

#### Louisville and Jefferson County Metropolitan Sewer District, KY

- 1 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Bond Anticipation Notes, Series 2019, \$226,340,000, Dated: September 26, 2019 SUMMARY LANGUAGE USED
- 2 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2019, \$30,910,000, Dated: August 19, 2019
  3 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Bond Anticipation Notes, Series 2018, \$226,340,000, Dated: November 9, 2018 SUMMARY LANGUAGE USED
- 4 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Program Notes, Series 2018, Commercial Paper Subseries 2018A-1, \$250,000,000, Dated: July 11, 2018
- 5 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Program Notes, Series 2018, Commercial Paper Subseries 2018A-2, \$250,000,000, Dated: July 11, 2018 6 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2018A, \$60,380,000, Dated: May 31, 2018 SUMMARY LANGUAGE USED
- 7 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2017A, \$175,000,000, Dated: August 29, 2017
- 8 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2017B, \$35,725,000, Date: August 29, 2017
- 9 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2016A, \$150,000,000, Dated: August 30, 2016
- 10 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2016B, \$28,315,000, Dated: August 30, 2016
- 11 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2016C, \$67,685,000, Dated: August 30, 2016
- 12 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2015A, \$175,000,000, AND Sewer and Drainage System Revenue Refunding Bonds, \$81,750,000, Series 2015B, Dated: October 21, 2015
- 13 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2014A, \$80,000,000, Dated: November 25, 2014
- 14 Louisville And Jefferson County Metropolitan Sewer District Sewer And Drainage System Revenue Bonds, Series 2013C, \$100,000,000 Dated: November 27, 2013

  15 Louisville and Jefferson County Metropolitan Sewer District Sewer and Drainage System Revenue Bonds, Series 2013B, \$119,515,000 Dated: May 23, 2013
- 16 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2011A, \$263,360,000 Dated: August 24, 2011
- 17 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2010A (Federally Taxable Build America Bonds Direct Payment), \$330,000,000 Dated: November 30, 2010 18 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2009C (Federally Taxable – Build America Bonds – Direct Payment), \$180,000,000 Dated: November 24, 2009
- 19 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2009B, \$225,770,000 Dated: August 15, 2009
- 20 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2009A, \$76,275,000 Dated: May 15, 2009

#### THE DISTRICT

Series 2013A,B, 2011A, 2010A, 2009C, 2009B, 2009A

#### Members of the Board

Board Members	Term Expires
Marita Willis - Chair	6/30/2022
Daniel Arbough - Vice Chair	6/30/2021
Andrew Bailey	7/31/2021
Keith Jackson	8/31/2020
Ricky Mason	7/31/2022
JT Sims	8/31/2020
Jason Williams	2/28/2021
Cyndi Caudill	6/30/2022

Series 2019 Rev, 2018, 2018A-1,A-2, 2018A, 2017A, 2016A,B,C, 2015A,B, 2014A, 2013C, 2013A,B, 2011A, 2010A, 2009C, 2009B, 2009A

Lustomer History				
Wastewater Customer	Dollars in thousands			
	Number of	Volume		Revenue
Residential	Customers	(million gallons)	(in	thousands)
FY 2016	232,534	11,299	\$	101,405
FY 2017	234,361	11,029		108,809
FY 2018	235,324	10,611		116,458
FY 2019	236,462	10,823		122,830
FY 2020	237,661	11,087	\$	140,125
Commercial				
FY 2016	21,613	9,340	\$	58,343
FY 2017	21,971	9,675		61,860
FY 2018	22,483	9,331		66,651
FY 2019	22,220	9,294		71,054
FY 2020	22,369	9,018	\$	74,134
<u>Industrial</u>				
FY 2016	407	3,311	\$	19,878
FY 2017	423	3,019		21,218
FY 2018	430	3,533		24,439
FY 2019	443	3,716		23,171
FY 2020	453	3,959	\$	21,759

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A

#### The Drainage System

Under interlocal government agreement effective January 1, 1987, the District became the sole local authority for providing flood control and storm water drainage services in the Drainage Service Area. The District is responsible for the operation, maintenance, replacement, improvements and additions to existing flood control facilities and public stormwater drainage facilities within the Drainage Service Area. The stormwater drainage system is comprised of various types of facilities to collect, convey, retain, and discharge stormwater runoff into sewers, rivers, streams, and creeks, which eventually drain into the Ohio River. These fcilities include open channels, ditches, streams, ponds, pipes, culverts, conduits, bridge structures, detention basins, retention basins, pump stations, and other facilities. In fiscal year 2020, the District had approximately 221,675 active drainage service accounts which provided total annual drainage charge revenues of \$75.0 million.

#### **RATES AND CHARGES**

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A

#### **Wastewater Service and Drainage Service Charges**

iscal Vear 2020

The District derives its revenue for wastewater service and drainage service from the collection of rates, rentals and charges established in accordance with the provisions of KRS 76 and local ordinances for services rendered within the Service Area to customers served by the District's facilities. The District has no power to levy ad valorem taxes upon any property for any purpose whatsoever. Wastewater service rates, based on water consumed, are billed and collected by Louisville Water Company, (a Kentucky corporation wholly owned as a public enterprise by the Louisville/Jefferson County Metro Government) for the District under terms of an agreement executed in January, 2013. These rates are billed simultaneously with the water bill on a single statement payable in total for both wastewater and water service rendered, and are subject to a late penalty of 5%. Louisville Water Company also bills and collects all of the District's drainage service charges. In the event of nonpayment of any such wastewater or drainage rates, rentals, or charges for a period of more than 30 days after they become due and payable, Louisville Water Company is required by law to discontinue water service. On March 16, 2020 MSD and LWC suspended late charges and water service disconnections in response to the COVID-19 Pandemic. No timeline for resumption of either has been established.

Most bills are rendered bimonthly except for larger industrial/commercial accounts which are billed monthly. The District wastewater service rates include a fixed service charge based on the size of the public water meter serving the property plus a charge for each 1,000 gallons of water consumed on the premises. Each customer has the option of installing private meters to record water usage which does not enter the sewers. Industrial and commercial customers may use this option to obtain credit for water which does not enter the sewers. Drainage service rates are charged based on measured impervious areas with one equivalent service unit (ESU) assigned for each 2,500 square feet of impervious area. All residential customers are billed for one ESU.

Series 2019 Sub

#### Wastewater and Drainage Service Revenues

	Dollars in th	ousands								
				Waste	ewater Reven	ue (dollars in thousa	ands)			
Fiscal Year	Re	esidential	Co	mmercial	ln	dustrial	<u>(</u>	Other		Total
2016	\$	101,405	\$	58,343	\$	19,878	\$	3,966	\$	183,592
2017		108,809		61,860		21,218		3,078		194,965
2018		116,458		66,651		24,439		3,088		210,636
2019		122,830		71,054		23,171		2,412		219,467
2020	ė	140,125	ć	74,134	ć	21,759	ć	1 700	ć	237,807
2020	3	140,123	· ·	74,134	Ş	21,/59	۶	1,789	ş	237,80
2020	_ ,	140,123	<del>,</del>		<del>-</del>			1,789	\$	237,807
		· · · · · ·	,	Drai	_	e (dollars in thousan			\$	
Fiscal Year	Re	esidential	Co	Drai	_	e (dollars in thousan	. <u>c</u>	1,769 Other	,	Total
Fiscal Year 2016	Re \$	esidential 20,439	\$ <u>Co</u>	Drai mmercial 31,231	_	e (dollars in thousan			\$	<b>Total</b> 54,889
Fiscal Year	\$ \$	esidential	\$ \$	Drai	_	e (dollars in thousan	. <u>c</u>		\$	<b>Total</b> 54,889
Fiscal Year 2016	Re \$	esidential 20,439	\$ <u>Co</u>	Drai mmercial 31,231	_	e (dollars in thousan dustrial 3,219	. <u>c</u>		\$	
Fiscal Year 2016 2017	\$ \$	20,439 22,111	\$ <u>Co</u>	Drai mmercial 31,231 33,421	_	e (dollars in thousan dustrial 3,219 3,445	. <u>c</u>	Other -	\$	Total 54,889 58,977

Series 2019 Rev, 2018, 2018A-1,A-2, 2018A, 2017A, 2016A,B,C, 2015A,B, 2014A, 2013C, 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A,, 2004A

### Rate History

As of Fiscal Year 2020	Dollars in thousands								
	Wastewater Sto				ormwater		Es	timated	
Date of		Annual Additional				Annual Additional		Revenue EPA	
Rate		Rev	venue from		Reve	enue from	Cons	ent Decree	
<u>Increase</u>	% Rate Increase	Rat	te Increase	% Rate Increase	Rate	e Increase	Su	rcharge	
8/1/2019	6.9%	\$	11,243	6.9%	\$	5,346	\$	55,506	
8/1/2018	6.9%		8,832	6.9%		5,838		53,594	
8/1/2017	6.9%		15,671	6.9%		4,890		50,429	
8/1/2016	6.9%		11,373	6.9%		4,090		46,821	
8/1/2015	5.5%		9,697	5.5%		3,322		43,615	
8/1/2014	5.5%		9,833	5.5%		2,860		42,538	
8/1/2013	5.8%		9,321	5.8%		2,711		39,786	
8/1/2012	6.5%		9,705	6.5%		2,418		37,444	
8/1/2011	6.5%		9,396	6.5%		2,418		35,133	
8/1/2010	6.5%		8,683	6.5%		2,246		32,467	
8/1/2009	6.5%		8,467	6.5%		2,096		30,118	
8/1/2008	6.5%		8,018	6.5%		2,015		28,938	
8/15/2007	0.0%			0.0%		-		22,775	
8/1/2006	6.9%		6,414	6.9%		1,958		-	
8/1/2005	6.5%		5,656	6.5%		1,672		-	
8/1/2004	6.5%		5,184	6.5%		1,526		-	
8/1/2003	6.5%	\$	5,013	6.5%	\$	1,408	\$	-	

## Series 2013A,B, 2011A, 2010A, 2009C, 2009B, 2009A Security and Source of Payment For The Current Bonds

Fiscal Year Ended June 30, 2020	Dollars in thousands		
		Original Principal	Amount
<u>Series</u>	Dated Date	Amount	Outstanding
2009C	11/18/2019	\$ 180,000	\$ 180,00
2010A	4/17/2010	330,000	330,00
2011A	2/23/2011	263,360	246,22
2013A	4/23/2013	115,790	115,79
2013B	4/23/2013	119,515	112,57
2013C	11/27/2013	100,000	99,25
2014A	11/4/2014	80,000	79,75
2015A	10/21/2015	175,000	173,16
2015B	10/21/2015	81,750	71,51
2016A	8/11/2016	150,000	149,29
2016B	8/11/2016	28,315	23,91
2016C	8/11/2016	67,685	50,51
2017A	8/22/2017	175,000	161,89
2017B	8/22/2017	35,725	32,88
2018A	5/31/2018	60,380	60,38
2019A	8/19/2019	30,910	24,77
	Total	\$ 1,993,430	\$ 1,911,91

·	er and Drainage System Rev	enues and Expens
Dollars in thousan	ds <u>Fisc</u>	al Year 2020
AVAILABLE REVENUES:		
Rates, Fees, Rentals and Charges:		
Wastewater service charges	\$	237,80
Drainage service charges		75,05
Revenue enhancement program		-
Total Rates, Fees, Rentals and Charges	·	312,85
Other Available Revenues:		
Other operating income		6,19
Current assessment payments		90
BAB interest reimbursement	·	10,32
Investment income		5,27
Less: capitalized investment income		-
Total Other Available Revenues		22,70
TOTAL AVAILABLE REVENUES	\$	335,56
SENIOR BOND DEBT SERVICE		
Current maturities of long-term debt	\$	40,38
Interest expense (senior lien)		92,27
Less: Capitalized interest expense		(13,04
AGGREGATE NET DEBT SERVICE	\$	119,61
110% OF AGGREGATE NET DEBT SERVICE	\$	131,57
SERVICE & ADMINISTRATIVE EXPENSES:		
Labor	\$	73,47
GASB 68 pension/GASB 75 OPEB actuarial expense		17,82
Utilities		17,92
Materials and supplies		7,59
Contract services		38,46
Checmicals & fuel		5,71
Insurance premiums & calims		2,24
Bad Debt		4,00
Other operating expense		51
Mapping & insurance recovery		-
Less: Capitalized overhead		(39,64
TOTAL SERVICE & ADMINSTRATIVE EXPENSES	\$	128,12
NET REVENUES	\$	207,43
SENIOR DEBT SERVICE COVERAGE RATIO		188
SUBORDINATED DEBT SERVICE	\$	23,47

#### THE SERVICE AREA:

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A

**Annual Population Estimates** 

Fiscal Year 2020		
<u>Year</u>	Louisville Metro	Louisville MSA
2019	766,757	1,265,108
2018	770,517	1,297,301
2017	771,158	1,293,953
2016	765,352	1,350,207
2015	763,623	1,278,413

# Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A **Louisville Metro, Kentucky - Largest Private Employers** Fiscal year ending June 30, 2020

Employer
United Parcel Service, Inc.
Jefferson County, KY Public Schools Norton Healthcare (formerly Alliant Health) Ford Motor Company Humana, Inc. UofL Health Inc. The Kroger Company Baptist Healthcare System Walmart Inc. University of Louisville

Product	Approximate Number of Employees
Air cargo transport and distribution	25,090
Primary and secondary education	14,484
Hospital and health care facilities	13,828
Vehicle manufacturing	13,020
Group health insurance/HMOs	12,360
Hospital and health care facilities	12,000
Grocery Retailer	9,235
Hospital and health care facilities	7,346
Grocery Retailer	6,650
Higher education	6,619

Series 2019 Rev, 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A

The Issuer may change the accounting principles used for preparation of such financial  $% \left( 1\right) =\left( 1\right) \left( 1\right) \left$ information so long as the Issuer includes as information provided to the public, a statement  $% \left( 1\right) =\left( 1\right) \left( 1\right) \left$ to the effect that different accounting principles are being used, stating the reason for such change and how to compare the financial information provided by the differing financial accounting principles.
Fiscal Year 2020

No changes in accounting principles were implemented in FY20.