

Local development affects MSD operating expenses

According to Finance Director Marion Gee, MSD, like many other businesses, is impacted by the housing and development markets. When the housing market slows so does MSD's customer growth and revenues. Less than 2,000 new customers were added to service in 2007, increasing the number of customers to only 224,654.

Although operating revenues increased by 2.1 percent, or \$2.6 million, over fiscal year 2006, they fell below budgeted projections by \$6.6 million. Operating revenues totaled \$132.4 million in 2007. Gee attributed the decrease in operating revenues to wastewater fees that were \$5.2 million less than budgeted. Miscellaneous income also was \$1.3 million less than anticipated.

Of the \$132.4 million in revenues received, 73 percent was from wastewater service charges, 23 percent from stormwater service charges and 4 percent represented miscellaneous operating income.

A recent audit, conducted by Strothman & Company PSC with Toni Levy CPA, showed that even with increased revenue, MSD's expenses — including \$1 million of unbudgeted flood relief payments and workers' compensation — were greater than anticipated. Total expenses of \$88.3 million were about \$2.7 million more than budgeted. Also contributing to the excess expenses were general liability claims, overtime expenses, and increased electricity costs.

The report also showed total assets decreased by \$37.1 million in fiscal year 2007 due to less bond proceeds and debt service accounts. Total liabilities also decreased by \$19 million because of bond principal payments. The bonds are used to offset the cost of investments planned as part of the Consent Decree.

(See staffing information on page 2.)



When the housing market slows so does MSD's customer growth and revenues. Less than 2,000 new customers were added to service in 2007.



Regulatory Services Director Brian Bingham explained how project areas are prioritized by a Wet Weather Stakeholders Group.



Project WIN helps businesses connect for project contracts

In November, MSD's Regulatory Services Division staff hosted more than 70 consulting firm representatives to discuss the plans and progress for Project WIN. The event aimed to inform potential consultants and contractors about project details. It also allowed time for companies who have already received a Project WIN-related contract to connect with interested DiverseWorks-certified businesses that could help them meet their diversity goals.

In addition to the demanding schedule of implementing and reporting aspects of Project WIN, MSD staff is often asked for time to discuss project plans with individual consultants and contacts. According to Regulatory Services Director Brian Bingham, the event allows MSD to provide that information universally to anyone that is interested.

The presentation included a project update regarding the Big Four areas of infrastructure construction: Beechwood Village, Southeast Diversion Sewer, Hikes Point and Highgate Springs. Key MSD personnel and those new to the Regulatory Services Division were introduced including Justin Gray, Vicki Coombs and Julia Muller.

The community's investment in Project WIN is expected to be \$800 million. It will take about 17 more years to complete. According to Bingham, the consultants and contractors selected to help with the project are qualified and knowledgeable partners.



MSD

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24/7 Customer Relations:
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*(De 8 de la mañana a 5 de la tarde,
de Lunes a Viernes)*

Upcoming Events

December 4
Project WIN Public Meeting
 6 p.m., Shawnee Golf Course Clubhouse

December 6
DiverseWorks for You Certification Orientation
 9 a.m., 700 W. Liberty, first floor

December 7
MSD Extravaganza
 11 a.m. to 3 p.m.,
 Central Maintenance Facility

December 10
MSD Board Meeting
 10 a.m., 700 W. Liberty, first floor

December 13
MSD Retiree's Club Holiday Luncheon
 11 a.m. to 2 p.m., Masterson's
 Details will be mailed to retirees

December 24 and 25
MSD Offices Closed
 For emergency service anytime, phone MSD's Customer Relations Department at (502) 587-0603

MSD Milestones

Welcome to MSD:
Mitchell Casper, Utility Trainee
William Jones, Utility Trainee
Sammy Morgan, Process Technician Trainee
James Skinner, Process Technician Trainee

Congratulations on your promotion:
William Baskette, Utility Leader
Virgil Brown, Utility Worker III
Ron Fitz-Gibbon, Process Computer Operator
Norman Hale, Lab Tech III
John Heacock, Process Supervisor-Maintenance
Brian Hess, Utility Worker III
Corey Knox, Research Chemist
Phillip Vinegar, Utility Worker III
Charles Woods, Utility Worker III

Changing the pace:
Bill Caswell, from Support to Sewers

We will miss:
Charlene Johnson retiring 12/31/07
Gary Morrison retiring 12/31/07

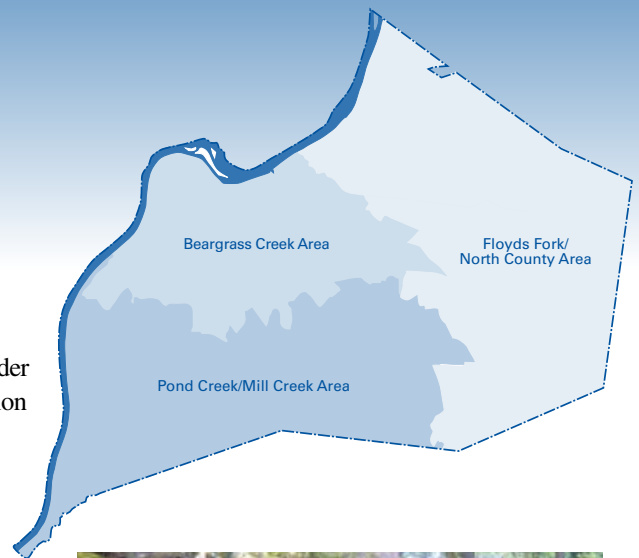
Area Team News

Floyds Fork/North County

Drainage improvements will be constructed along a drainage channel in the rear yards of Saratoga Hill Road. The \$257,573 project will restore channel drainage capacity by redefining the channel's width, installing boulder toe shoring, and establishing a natural vegetation zone to prevent erosion.

Permanent stand-by generators will be added to four pumping stations in the Goose Creek area. Natural gas or propane generators will be installed at pumping stations near Wind Ridge Court, Breakwater Place, Grand Isle Way and Trail Ridge Court to provide emergency power during inclement weather. The project will cost \$144,787.

Right: A hilly terrain limits access to four pumping stations in the Goose Creek area. Stand-by generators will be installed to keep them operational during a power outage.



Drainage Response Initiative projects

Project DRI is solving drainage problems throughout the community. This project is ready for construction:

Carol Way

Roadside and side-yard drainage improvements will be constructed along Carol Way, Dingle Dell Road and 3rd Street Road. Paved ditches, pipes, boulder toe shoring, and driveway culverts and aprons will be installed to resolve seven service requests and benefit 11 properties.

MSD staffing levels

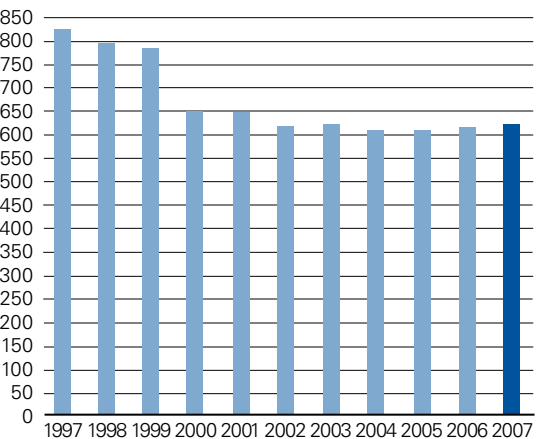
After an effort to right-size MSD's staff nearly ten years ago, it is expected that additional staff will soon be added to help address the responsibilities of Project WIN.

The graph, to the right, shows the trend in full-time equivalent staff.

Project DRI Progress

Project DRI, a partnership between Louisville Metro and MSD that began in 2003, has improved drainage throughout the Metro area. Since Phase 2 began in 2005, 93 percent of the 366 planned projects are either underway or completed.

Project DRI Phase 2



Preserving Tradition

Employees honored for their sacrifices at Veterans Day event



Army Major General Robert S. Silverthorn thanked Donald LaRue for his service.

Employees, Board members and family members gathered on November 9 at the Central Maintenance Facility for MSD's third annual Veterans Day Recognition. The event celebrated and honored the sacrifices of more than 60 current MSD employees who have served in the U.S. Armed Forces.

"The service and personal sacrifice of these employees are what allow us to be here today," said MSD Executive Director and U.S. Army veteran Bud Schardein. "We are proud of everyone and want to show our appreciation and honor them for serving willingly and proudly."

"Freedom is not free," said Army Major General Robert S. Silverthorn. "This is a special day to recognize those who have given and those who have stood watch."

"I wish more organizations would have this type of recognition for their veterans," said U.S. Air Force Major General Carl Black.

U.S. Navy Master Chief Charles J. Ballard and U.S. Marine Corp Major General Richard A. Huck echoed those sentiments and thanked MSD for their efforts to recognize veterans.

The Veterans Day Recognition is an MSD-sponsored diversity event led by committee members **Duke Edwards, Tony Glore, Deby Mettling and Dana Price**. MSD Executive Staff **Saeed Assef, Kathy Cooksie, Marion Gee and Bruce Seigle** assisted with the program.

The following MSD employees and Board members were recognized for their service:

U.S. Air Force

Donald Burrus
Morris Byrd
Mark Hill
Kevin Kaufman
Ernie New
Roderick Pulliam
Michael Slavey
Randy Stambaugh

U.S. Army

Robert Bates
Kevin Bright
William (Bill) Chamberlain
Daniel Dews
Paul (Duke) Edwards
Jim Emily
Lonnie Gaines
Stephon Ray Gazaway
David Gittings
Michael Gower
Garry A. Halsel
Charles E. Holsclaw Jr.
Kenneth Jones
Donald Larison
Donald LaRue
Nobel Marks
Eddie McAfee
Larry Miller

U.S. Army, continued

Bobby Neal
Derek Northington
Victor Palmarini
Mark Pollard
H.J. Schardein Jr.
Diane Secor
Renee Speight
Anthony (Tony) State
Donald Strabel
John Sutton
Morris Tolbert
Donald Wate Jr.
Kirk Willis

Army National Guard

Benjamin Auclair
Richard L. Warman

U.S. Army Reserves

Derek N. Moore

Army Security Agency

Charles W. Hamilton

U.S. Coast Guard

Roger Thomas

U.S. Marine Corp

Edward D. Reynolds
Virgil Brown
Robert J. Burkett Jr.
Edwin O'Bannon
Timothy Patterson
Larry N. Ramsey
Russ Scott
Alonzo Spencer
Michael Stephenson
James Vaughan

U.S. Navy

Dennis Bahm
Bruce Cissell
Joseph Downs
Larry Duke
Isaac Johnson Jr.
Shawn Sisk
Tommy L. Harlow
Mike Wild
Alrick Young
Robin Young

MSD Board Members

Arnold Celentano, U.S. Air Force (civilian)
Jerry Clark, U.S. Air Force
Martin Hoehler, U.S. Army
Doyle Stacy, U.S. Army

Customer First at Work

"Thank you to MSD's crew, **Tony Nicholson, Will Phillips, Eric Sawyers, Kirk Willis, John Yarbrough and Mike Young**. I'm very happy with the work they did on a nearby ditch."
— *Carla Farmer, Okolona*

"Thank you for the help **Brian Prinz, Shawn Sisk and Cary Smith** provided to resolve a drainage problem for a resident in District 17. Thank you to **Stephanie Morford and David Givan** for keeping the customer and our office informed."

— *Councilman Glen Stuckel, Louisville Metro Council District 17*

"**Simon Childress, Keith Gallai, Michael Kilkelly and James Rutledge** did a great job and **Leila Cunningham** was very nice when I called in my request. I want MSD to know that it has good people working for them."

— *Don Dunn, Auburndale*

"MSD put a lot of effort into getting my project done and in a timely manner. I'm glad to have such wonderful people — **William Gibson, Jeremy Pierson and Eric Sowards** with help from **Nate Richardson, Keith Washington and Val Winburn** — working at my home."

— *Brenda Binder, Iroquois Park*

"**William Phillips, Steve Prestigiaco, Kirk Willis, John Yarbrough and Mike Young** did a great job on a drainage project near our home. Thank you."

— *The Randall Family, Pleasure Ridge Park*

"**Alonzo Spencer** was pleasant, professional and conscientious about the work he did. My thanks to him and the crew, **Fred Harris and Fred Hollon**."

— *Petersburg customer*

"When I called MSD for service, **Lanita Grimes** made me feel very secure. She did a good job and handled my request well."

— *John Moorhatch, Strathmoor Manor*



MSD

Louisville and Jefferson County
Metropolitan Sewer District

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Louisville, KY 40203-1911



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Old Louisville resident named to MSD Board

Louisville Metro Mayor Jerry Abramson has appointed retired electrical engineer Arnold J. Celentano, P.E. to MSD's Board.



"Mr. Celentano is the first representative from the Old Louisville neighborhood to serve on our Board, said MSD Executive Director Bud Schardein. His perspective as a resident

from this area and his work experience will be valuable additions to the group, he said.

Celentano moved to Louisville from New York where he was the Director of Water and Sewer Districts for the town of Cortlandt. In 1971, he founded Worldwide Consulting Services, Inc.

He is a past president of the Old Louisville Business and Professional Association and past president of the Old Louisville South Third Street Neighborhood Association.

Celentano's term will expire July 31, 2010.

Holiday tips help prevent sewer backups



When sewers accumulate excess fat, oil and grease, the clogs can cause wastewater overflows and backups in homes. A few simple steps may easily help customers prevent these backups year round.

A sewer backup isn't something customers want to invite into their home for the holidays. These incidents increase during this season because more people are cooking larger meals for their families and friends, according to Regulatory Services Director Brian Bingham.

Customers may be able to prevent these backups by applying the following cooking and household tips:

- Dispose of fat, oil and grease in the trash — not down the drain.
- Recycle boxes, cans, wrapping paper and other materials.
- Use dishwashers and washing machines only when they are full.
- Avoid using dishwashers and washing machines during heavy rains.
- Rake leaves, snow and debris away from storm drains.
- Disconnect or empty a rain barrel before it freezes.

Project WIN outreach efforts include informing customers about proper care regarding food handling and other home maintenance issues. Postcards listing *Five Tips for the Holiday Season* and pan scrapers are distributed at Project WIN meetings and other community events.

For more information, call MSD's Customer Relations Department at (502) 587-0603 or visit www.msdlouky.org.