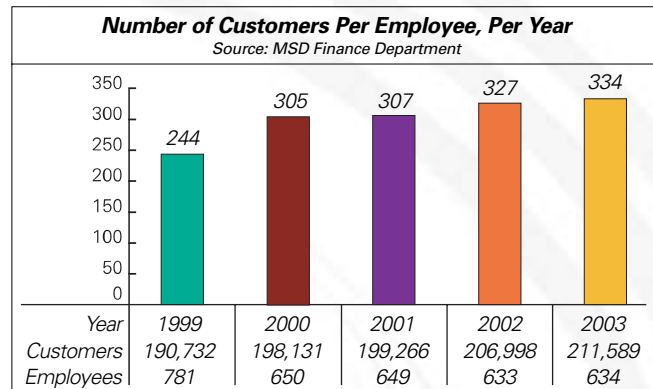


## Financial picture focuses on future

Audited financial statements for the fiscal year that ended June 30, 2003, show opportunities to continue improving the financial picture.

Operating revenues increased by 10.7 percent to \$106.2 million compared to \$96 million in 2002, surpassing budget expectations by \$2.9 million. Capital expenditures totaled \$104.6 million, \$17 million less than the amount budgeted. Net operating expenses were \$2.3 million less than the \$54.8 million expected.

The number of wastewater customers climbed to 211,589, adding 4,591 new customers in fiscal year 2003. MSD's staffing level remained stable with 634 full-time employees in 2003.



The audited financial statements indicate opportunities for MSD to continue cutting costs and improving revenues, according to Finance Director Marion Gee. "Favorable strides were made in the areas of labor, professional services, bad debt and travel, saving nearly \$1.7 million," Gee said. Total liabilities also decreased by \$12.4 million from 2002 levels.

*continued on page 3*

### FY03 By the Numbers

- Capital expenditures: 14% less than budgeted
- More than \$5.5 million spent with certified firms
- 134 construction projects completed for \$57.1 million
- 4,591 new customers
- 74% of total revenue received from wastewater charges
- Full-time staff level reduced by 27% since '95

## Season, cultures unite at Holiday Extravaganza

For eight years, Planning/Inventory Supervisor Tony Watson has traded his coveralls for a beach shirt for MSD's annual Diversity Holiday Extravaganza. On December 5 this year, Watson served up island rice and jerk chicken at the Jamaica booth, this year's Grand Prize booth winner. It was among the displays celebrating the cultures that many MSD employees call their own.

"It's not just about the food," Watson said. "The goal is to bring everybody together to learn about different cultures."

Geographic Information Systems Senior Technician Sal Lanceta was doing just that at the Philippines display. He wore a barong tagalong, the shirt Filipinos wear on special occasions, sharing details about weather and Christmas observances in his native country. "See these lanterns?" Lanceta pointed to a pair of handmade lights in the booth. "In the Philippines, there is no spirit of Christmas without these lanterns."



*Paula Byrd displays the foot massage unit she won in a raffle.*

*continued on page 3*

### CONNECT WITH MSD

502-540-6000  
24/7 Customer Service:  
587-0603  
www.msdlouky.org  
TDD/TTY: 540-6233  
En español: 540-6423  
(Entre 8 mañana y 5 p.m.  
lunes a viernes)



## Upcoming Events

December 18

**MSD Retirees Club Holiday Luncheon**, 11 a.m., Masterson's Nicholas Room, 1830 South Third

December 25 & 26

**Christmas Holidays, MSD offices are closed.** For emergency service phone 587-0603

December 30

**Biosolids Process Dedication**, 10 a.m., MFWTP

January 1

**New Year's Holiday, MSD offices are closed.** For emergency service phone 587-0603

January 12

**MSD Board meeting**, 10 a.m., 700 W. Liberty, first floor

January 19

**Martin Luther King, Jr. Holiday, MSD offices are closed.** For emergency service phone 587-0603

January 26

**MSD Board meeting**, 10 a.m., 700 W. Liberty, first floor

## Certifiable Success

DiverseWorks for this recently certified business:

### **Industrial Floors & Linings (WBE)**

Representing manufacturers of special coatings and linings for steel and concrete tanks, floors and pits; specializing in corrosive-resistant applications.

Contact: Pamela Sholtes, 502/836-2070

## Area Team Project Roundup

### *Floyds Fork and North*

**County Area:** Two construction projects will soon be underway to connect 214 properties along **Bass Road and Shirley Avenue** to sanitary sewers.

MSD's Board authorized proceeding with construction after receiving no objections during a 60-day public comment period.

### *Mill Creek Area:*

Four of the 18 projects in the **Mill Creek Action Plan Final Phase** have been completed, constructing nearly four miles of sewer to connect nearly 300 new customers to sanitary sewer service.

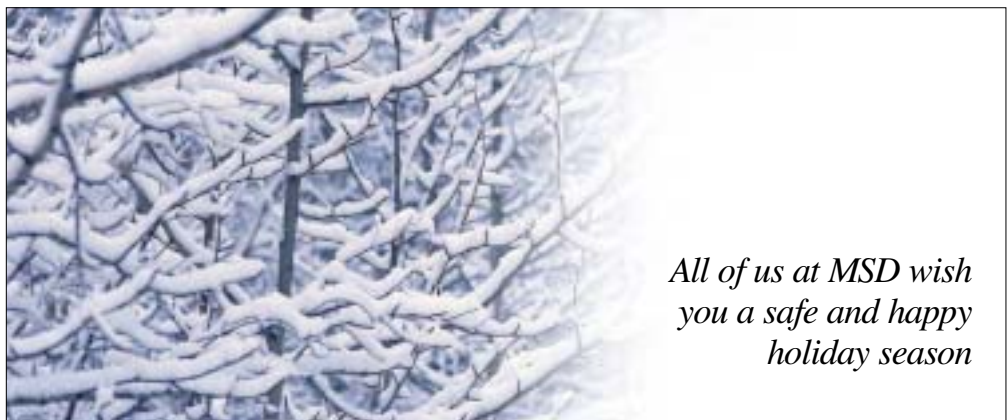
The four neighborhoods completed include **Bowen Avenue, Claremore Acres Phase II, Dempley Avenue and East Pages Lane.**

Guaranteed Maximum Assessments, the share of construction costs to be paid by new customers connecting to sewers, range from \$6,156 to \$10,464.

When the final phase is completed late in 2004, 42 miles of newly constructed sewers will connect nearly 3,500 properties to MSD's network of wastewater collection and treatment facilities. Overall, more than \$35.5 million will be spent, with completion of the first four projects costing more than \$2.5 million.

In mid-2002, MSD's Board approved the accelerated plan to provide sewer service to the remaining portions of southwest Jefferson County. The projects are scattered throughout the area, from Kosmosdale to Ralph Avenue.

A value management study revealed that by grouping the projects, administrative processes could be streamlined and time would be saved in the bidding cycle. MSD staff took on many pre-construction activities, such as easement acquisition, to reduce time and costs.



*All of us at MSD wish you a safe and happy holiday season*

## Financial picture ... *continued from page 1*

But increases in general liability claims, utilities, disposal and wastewater treatment costs offset those gains by more than \$2.4 million.

Gee said MSD staff and Board are exploring ways to improve the financial picture this year and beyond. Those include:

- Marketing and selling biosolids generated by MSD's solids drying system
- Seeking opportunities to refinance existing debt
- Reducing labor costs
- Cutting outside consultant fees
- Stepping up collection of delinquent sewer assessment payments
- Pursuing revenue sources outside of MSD's existing service area

MSD's 2003 financial statement audit was performed by Strothman & Company PSC and Toni Levy CPA.

## Season, cultures ... *continued from page 1*

The holiday spirit was strong at the Central Maintenance Facility. Choirs from Brandeis, Kennedy and Our Lady of Lourdes elementary schools filled the hall with seasonal sounds. Louisville Fire and Rescue personnel performed holiday favorites on bagpipes.

Executive Secretary Teresa Daly was busy selling raffle tickets for a host of door prizes. "Ticket sales are going great," she reported. Extravaganza participants were buying up chances to win a door prize, with proceeds after expenses earmarked for MSD's annual Giving

Tree campaign. "This year we hope to help 11 families have brighter holidays," Daly said.

In a training room, Equipment Training Specialist Mark Smith manned the book sale, a new feature of this year's Extravaganza. MSD employees donated books for the sale, and proceeds will help children from Wayside Christian Mission purchase a new book of their own at Carmichael's Books. "Kids like to choose and have their own books," said Smith, father of three girls.

Visitor Sharon Burnley attended her first Extravaganza as a guest. "This is an amazing, different approach to the holidays," Burnley said. "But they might want to get bigger plates if they're going to have so much good food."

At another table, Area Team Customer Specialist Larry Boone considered going back for seconds. "The Chinese food is excellent—I'm going back to get more eggrolls." As the Guru Vandana Indian Dance Company performed, Boone noted, "This is one of the nicest Extravaganzas we've had to date."

Senior Maintenance Manager Saeed Assef agreed. "This doesn't feel like a work event. It's more like getting together with friends, and that's the best thing to do for the holidays."

The event was planned and executed by the 2003 Extravaganza Committee. Training Administrator Tony Glore served as event coordinator.



Lee Hatchett (left) draws a winning ticket as Ezell Smith watches.

## Customer First at Work

"We'd like to say thanks to **Marion Gee and Kathy Myers** for promptly helping us in regard to the rate to connect to sewers and with other questions. We'd heard MSD is uncooperative, but our experience has been very positive."  
--Frances and Paul Brown II, Louisville, 40228

"Thanks to everyone at MSD, especially **Christine Thomas and the crew**, who were so pleasant and helpful in getting the backup repaired at my home."  
--Robert Slehmaker, Highlands, 40205

"Thank you, MSD, for a job well done. The excellent customer service and prompt response to my request impressed me."  
--Charlie O'Quinn, Okolona, 40219

"**Eva Barlow, Kevin Bright and Eugene Nowlin** did a wonderful job cleaning the drain near my property."  
--Mrs. Metzler, Crescent Hill, 40206

"Please tell everyone involved with correcting the sewer line break near my property that I appreciate their efforts. Your fast, efficient and friendly service was great."  
--Bill Coomer, Hikes Point, 40220





# MSD

Louisville and Jefferson County  
Metropolitan Sewer District

700 West Liberty Street  
Louisville, KY 40203-1911



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## Center aims to improve infrastructure

MSD will continue its participation in the University of Louisville's Center for Infrastructure Research.

Founded by a partnership between the University, Louisville Water Company and MSD, the Center is now entering its third year. "We remain focused on leveraging the resources of our partners, making the experience meaningful for students and achieving the objectives of our partners," said Center Director Dr. Thomas Rockaway.

This year, the Center has worked with MSD on projects designed to improve and extend the life of the community's infrastructure. Those include the biosolids demonstration project on behalf of CH2M Hill, the Natural Resource Conservation Service, Waste Management, U of L and MSD. The project explores application rates and seed mixtures that yield the maximum results using the biosolids as a soil amendment.

In addition, a project to detect voids beneath pavement in the downtown area is entering the final stages.

Along with funding from its partners, the Center has secured \$1.2 million in grants from national organizations to finance additional research in the coming year.