

The following Sewer System Report  
is dated as of December 24, 2008 and was submitted to the  
NRMSIR as of the same date.

## THE SANITARY SEWER SYSTEM

The Water Services Department is responsible for the planning and construction of sewers, pump stations, and treatment facilities serving Kansas City and certain surrounding areas. It is also responsible for the operation and maintenance of all of the wastewater collection and treatment facilities, compliance with the City's wastewater discharge permits, as well as applicable state and federal environmental regulations, and the administration of an industrial waste program to regulate the quality of wastewater discharged from certain industrial activities

The Kansas City sewer system serves an area of about 350 square miles. Wastewater collection and treatment services are provided to approximately 147,000 customers inside and outside the City on a retail basis and to 21 surrounding communities and sewage districts on a contractual basis. The Water Services Department currently maintains about 2,000 miles of sanitary sewers and about 600 miles of combined sewers, 40 wastewater pumping stations, 18 flood pumping stations, and 7 wastewater treatment plants. The combined sewers transport both sanitary flows and, during rainfall events, stormwater flows. The combined sewers serve an area south of the Missouri River of about 56 square miles. All wastewater transported to the City's treatment plants receives secondary treatment in compliance with federal and state environmental regulations. One minor wastewater treatment plant is currently scheduled to be removed from service upon completion of ongoing wastewater collection system improvements that will transport its wastewater to other wastewater treatment facilities. This minor plant currently serves the Northland Mobile Home Park. A summary of the City's wastewater treatment plants is presented in the table below.

### Existing Wastewater Treatment Facilities

Treatment Facility	Approximate First Year of Operation	Current Design Capacity (mgd)	Average Flow (mgd) (a)
Blue River (b)	1964/1985	105.0	79.5
Westside (c)	1977	22.5	16.9
Birmingham (c)	1977	20.0	13.9
Todd Creek (c)	1999	3.4	1.7
Fishing River (c)	2000	1.0	0.8
Rocky Branch(c)(d)	2005	2.0	1.7
Northland Mobile(c)	-	<u>0.1</u>	<u>0.1</u>
<b>TOTAL</b>		<b>154.0</b>	<b>114.6</b>

mgd - million gallons per day

(a) Average flow for fiscal year 2008

(b) Secondary treatment provided by trickling filters.

(c) These facilities provide secondary treatment using an activated sludge treatment process.

(d) Capacity at the Rocky Branch Wastewater Treatment Plant was upgraded in 2005. Secondary treatment at this plant is provided by an activated sludge process.

The following table shows revenues generated by retail and wholesale customers of the Sanitary Sewer System for the past five years.

### Sanitary Sewer Revenues by Retail and Wholesale Customers

	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>	<u>FY 2008</u>
Retail Customers	\$38,117,844	\$37,569,311	\$41,161,228	\$44,881,172	\$46,125,920
Wholesale Customers	<u>13,601,640</u>	<u>15,177,604</u>	<u>15,476,630</u>	<u>15,900,917</u>	<u>18,722,855</u>
<b>Total</b>	<b>\$51,719,484</b>	<b>\$52,746,915</b>	<b>\$56,637,858</b>	<b>\$60,782,089</b>	<b>\$64,848,775</b>

The following table shows the number of retail Sanitary Sewer System customers for the past five years.

**Number of Retail Sanitary Sewer Customers**

	<u>FY 2004</u>	<u>FY 2005*</u>	<u>FY 2006</u>	<u>FY2007</u>	<u>FY2008</u>
Residential	127,029	130,814	131,210	131,444	133,308
Commercial/Industrial	<u>12,813</u>	<u>15,142</u>	<u>15,205</u>	<u>14,760</u>	<u>15,076</u>
Total	139,842	145,956	146,415	146,201	148,384

*\*Restated from prior year*

*Because of the system conversion from Legacy to Banner in April 2004, the FY2005 numbers were calculated based on previous projections because of data clean-up from the old system that needed verification. FY2005 and FY2006 track each other and are reasonably in line from year to year. The customer numbers in the old legacy system had to be calculated based on the number of bills issued and was not as accurate as the new system.*

*In 2005 and 2006 service connections were counted and reported. FY2007 reflects a count of accounts which is a more closely correlates to the number of sewer system customers.*

**Management Initiatives**

The Water Services Department continues its efforts to improve operating efficiencies, customer services, and service reliability. The Department will require significant capital additions to the sewer system to meet infrastructure renewal and replacement needs. That consideration is one of several that caused the Department to begin developing an Asset Management Program (the Program). Beginning with the sewer utility, the Program will establish levels of service, best management practices, and an implementation plan that is aimed at minimizing the life cycle costs of the Department's assets. The Program will ultimately be expanded to include the water utility.

In response to community expectations, the Department initiated a reengineering effort to match its organizational structure and functions with changing business needs. Specifically, strategies are being developed to address succession planning, organizational structure and function, and internal delivery of capital projects. These initiatives are aimed at helping the Department achieve best of class delivery of essential services.

**Security of the System**

The City continues to evaluate and address Sanitary Sewer System security matters in accordance with requirements of the U.S. Environmental Protection Agency and other applicable federal regulations and continues to seek federal funding that may become available to defray the cost of any additional security needs.

**Capital Improvement Program**

The City's Water Services Department has a Capital Improvement Program ("CIP") which is intended to maintain and expand the Sanitary Sewer System's capability of collecting and treating wastewater in a manner that meets or exceeds existing and anticipated federal and state water quality standards. The City expects that five bond issues totaling \$210,000,000 will be sold during the fiscal years ended 2009 through 2013 to help finance the CIP and repay an inter-fund construction loan. The near-term CIP anticipates improvements at various wastewater treatment plants that are expected to cost approximately \$150,000,000 and improvements in the collection system for an estimated \$60,000,000.

## **Regulatory Requirements**

### General

The City's Sanitary Sewer System operations are subject to regulatory requirements relating to the Federal Water Pollution Control Act as amended (the "Clean Water Act") and the Federal Air Pollution Prevention and Control Act, as amended (the "Clean Air Act"). The regulatory requirements are administered by the U.S. Environmental Protection Agency (the "EPA") through the Missouri Department of Natural Resources (the "MDNR"). Regulations of these agencies deal with the nature of wastewater (particularly from commercial and industrial facilities) discharged into the collection system, management of overflows from the combined (sanitary/storm) sewer system, the quality of effluent discharged from the wastewater treatment facilities into receiving streams, the quality of air emissions, and the use or disposal of residual solids generated by the wastewater treatment plants. As a condition of having received federal EPA grant funds under the Clean Water Act for planning, design, and construction of various wastewater projects, the City is subject to additional requirements. Among the grant-related requirements are guidelines that must be followed concerning planning methodologies, design criteria, procurement, construction activities, and financing of facilities.

To comply with federally mandated effluent quality and disposal criteria, the City must operate its wastewater treatment facilities according to discharge limitations and reporting requirements set forth in National Pollutant Discharge Elimination System ("NPDES") discharge permits. All wastewater treatment plants are meeting the requirements of their individual NPDES permits.

To comply with other federal regulations concerning the discharge of waste materials into the sewer system, the City must administer and enforce industrial pretreatment standards upon users of the system. The City has been approved by the State and the EPA to administer its own industrial pretreatment program. In addition, each other jurisdiction contributing wastewater to the City's wastewater collection and treatment system is required by an inter-jurisdictional agreement either to permit and monitor all industries within its respective service area, or to allow the City to do so.

In addition to federal requirements, the City must comply with State requirements. The primary State laws concerned with the control of wastewater operations are the Missouri Clean Water Law, Chapter 644, RSMo and the Missouri Air Conservation Law, Chapter 643, RSMo.

### Evolving Regulations

The City's Water Services Department is finalizing a plan to control overflows from the City's combined and sanitary sewer systems. The control plan is being driven by requirements of the Clean Water Act and by policies of the Environmental Protection Agency ("EPA"). The City is required to submit the plan to the EPA and Missouri Department of Natural Resources in January 2009. Failure to resolve the overflows could result in an enforcement action against the City by the Environmental Protection Agency, the Missouri Department of Natural Resources or an individual citizen.

The current estimated capital cost of this control plan is \$2.4 billion (2008 dollars) over twenty-five years. In addition, once implementation begins, there will be a substantial increase in annual expenditures for operation and maintenance. It is anticipated that this plan will be funded primarily from the City's sewer fund. At this stage of the process it is unlikely that the general fund of the City will be relied upon to assist in the financing of the control plan.

### **Legal**

On behalf of the City, the Water Services Department entered into a cooperative agreement with the City of Lee's Summit, Missouri, whereby KCMO would construct the East Bannister Road Interceptor by February 19, 2008. After February 19, 2008, Lee's Summit could terminate 138 temporary residential KCMO connections to its Boggs Hollow Interceptor. The East Bannister Road Interceptor has not yet been constructed. The disconnections can only occur after 135 days' notice and after a third party has applied to Lee's Summit for development approval in the Boggs Hollow watershed and a determination by Lee's Summit that said development will require capacity in the Boggs Hollow Interceptor which is not available due to consumption by KCMO. KCMO has not received any notice from Lee's Summit and to the best of its knowledge there are no approved developments in Lee's Summit that would require capacity from the Boggs Hollow Interceptor.

### Largest Users of the System

The following table sets forth the ten largest users of the City's Sanitary Sewer System and the percentage of total sewerage charges for service applicable to each for Fiscal Year 2008:

<u>User</u>	<u>Percentage of Total Wastewater Services Charges</u>
Johnson County, Kansas	14.8%
Liberty, Missouri	4.2
Gladstone, Missouri	3.6
North Kansas City, Missouri	2.1
Ford Motor Company	1.4
Raytown, Missouri	1.0
Trigen	0.8
Riverside, Missouri	0.6
Pleasant Valley, Missouri	0.5
Independence, Missouri	0.4

### Billing Procedures and Collections

Wastewater rates are reviewed annually by the City to determine if rate adjustments are required. Charges are based on the estimated volume of wastewater discharged into the sewer system or by actual measurement for certain inter-jurisdictional customers. Billable wastewater volume charges for one and two family dwellings are based on water used during the winter period, which is defined as the billing periods most closely corresponding to the months of January through June. Billed wastewater volume for all other customers is equal to their actual metered water usage less any approved exemption allowances for water that does not enter the sewer system. In addition, all customers pay a monthly or bimonthly service charge. Commercial and industrial users that discharge wastewater having a high biochemical oxygen demand, high concentrations of suspended solids, or oil and grease pay additional charges to recover the added costs required to treat their wastewater.

Charges for wastewater collection and treatment services are combined on a single bill with applicable water and stormwater charges. A late payment service charge of 5% of the unpaid delinquent balance is applied to all metered water service, sanitary sewer service and stormwater fee bills remaining unpaid after the delinquent date. Water and wastewater services are subject to termination without further notice if a bill remains unpaid 20 days after the delinquent date. For one and two family dwellings, unpaid charges become a lien on the property if the account is six or more months delinquent, or the total amount of the delinquency is \$500 or more. For all other property classifications, unpaid charges become a lien on the property if the account is three or more months delinquent, or the total amount of the delinquency is \$1,000 or more. Water and wastewater service can be restored upon payment of the unpaid bills and a service restoration charge.

**Rate Structure**

In 1972, the City adopted a policy of annually reviewing the adequacy of its wastewater rates and adjusting them as required. Wastewater rates are developed for retail and inter-jurisdictional contract customers by determining the total costs of service and service requirements. Rate increases over the past five years have occurred each May 1 and range from 6% to 12%. On March 27, 2008 the City Council approved Ordinance No. 080260 which established the following wastewater rates effective May 1, 2008:

<b>Inside City Rates</b>	
Monthly Service Charge	\$8.60 per bill
Bimonthly Service Charge	\$10.55 per bill
Volume Charge	\$2.05 per hundred cubic feet
<b>Excess Strength Surcharges</b>	
Biochemical Oxygen Demand Over 250 mg/l	\$0.225 per pound
Suspended Solids Over 250 mg/l	\$0.137 per pound
Oil & Grease Over 30 mg/l	\$0.085 per pound
<b>Outside City Rates</b>	
<b>Metered Wastewater Connections</b>	
Volume Charge	\$1.39 per hundred cubic feet
<b>Unmetered Connections with Water Records</b>	
Monthly Service Charge	\$8.60 per bill
Bimonthly Service Charge	\$10.55 per bill
Volume Charge	\$1.98 per hundred cubic feet
<b>Unmetered Connections without Water Records</b>	
Monthly Service Charge	\$20.25
<b>Individual Customers Billed Directly by the City</b>	
Monthly Service Charge	\$9.69 per bill
Bimonthly Service Charge	\$15.25 per bill
Volume Charge	\$2.25 per hundred cubic feet
<b>Excess Strength Surcharges</b>	
Biochemical Oxygen Demand Over 250 mg/l	\$0.225 per pound
Suspended Solids Over 250 mg/l	\$0.137 per pound
Oil & Grease Over 30 mg/l	\$0.085 per pound

The City is not required to raise rates annually. The City makes no representation as to whether either a rate increase will be approved in any of said future Fiscal Years, or, if a rate increase is approved in any Fiscal Year, as to the nature and extent of any such rate increase. Nevertheless, the City's debt service coverage requirement will be maintained.

As noted under the caption "SECURITY" herein, the voters of the City approved a plan to change the method of charging for stormwater service and the level of revenue for stormwater service. Stormwater charges are now based on the impervious area of each property within the City. The stormwater revenues are not available to pay debt service on the Bonds or any other Parity Bonds. However, stormwater revenues could be used, if required, to pay debt service on the Outstanding Senior Bonds.

The following table lists the percentage of delinquent sewer charges for the years indicated:

<u>Fiscal Year</u> <u>Ended April 30</u>	<u>Delinquency</u> <u>Percentage</u>
2008	2.06%
2007	3.03%
2006	2.96%
2005	2.24%
2004	2.24%

## **SANITARY SEWER SYSTEM FINANCIAL INFORMATION AND COVERAGE STATEMENT**

### **Operating Revenues and Expenses**

Approximately 71% of the sewer service charge revenues of the Water Services Department are derived from charges for retail service provided to customers located either inside or outside the city limits. The remaining sewer service charge revenues are for collection, transport, and treatment services provided on a wholesale basis under inter-jurisdictional agreements with 21 surrounding cities and sewer districts. The total number of customers in Fiscal Year 2008 is approximately 147,000.

Operation and maintenance expenses include the cost of labor, materials, supplies and contractual services, and represent the normal daily cost of system operation. Operation and maintenance expenses are assumed to increase during Fiscal Years 2008 through 2011. Projections of future operation and maintenance expense are based on analyses of historical operating data modified to recognize current and anticipated operating conditions and trends. Operation and maintenance expenses of the Sanitary Sewer System are projected to increase due to the combined effects of inflation and, to a lesser degree, increased material requirements to meet increasing wastewater volumes. Partially offsetting these anticipated increases are planned improvements in cost efficiencies.

### **Accounting, Budgeting and Auditing Procedures**

The Water Services Department is an enterprise activity whose financial records are audited annually and reported in conformity with generally accepted accounting principles for governmentally-owned wastewater utilities. The Department operates the Sanitary Sewer System on the accrual basis system of accounting, where revenues are recorded when earned and expenses are recorded when incurred.

An annual budget of estimated receipts and disbursements for the coming Fiscal Year is prepared by the Director of Water Services under the direction of the City Manager and is presented to the City Council in March for approval after a public hearing. The Fiscal Year of the Sanitary Sewer System is May 1 through April 30. The budget lists estimated receipts by funds and sources and estimated disbursements by funds and purposes and includes a statement of the rates required to raise each amount shown on the budget as coming from Sanitary Sewer System revenues.

The financial records of the Sanitary Sewer System are audited annually by a firm of independent certified public accountants in accordance with generally accepted auditing standards. For the past five years, the annual audit has been performed by KPMG, LLP, Kansas City, Missouri. Copies of the audit reports of the past five years are on file in the City Clerk's office and are available for review.

### **Financial Statements**

The City maintains its financial records on the basis of a Fiscal Year ending April 30. Such financial statements have been examined by KPMG, LLP, Kansas City, Missouri, independent certified public accountants. The City did not ask KPMG, LLP, to perform any additional work or any post-audit procedures more recently than the April 30, 2008 audit with respect thereto.

The tables on the following pages provide the Sewer Fund's balance sheets and income statements for the Fiscal Years ended April 30, 2004 through 2008.

**CITY OF KANSAS CITY, MISSOURI  
SEWER FUND – WASTEWATER ONLY**

**Statements of Net Assets  
Audited For Fiscal Years Ending April 30, 2004-2008**

<b>Assets</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>
<b>Current assets:</b>					
Cash and short-term investments	\$12,742,444	\$10,510,955	\$10,850,229	\$13,158,121	\$11,085,415
Accounts receivable, net	10,730,119	11,327,637	10,668,796	11,236,445	12,939,765
Accrued interest receivable	2,866	17,302	53,258	19,350	125,357
Inventories	347,187	439,562	398,710	425,792	594,096
Prepaid expenses	0	199,366	204,636	259,487	326,629
Due from other governments	509,862	0	0	0	0
Due from other funds	232,937	486,575	1,301,402	517,876	313,224
<b>Total unrestricted current assets</b>	<b>24,565,415</b>	<b>22,981,397</b>	<b>23,477,031</b>	<b>25,617,071</b>	<b>25,384,486</b>
<b>Restricted assets:</b>					
Cash and short-term investments	55,791,281	49,519,035	21,196,301	42,723,675	27,761,094
Accrued interest receivable	76,078	161,880	150,634	235,693	155,489
<b>Total restricted current assets</b>	<b>55,867,359</b>	<b>49,680,915</b>	<b>21,346,935</b>	<b>42,959,368</b>	<b>27,916,583</b>
Special assessments receivable	2,288	2,288	2,288	2,288	2,288
Capital assets, depreciable, net	447,112,450	463,474,087	501,279,719	510,123,176	515,338,214
Capital assets, nondepreciable	44,047,333	57,550,522	51,132,677	65,280,259	83,645,896
Debt issuance costs, net	2,564,629	2,987,661	2,765,587	2,738,939	2,501,083
<b>Total assets</b>	<b>\$574,159,474</b>	<b>\$596,676,870</b>	<b>\$600,004,237</b>	<b>\$646,721,101</b>	<b>\$654,788,550</b>
<b>Liabilities and Net Assets</b>					
<b>Current liabilities:</b>					
Accounts payable	\$4,972,255	\$6,078,155	\$3,350,146	\$4,345,532	\$3,626,994
Compensated absences	1,098,188	1,317,984	1,404,974	82,833	80,338
Accrued payroll and related expenses	502,131	565,128	611,325	688,279	996,472
Contracts and retainage payable	234,293	108,390	84,497	79,118	114,385
Other liabilities	1,058,310	1,058,310	775,446	744,911	544,911
Due to other funds	2,219,854	3,214,007	3,800,610	903,693	1,464,144
	10,085,031	12,341,974	10,026,998	6,844,366	6,827,244
<b>Liabilities payable from restricted assets:</b>					
Accrued interest and fiscal agent fees	2,227,047	2,640,334	2,504,872	2,365,411	2,822,665
Current portion of revenue bonds payable	9,516,947	10,613,433	9,244,989	9,491,124	10,805,000
Contracts and retainage payable	1,201,341	2,130,625	1,035,374	677,088	872,283
<b>Total liabilities payable from restricted assets</b>	<b>12,945,335</b>	<b>15,384,392</b>	<b>12,785,235</b>	<b>12,533,623</b>	<b>14,499,948</b>
<b>Total current liabilities</b>	<b>23,030,366</b>	<b>27,726,366</b>	<b>22,812,233</b>	<b>19,377,989</b>	<b>21,327,192</b>
Compensated absences				1,461,686	1,476,698
Claims liability					2,257,989
Due to other funds				1,981,154	0
Postretirement liability					702,275
Pension liability			1,029,955	1,075,780	672,134
Revenue bonds payable and notes payable	149,782,965	155,734,991	146,367,650	177,638,293	166,679,418
<b>Total liabilities</b>	<b>172,813,331</b>	<b>183,461,357</b>	<b>170,209,838</b>	<b>201,534,902</b>	<b>193,115,706</b>
<b>Net assets:</b>					
Invested in capital assets, net of related debt	383,661,783	398,002,765	413,527,890	426,727,275	443,698,034
Restricted	3,201,688	6,947,036	6,349,015	4,202,551	4,524,375
Unrestricted	14,482,672	8,265,712	9,917,494	14,256,373	13,450,435
<b>Total net assets</b>	<b>401,346,143</b>	<b>413,215,513</b>	<b>429,794,399</b>	<b>445,186,199</b>	<b>461,672,844</b>

FY07 includes restatements for change in depreciation method on equipment from composite to straight-line Cumulative effect \$502,109  
Source: City Sewer Fund audit and the Water Services Department

**CITY OF KANSAS CITY, MISSOURI  
SEWER FUND – WASTEWATER ONLY**

**Statements of Revenues, Expenses and Changes in Fund Net Assets  
Audited for Fiscal Years Ending April 30, 2004-2008**

	2004	2005	2006	2007	2008
<b>Operating revenues:</b>					
Retail sewer charges	\$38,002,843	\$37,569,311	\$41,161,228	\$44,881,172	\$46,125,920
Intermunicipal sewer charges	13,601,640	15,177,604	15,476,630	15,900,917	18,722,855
Other operating revenue	2,387,883	3,115,232	2,513,561	3,393,160	3,613,322
<b>Total operating revenues</b>	<b>53,992,366</b>	<b>55,862,147</b>	<b>59,151,419</b>	<b>64,175,249</b>	<b>68,462,097</b>
<b>Operating expenses:</b>					
Sewerage treatment and pumping	12,996,745	14,992,441	16,059,456	16,108,999	17,931,832
Sewer maintenance	8,173,238	9,632,604	11,663,977	11,676,834	13,419,209
Administrative and general	6,932,059	8,140,924	9,567,874	10,607,211	13,193,053
Industrial and household hazardous waste control	933,953	1,846,167	1,827,079	2,029,068	2,021,275
Depreciation and amortization	10,959,141	12,132,649	12,696,669	13,276,370	14,072,645
<b>Total operating expenses</b>	<b>39,995,136</b>	<b>46,744,785</b>	<b>51,815,055</b>	<b>53,698,482</b>	<b>60,638,014</b>
<b>Operating income</b>	<b>13,997,230</b>	<b>9,117,362</b>	<b>7,336,364</b>	<b>10,476,767</b>	<b>7,824,083</b>
<b>Nonoperating revenues (expenses):</b>					
Interest on investments	833,203	941,394	2,288,165	1,849,669	2,779,229
Grant revenue	-	-	-	-	-
Interest expense and fiscal agent fees	(6,825,918)	(3,918,045)	(3,881,675)	(4,241,743)	(4,847,657)
Gain (loss) on disposal of fixed assets	(6,321)	18,674	16,793	60,277	(18,389)
<b>Total nonoperating revenues (expenses)</b>	<b>(5,999,036)</b>	<b>(2,957,977)</b>	<b>(1,576,717)</b>	<b>(2,331,797)</b>	<b>(2,086,817)</b>
<b>Net income before capital contributions</b>	<b>7,998,194</b>	<b>6,159,385</b>	<b>5,759,647</b>	<b>8,144,970</b>	<b>5,737,266</b>
<b>Capital contributions</b>	<b>12,073,056</b>	<b>5,709,985</b>	<b>10,881,094</b>	<b>6,744,721</b>	<b>10,749,379</b>
<b>Change in net assets</b>	<b>\$20,071,250</b>	<b>\$11,869,370</b>	<b>\$16,640,741</b>	<b>\$14,889,691</b>	<b>\$16,486,645</b>

Source: City Sewer Fund audit and the Water Services Department

City of Kansas City, Missouri  
Debt Service Coverage - Sanitary Sewer System  
For Fiscal Years Ending April 30, 2003 through April 30, 2008

	2003	2004	2005	2006	2007	2008
<b>Revenues:</b>						
Sewer charges	\$ 48,037,258	\$ 51,604,483	\$ 52,746,915	\$ 56,637,858	\$ 60,782,089	\$ 64,848,775
Other operating income	1,605,133	2,387,883	3,115,232	2,513,561	3,393,160	3,613,322
Interest income	1,416,061	833,203	941,394	2,288,165	1,849,669	2,779,229
<b>Total Revenues</b>	<b>\$ 51,058,452</b>	<b>\$ 54,825,569</b>	<b>\$ 56,803,541</b>	<b>\$ 61,439,584</b>	<b>\$ 66,024,918</b>	<b>\$ 71,241,326</b>
<b>Less Expenses:</b>						
Sewerage Treatment and Pumping	\$ 13,959,588	\$ 12,996,745	\$ 14,992,441	\$ 16,059,456	\$ 16,108,999	\$ 17,931,832
Sewer Maintenance	8,092,785	8,173,238	9,632,604	11,663,977	11,676,834	13,419,209
Administration & General	5,982,214	6,932,059	8,140,924	9,567,874	10,607,211	13,193,053
Industrial and Household Hazardous Waste Control	1,149,360	933,953	1,846,167	1,827,080	2,029,068	2,021,275
Other	-	-	-	-	-	-
<b>Total Expenses*</b>	<b>\$ 29,183,947</b>	<b>\$ 29,035,995</b>	<b>\$ 34,612,136</b>	<b>\$ 39,118,387</b>	<b>\$ 40,422,112</b>	<b>\$ 46,565,369</b>
<b>Net Revenues Available for Debt Service</b>	<b>\$ 21,874,505</b>	<b>\$ 25,789,574</b>	<b>\$ 22,191,405</b>	<b>\$ 22,321,197</b>	<b>\$ 25,602,806</b>	<b>\$ 24,675,957</b>
Gross Current Year Debt Service	\$ 13,665,000	\$ 15,198,000	\$ 16,635,366	\$ 18,573,698	\$ 16,750,181	\$ 17,891,805
Coverage of Gross Debt Service(Times)	1.60	1.70	1.33	1.20	1.53	1.38
Less SRF Subsidy	2,685,120	3,014,541	3,162,991	3,266,043	3,458,471	3,380,966
Net Current Year Debt Service	\$ 10,979,880	\$ 12,183,459	\$ 13,472,375	\$ 15,307,655	\$ 13,291,710	\$ 14,510,839
Coverage of Net Debt Service(Times)**	1.99	2.12	1.65	1.46	1.93	1.70

\*Does not include depreciation, interest expense and fiscal agents fees.

\*\*Per the City's Ordinance, interest earnings on the reserve accounts related to SRF loans reduce the debt service requirement for the purposes of calculating annual debt service coverage.