent	\$ 3,533,876

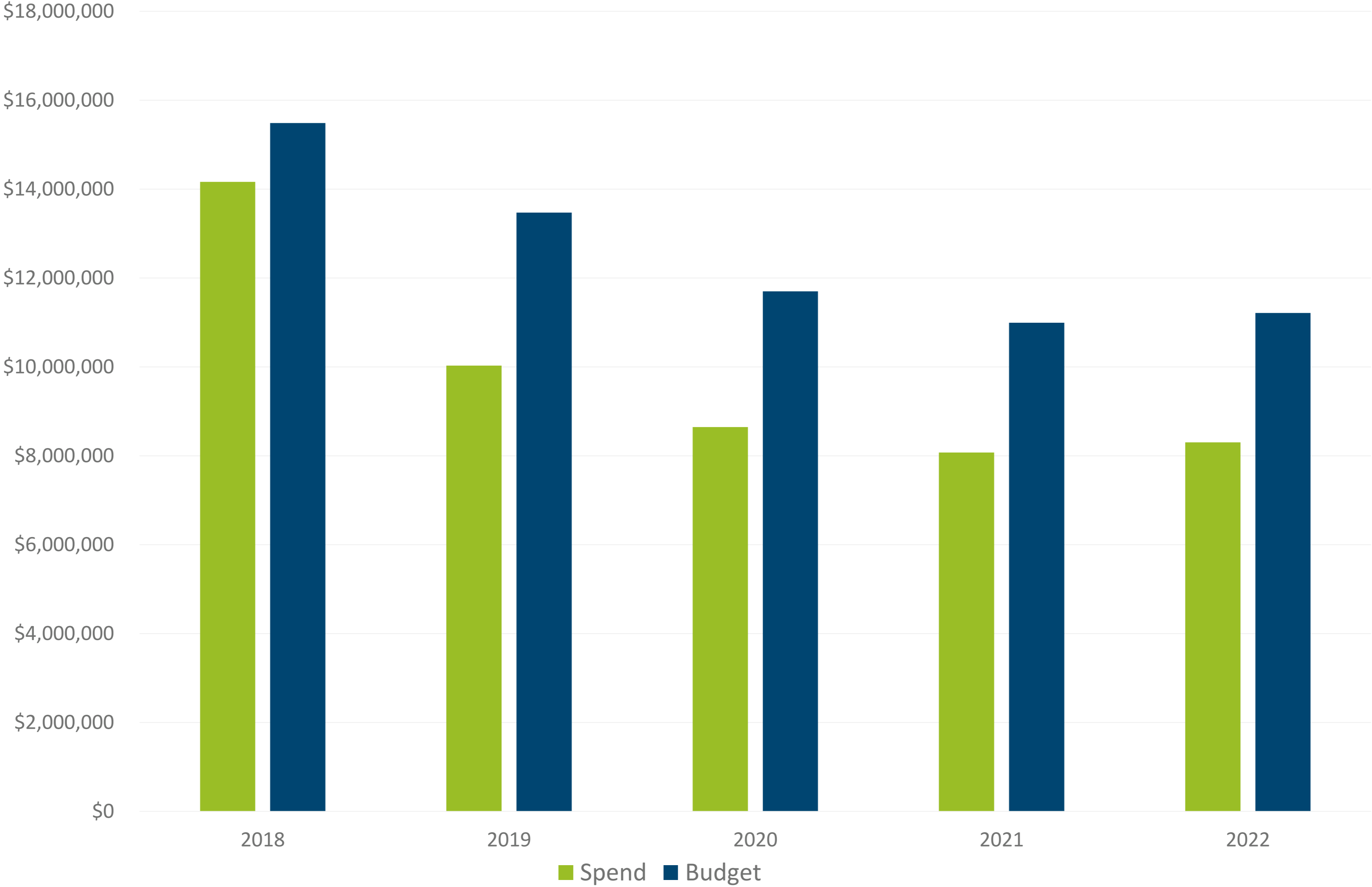
Claims	
Settlement Checks Processed	55
Average Processing Time for Settlements Offered (in days)	34
Claim Costs- Operating Funds	\$ 297,385

Expenses to Date	
MSD SBU Labor	\$ 603,253
Total Clean Up Costs- Operating Funds *	\$ 337,360
SBU Customer Service- Operating Funds	\$ 279,846
TOTAL FUNDS SPENT	\$ 5,051,720

Total spent 2004 to date \$ 156,889,330
YTD \$ 5,051,720

*Includes 3 estimates due to a lag in invoicing

SBU Program Non-Personnel Spend



Capital Improvement Program (CIP)

Requested 2024 CIP Budget: \$260,254,548

Appropriation upon passage: \$84,201,809

- Planning/Design/Easement (**\$47.6M**)
 - 33 Projects (Exhibit A)
- Construction Allowances (**\$36.6M**)
 - 4 Allowances (Exhibit B)

Balance for construction projects: \$176.1M

- 6 projects to be approved by BOCC later in 2024

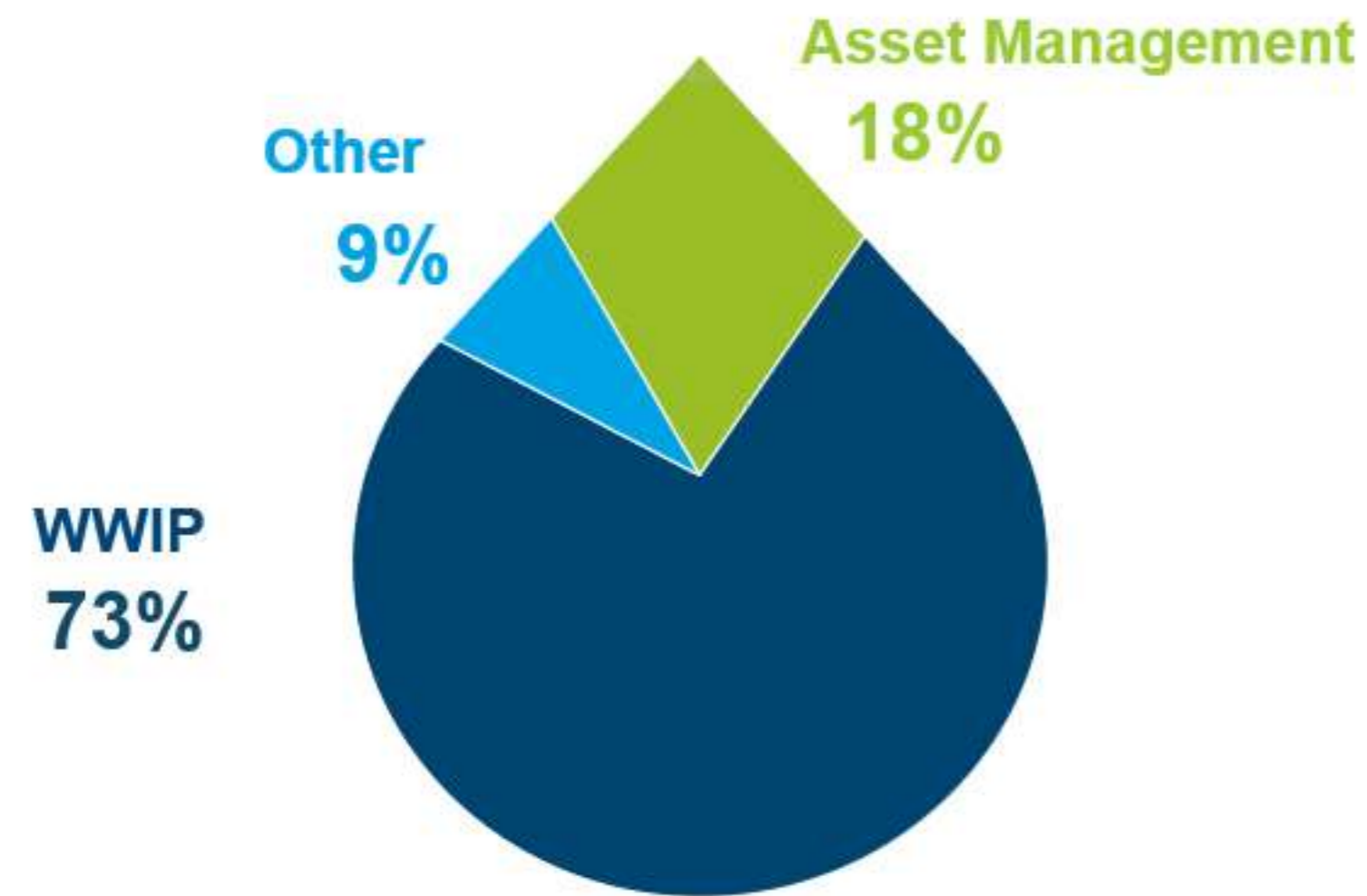
2024 CIP	2023 CIP	2022 CIP	2021 CIP
\$260.3M	\$140.5M	\$136.1 M	\$123.4 M



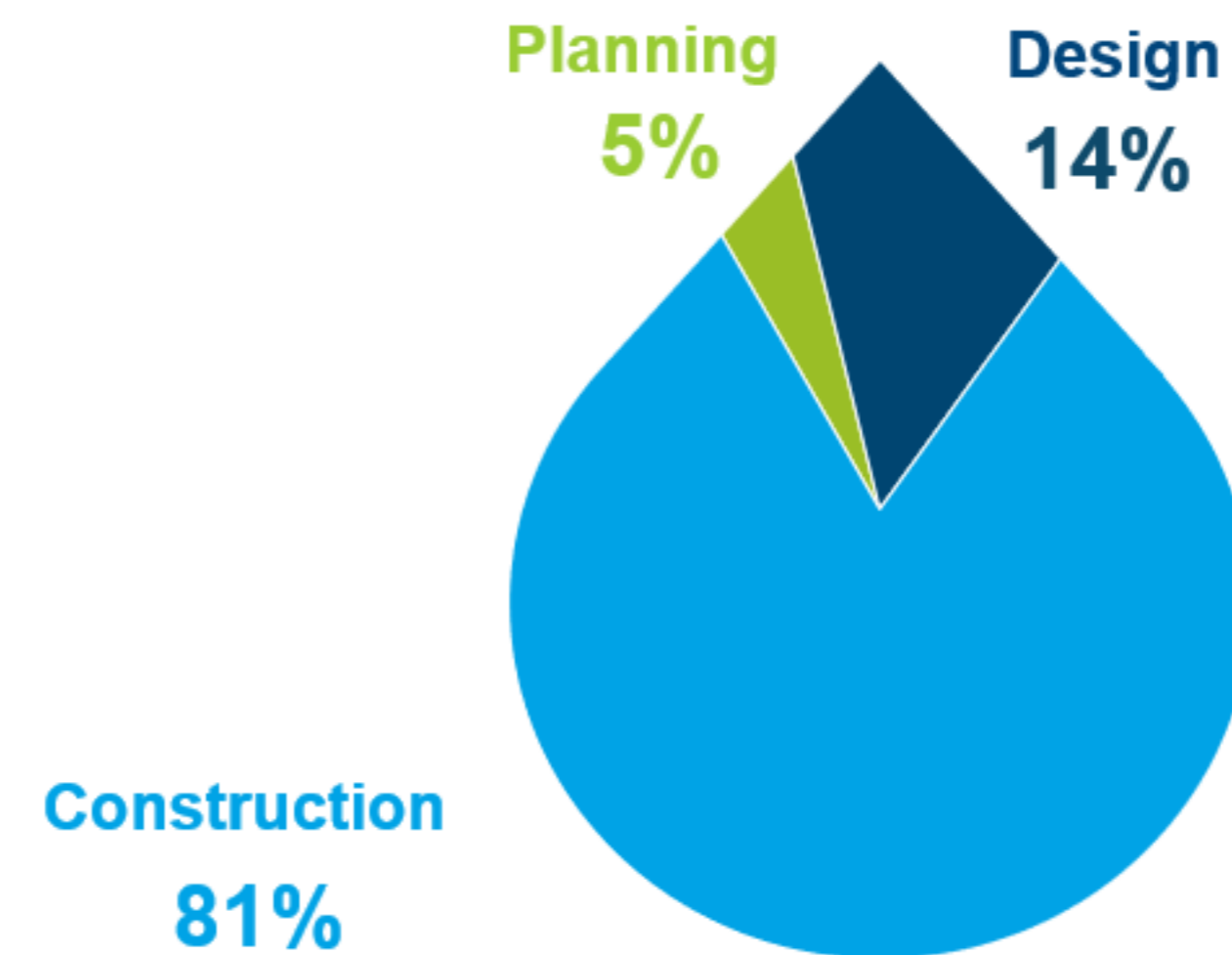
2024 CIP Budget Highlights

- Represents 85% increase over approved 2023 CIP Budget
 - *Little Miami WWTP Solids and Odor Control project (\$174.4M)*
- Includes all projects for the approved WWIP Ph 2A Plan
- Includes foundational projects for WWIP Ph 2B (under development)

WWIP Credit with AM Value



2024 Project Phases



2024 – 2028 Capital Improvement Program

Year	CIP Budget	No. CIP Projects
2024	\$260M	42
2025	\$317M	47
2026	\$193M	24
2027	\$176M	28
2028	\$275M	32
Total	\$1,221M	173

5-year Capital Plan Updated Annually

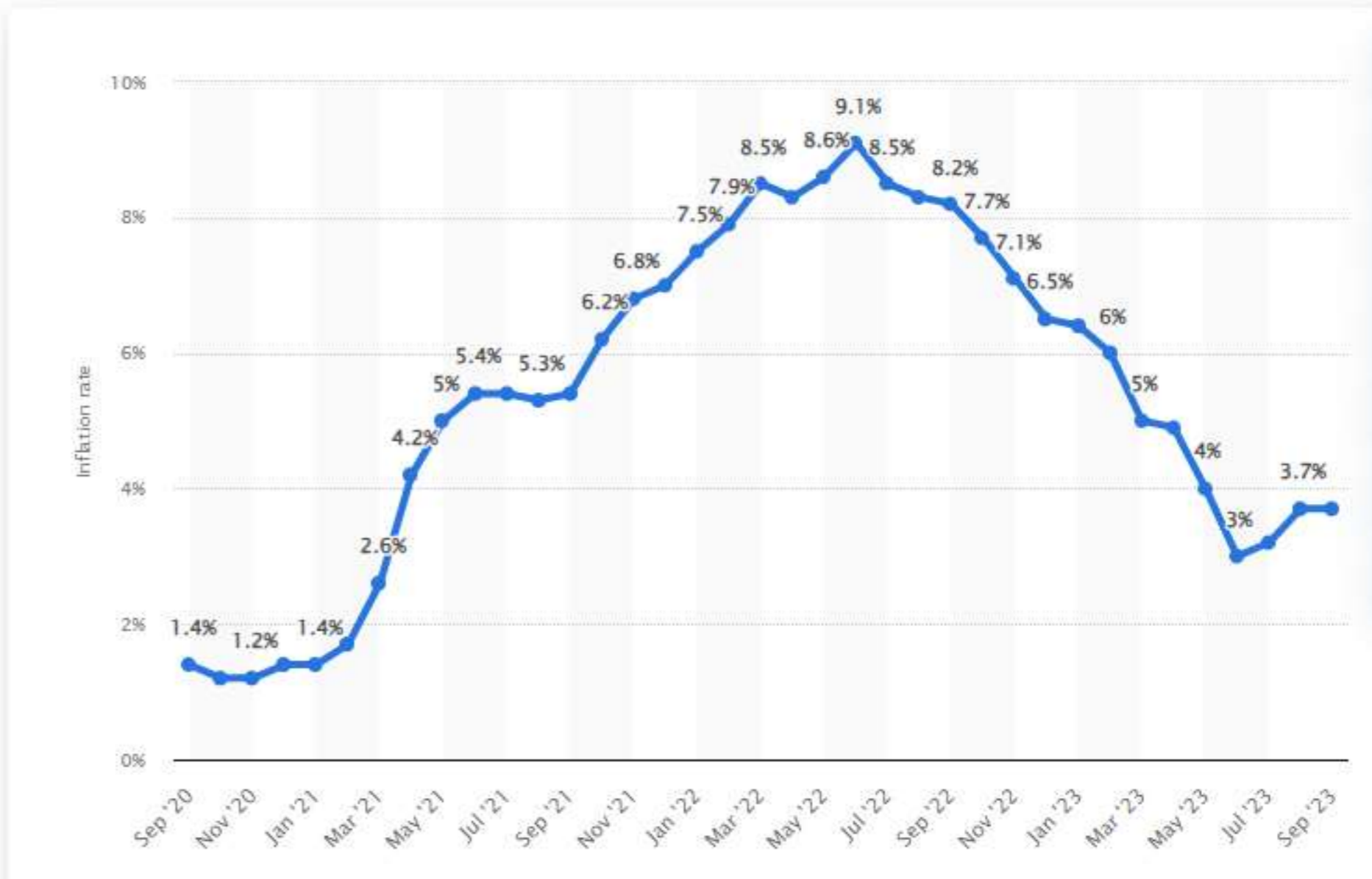
- MSD is managing \$1.5B (\$1,482M) in active projects
- Capital projects carried out over several years
- CIP development with long-term planning horizon
- Planned “ramp up” period for execution of Phase 2 WWIP
- Continued risk-based prioritization of asset needs
- System condition assessment and rehabilitation



Revised Rate Schedule

- MSD recommends 3% increase to the current schedule of service charges for 2024 to meet District revenue requirements.
- Increase will cost the average single-family residential household an additional \$1.50/month, or about \$18/year.
- Revenue is derived principally from sewerage service charges, excess strength surcharges, and industrial pretreatment charges.
- Revenue requirements are projected based on the following:
 - Requested 2024 Operating Budget
 - Requested 2024-2028 CIP Budget
 - Minimum balances needed to maintain key financial metrics, consistent with County financial guidance.

The annual inflation rate for the United States was 3.7% for the 12 months ending Sep 2023 according to U.S. Labor Department data.





It's All About Clean Water

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.