

Louisville and Jefferson County Metropolitan Sewer District, KY

- 1 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2017A, \$175,000,000, Dated: August 29, 2017
- 2 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2017B, \$35,725,000, Dated: August 29, 2017
- 3 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Bond Anticipation Notes, Series 2016, \$226,340,000, Dated: November 21, 2016
- 4 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2016A, \$150,000,000, Dated: August 30, 2016
- 5 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2016B, \$28,315,000, Dated: August 30, 2016
- 6 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Refunding Bonds, Series 2016C, \$67,685,000, Dated: August 30, 2016
- 7 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Subordinated Bond Anticipation Notes, Series 2015, \$226,340,000, Dated: November 23, 2015
- 8 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
- 9 Louisville and Jefferson County Metropolitan Sewer District, Sewer and Drainage System Revenue Bonds, Series 2014A, \$80,000,000, Dated: November 25, 2014
- 10 Louisville And Jefferson County Metropolitan Sewer District Sewer And Drainage System Revenue Bonds, Series 2013C, \$100,000,000 Dated: November 27, 2013
- 11 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
- 12 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
- 13 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
- 14 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
- 15 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
- 16 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
- 17 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2008A, \$105,000,000 Dated: May 1, 2008
- 18 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2007A, \$61,125,000, Dated: November 15, 2007
- 19 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2006A, \$100,000,000 Dated: May 1, 2006
- 20 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2005A, \$64,740,000 Dated: May 1, 2005
- 21 Louisville and Jefferson County Metropolitan Sewer District (Commonwealth of Kentucky) Sewer and Drainage System Revenue Bonds, Series 2004A, \$100,000,000 Dated: January 15, 2004

THE DISTRICT

Series 2017A, 2016BANS, 2016A,B,C, 2015A,B, 2015, 2014A, 2013C, 2013A,B, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

Customer History

Wastewater Customer

	Number of Customers	Volume (million gallons)	Revenue (in thousands)
Residential			
FY 2017	234,361	11,029	108,809
Commercial			
FY 2017	21,971	9,675	64,938
Industrial			
FY 2017	423	3,019	21,218

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

The Drainage System

Fiscal year 2017

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 2017, the District had approximately 227,425 drainage service accounts which provided total annual drainage charge revenues of approximately \$59 million.

RATES AND CHARGES

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

Wastewater Service and Drainage Service Charges

Fiscal year 2017

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 the Act, 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 ("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%. In the event of nonpayment of any such wastewater 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. Louisville Water Company bills and collects the District's wastewater service charges. The bills are rendered bimonthly except for larger industrial/commercial accounts which are billed monthly. Louisville Water Company also bills and collects all of the District's drainage charges as additions to the water/sewer billings. 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 assigned for each 2,500 square feet of impervious area (residential unit).

Series 2017A, 2016BANS, 2016A,B,C, 2015A,B, 2015, 2014A, 2013C, 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A,, 2004A

Rate History

Fiscal year 2017

Fiscal Year	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	
FY17	8/1/16%	6.9%	\$11,372,934	6.9%	\$4,089,777	\$46,820,874
FY16	8/1/2015	5.5%	\$9,696,633	5.5%	\$3,321,536	\$43,615,098
FY15	8/1/2014	5.5%	\$9,833,128	5.5%	\$2,859,578	\$42,537,541
FY14	8/1/2013	5.8%	\$9,320,500	5.8%	\$2,710,500	\$39,786,081
FY13	8/1/2012	6.5%	\$9,705,399	6.5%	\$2,417,697	\$37,443,729
FY12	8/1/2011	6.5%	\$9,395,795	6.5%	\$2,417,718	\$35,131,054
FY11	8/1/2010	6.5%	\$8,683,175	6.5%	\$2,246,123	\$32,466,988
FY10	8/1/2009	6.5%	\$8,466,545	6.5%	\$2,095,583	\$30,118,121
FY09	8/1/2008	6.5%	\$8,017,688	6.5%	\$2,015,401	\$28,938,332
FY08	8/15/2007	0.0%	-	0.0%	-	\$22,774,998
FY07	8/1/2006	6.9%	\$6,414,405	6.9%	\$1,957,887	-
FY06	8/1/2005	6.5%	\$5,655,634	6.5%	\$1,671,724	-
FY05	8/1/2004	6.5%	\$5,184,032	6.5%	\$1,526,281	-
FY04	8/1/2003	6.5%	\$5,012,659	6.5%	\$1,407,505	-
FY03	8/1/2002	6.5%	\$4,540,000	6.5%	\$1,326,000	-
FY02	8/1/2001	5.0%	\$3,313,000	5.0%	\$921,000	-
FY01	8/1/2000	5.0%	\$3,100,000	5.0%	\$860,000	-

Series 2013A,B, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

Security and Source of Payment For The Current Bonds

Fiscal Year Ended June 30,

Series	Dated Date	Original Principal	Amount
		Amount	Outstanding
2007A	11/27/2007	61,125	42,965
2008A	5/21/2008	105,000	65,520
2009A	5/9/2009	76,275	13,040
2009B	8/12/2009	225,770	69,725
2009C	11/18/2019	180,000	180,000
2010A	4/17/2010	330,000	330,000
2011A	2/23/2011	263,360	252,610
2013A	4/23/2013	115,790	115,790
2013B	4/23/2013	119,515	116,940
2013C	11/27/2013	100,000	99,625
2014A	11/4/2014	80,000	79,900
2015A	10/21/2015	175,000	174,280
2015B	10/21/2015	81,750	79,085
2016A	8/11/2016	150,000	150,000
2016B	8/11/2016	28,315	28,095
2016C	8/11/2016	67,685	67,685
Total		2,159,585	1,865,260

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

Historic Revenues and Expenses and Capital Improvement Program (Except Projected)
Louisville/Jefferson County, Kentucky, Metropolitan Sewer DistrictSewer and Drainage System Revenues and Expenses
Fiscal year 2017

AVAILABLE REVENUES:	
Rates, Fees, Rentals and Charges:	
Wastewater service charges	194,965
Stormwater service charges	58,978
Revenue enhancement program (included above)	-
Total Rates, Fees, Rentals and Charges	253,943
Other Available Revenues:	
Other operating income	5,691
Current assessment payments	1,375
BAB interest reimbursement	10,226
Investment income	4,047
Less: capitalized investment income	-
Total Other Available Revenues	21,339
TOTAL AVAILABLE REVENUES	275,282
SENIOR BOND DEBT SERVICE	
Current maturities of long-term debt	33,655
Interest expense (senior lien)	90,117
Less: Capitalized interest expense	(20,074)
AGGREGATE NET DEBT SERVICE	103,698
110% OF AGGREGATE NET DEBT SERVICE	
	114,068
OPERATING EXPENSES:	
Labor (excludes GASB 68)	59,182
Utilities	14,427
Materials and supplies	7,976
Contractual services	25,899
Bad Debt	3,494
Chemicals and fuel	6,375
Insurance premiums/claims	1,669
All other operating expenses	564
Less: Capitalized Overhead	(31,949)
TOTAL OPERATING EXPENSES	87,637
NET REVENUES	
	187,645
DEBT SERVICE COVERAGE RATIO ¹	
	181%
SUBORDINATED DEBT SERVICE	
	(18,243)
DEBT SERVICE COVERAGE RATIO ²	
	154%

(1) Excludes Subordinated Debt
(2) Includes Subordinated Debt

THE SERVICE AREA:

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

Annual Population Estimates			
Fiscal year 2017			
Year	Louisville Metro	Louisville MSA	
2016	765,352	1,283,430	
2015	763,626	1,278,413	
2014	760,026	1,269,702	
2013	756,832	1,262,261	

Series 2013AB, 2011A, 2010A, 2009C, 2009B, 2009A, 2008A, 2007A, 2006A, 2005A, 2004A

Louisville Metro, Kentucky - Largest Private Employers

Fiscal year ending June 30, 2017

Employer	Product	Approximate Number of Employees
United Parcel Service, Inc.	Air cargo transport and distribution	22,080
Jefferson County, KY Public Schools	Primary and secondary education	14,739
Ford Motor Company	Vehicle manufacturing	12,990
Humana, Inc.	Group health insurance/HMOs	12,500
Norton Healthcare (formerly Alliant Health)	Hospital and health care facilities	11,389
University of Louisville	Higher education	6,375
Baptist Healthcare System	Hospital and health care facilities	4,995
Amazon.com	Logistics & Customer Service	6,500
Louisville-Jefferson County Metro Government	City/County Government	6,095
General Electric Company	Appliance manufacturing	6,000
Kentucky One Health Inc (formerly Jewish Hosp)	Hospital and health care facilities	6,000

Series 2008A, 2007A, 2006A, 2005A, 2004A

Wage and Salary Jobs by Industry, Employment, Selected Years

Fiscal year ending June 30,

	Employment by Industry 2017
Industry	
Construction and Mining	29,900
Manufacturing	83,800
Wholesale Trade	149,600
Retail Trade	
Transportation & Public Utilities	
Professional & Business Services	145,600
Leisure & Hospitality	75,900
Other Services	25,900
Government	77,100
Education & Health	90,700
Total	678,500