

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 2022, \$226,340,000, Dated: October 5, 2022 **SUMMARY LANGUAGE USED**
- 2 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2022A (Green Bonds - Climate Bond Certified), \$225,000,000, Dated: February 1, 2022 **SUMMARY LANGUAGE USED**
- 3 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Bond Anticipation Notes, Series 2021, \$226,340,000, Dated: October 12, 2021 **SUMMARY LANGUAGE USED**
- 4 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Taxable Bonds, Series 2020C, \$112,065,000, Dated: October 15, 2020 **SUMMARY LANGUAGE USED**
- 5 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2020A, \$225,000,000, Dated: July 30, 2020 **SUMMARY LANGUAGE USED**
- 6 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2019, \$30,910,000, Dated: August 19, 2019
- 7 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
- 8 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
- 9 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**
- 10 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2017A, \$175,000,000, Dated: August 29, 2017
- 11 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2017B, \$35,725,000, Dated: August 29, 2017
- 12 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2016A, \$150,000,000, Dated: August 30, 2016
- 13 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2016B, \$28,315,000, Dated: August 30, 2016
- 14 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2016C, \$67,685,000, Dated: August 30, 2016
- 15 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
- 16 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2014A, \$80,000,000, Dated: November 25, 2014
- 17 Louisville And Jefferson County Metropolitan Sewer District Sewer And Drainage System Revenue Bonds, Series 2013C, \$100,000,000 Dated: November 27, 2013
- 18 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2013A, \$115,790,000 and Sewer and Drainage System Revenue Bonds, Series 2013B, \$119,515,000 Dated: May 23, 2013
- 19 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
- 20 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
- 21 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
- 22 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

THE DISTRICT

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

Members of the Board

Fiscal Year Ended June 30, 2022

Board Members	Term Expires
Marita Willis, Chair	6/30/2025
Keith Jackson, Vice-Chair	8/31/2023
Rebecca Cox	8/31/2023
Gerald Joiner	2/28/2024
Ricky Mason	7/31/2022
Carmen Moreno-Rivera	6/30/2024
John Selent	7/31/2024
JT Sims	8/31/2022

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

Customer History

Wastewater Customer

	Number of Customers	Volume (million gallons)	Revenue (in thousands)
Residential			
FY 2018	219,186	10,611	116,458
FY 2019	220,412	10,823	122,830
FY 2020	221,796	11,087	140,125
FY 2021	230,157	11,490	148,091
FY 2022	234,362	11,914	156,764
Commercial			
FY 2018	19,350	9,331	66,651
FY 2019	19,373	9,294	71,054
FY 2020	21,331	9,018	74,134
FY 2021	21,537	8,630	74,660
FY 2022	21,851	9,461	86,010
Industrial			
FY 2018	348	3,533	24,439
FY 2019	360	3,716	23,171
FY 2020	385	3,959	21,759
FY 2021	390	2,674	23,080
FY 2022	394	3,550	23,558

Series 2022A, 2020C, 2020A

Customer History

Historical Active Wastewater Customer Totals

	FY 18	FY 19	FY 20	FY 21	FY 22
Residential	219,186	220,412	221,796	230,157	234,362
Commercial	19,350	19,373	21,331	21,537	21,851
Industrial	348	360	385	390	394
Total	238,884	240,145	243,512	252,084	256,607
% Growth	0.38%	0.53%	1.40%	3.52%	1.79%

Historical Active Drainage Customer Totals

	FY 19	FY 20	FY 21	FY 22
Residential	206,499	207,317	208,060	209,335
Commercial	14,024	14,087	14,062	14,040
Industrial	257	271	269	274
Total	220,780	221,675	222,391	223,649
% Growth		0.41%	-0.74%	0.57%

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

The Drainage System

Fiscal Year 2022

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 facilities include open channels, ditches, streams, ponds, pipes, culverts, conduits, bridge structures, detention basins, retention basins, pump stations, and other facilities. In fiscal year 2022, the District had approximately 223,649 active drainage service accounts which provided total annual drainage service charge revenues of \$86.8 million.

RATES AND CHARGES

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

Wastewater Service and Drainage Service Charges

Fiscal Year 2022

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 December 2021. 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. The District has a subset of wastewater customers in Oldham County who receive water service from Oldham County Water. These wastewater rates are billed simultaneously with the water bill on a single monthly statement under the terms of an agreement with Oldham County Water executed in June 2020.

The District's 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.

Louisville Water Company began converting customers to monthly billing in 2020. This project will continue through 2024 before all MSD customers are converted to a monthly bill cycle.

Series 2022, 2021

Wastewater and Drainage Service Revenues

Fiscal Year	Wastewater Revenue (dollars in thousands)					Total
	Residential	Commercial	Industrial	Other		
2018	116,457	66,651	24,439	3,088		210,635
2019	122,830	71,054	23,172	2,412		219,468
2020	140,125	74,134	21,759	1,789		237,807
2021	148,091	74,460	23,080	171		245,802
2022	156,764	86,010	23,558	3,734		270,066

Fiscal Year	Drainage Revenue (dollars in thousands)				Total
	Residential	Commercial	Industrial	Other	
2018	23,811	35,778	3,864	415	63,868
2019	25,716	38,775	4,373	842	69,706
2020	27,684	41,960	4,815	593	75,052
2021	29,413	45,220	5,239	43	79,915
2022	31,497	48,526	5,671	1,111	86,805

Series 2022A, 2020C, 2020A

Rate History - Service Charge Revenue

District's combined wastewater and drainage service charge rate increases during the last five years and the resulting additional revenues. Additional revenues from the rate increases are approximate and assume constant water usage.

Date	Rate Increase	Annual Additional Revenue from Rate Increase
8/1/2018	6.9%	14,669
8/1/2019	6.9%	16,589
8/1/2020	5.0%	12,552
8/1/2021	6.9%	20,627
8/1/2022	5.0%	*

*Additional revenue not available until 6/30/23
Table excludes Bullitt and Oldham County service areas

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

Rate History

Fiscal Year 2022

Date of Rate Increase	Wastewater		Stormwater		Estimated Revenue EPA Consent Decree Surcharge
	% Rate Increase	Annual Additional Revenue from Rate Increase	% Rate Increase	Annual Additional Revenue from Rate Increase	
8/1/2021	6.9%	14,807	6.9%	5,820	64,396
8/1/2020	5.0%	7,688	6.9%	4,864	59,148
8/1/2019	6.9%	11,243	6.9%	5,346	56,755
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	35,131
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	-

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

Security and Source of Payment For The Current Bonds

Fiscal Year Ended June 30, 2022

Series	Dated Date	Original Principal		Amount	
		Amount		Outstanding	
2009C	11/18/2019	\$	180,000	\$	180,000
2010A	4/17/2010		330,000		330,000
2011A	2/23/2011		263,360		-
2013A	4/23/2013		115,790		115,790
2013B	4/23/2013		119,515		109,280
2013C	11/27/2013		100,000		125
2014A	11/4/2014		80,000		79,650
2015A	10/21/2015		175,000		171,395
2015B	10/21/2015		81,750		65,975
2016A	8/11/2016		150,000		147,500
2016B	8/11/2016		28,315		19,910
2016C	8/11/2016		67,685		12,995
2017A	8/22/2017		175,000		149,390
2017B	8/22/2017		35,725		31,210
2018A	5/31/2018		60,380		60,380
2019A	8/19/2019		30,910		8,845
2020A	7/30/2020		225,000		224,000
2020C	10/15/2020		112,065		109,605
2021A	8/17/2021		246,555		240,485
2022A	2/1/2022		225,000		224,750
	Total	\$	2,802,050	\$	2,281,285

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

Historic Revenues and Expenses and Capital Improvement Program (Except Projected)

Louisville/Jefferson County, Kentucky, Metropolitan Sewer District Sewer and Drainage System Revenues and Expenses

	Fiscal Year 2022
AVAILABLE REVENUES:	
Rates, Fees, Rentals and Charges:	
Wastewater service charges	270,066
Stormwater service charges	86,804
Total Rates, Fees, Rentals and Charges	356,870
Other Available Revenues:	
Other operating income	8,497
Current assessment payments	583
BAB interest reimbursement	10,344
Investment income	(1,467)
Less: capitalized investment income	-
Total Other Available Revenues	17,957
TOTAL AVAILABLE REVENUES	374,827
SENIOR BOND DEBT SERVICE	
Current maturities of long-term debt	51,597
Interest expense (senior lien)	86,792
Less: Capitalized interest expense	(7,464)
AGGREGATE NET DEBT SERVICE	130,925
110% OF AGGREGATE NET DEBT SERVICE	144,018
OPERATING EXPENSES:	
Labor	81,552
Utilities	16,595
Materials and supplies	8,012
Contractual services	31,288
Chemicals	6,905
Fuel	1,658
Insurance premiums & claims	7,216
Bad debt	6,422
Other operating expense	1,496
Less: Capitalized Overhead	(42,166)
TOTAL OPERATING EXPENSES	118,978
NET REVENUES	255,849
SENIOR DEBT SERVICE COVERAGE RATIO	195%
SUBORDINATED DEBT SERVICE	23,685
TOTAL DEBT SERVICE COVERAGE RATIO	165%

THE SERVICE AREA:

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

Annual Population Estimates

Fiscal Year 2022

<u>Year</u>	<u>Louisville Metro¹</u>	<u>Louisville MSA²</u>
2021	777,874	1,285,439
2020	782,969	1,268,993
2019	766,757	1,265,108
2018	770,517	1,297,301
2017	771,158	1,293,953

(1) Source: Population Division, U.S. Census Bureau website: www.census.gov (Jefferson County, KY)

(2) Source: Population Division, U.S. Census Bureau website: www.census.gov (Louisville/Jefferson County, KY-IN)

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

Louisville Metro, Kentucky - Largest Private Employers

Fiscal year ending June 30, 2022

<u>Employer</u>	<u>Product</u>	<u>Approximate Number of Employees</u>
United Parcel Service, Inc.	Air cargo transport and distribution	25,169
Norton Healthcare (formerly Alliant Health)	Hospital and health care facilities	14,413
Jefferson County, KY Public Schools	Primary and secondary education	13,596
Uofl Health Inc.	Hospital and health care facilities	13,111
Ford Motor Company	Vehicle manufacturing	13,020
Humana, Inc.	Group health insurance/HMOs	11,243
Baptist Healthcare System	Hospital and health care facilities	9,030
Walmart Inc.	Grocery Retailer	8,600
GE Appliances, a Haier company	Appliance manufacturing	8,100
University of Louisville	Higher education	6,585

(1) Source: Louisville Business First, July 15, 2022 Edition

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

The Issuer may change the accounting principles used for preparation of such financial information so long as the Issuer includes as information provided to the public, a statement 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 2022

No changes in accounting principles were implemented in FY22.