

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST**

**INDEPENDENT AUDITORS' REPORT,
FINANCIAL STATEMENTS AND
SUPPLEMENTAL INFORMATION
FOR THE YEARS ENDED
DECEMBER 31, 2010 AND 2009**

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
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Independent Auditors' Report

To the Board of Trustees of the
Metropolitan St. Louis Sewer District

We have audited the accompanying statements of plan net assets of the Metropolitan St. Louis Sewer District Deferred Compensation Plan and Trust (the "Plan") as of December 31, 2010 and 2009, and the related statements of changes in plan net assets for the years then ended. These financial statements are the responsibility of the Plan Administrator. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with U.S. generally accepted auditing standards. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the Plan net assets as of December 31, 2010 and 2009, and the changes in plan net assets for the years then ended, in conformity with U.S. generally accepted accounting principles.

The management's discussion and analysis is not a required part of the basic financial statements, but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was for the purpose of forming an opinion on the financial statements that collectively comprise the Plan's financial statements. The supplemental information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements of the Plan. Such information has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.


July 29, 2011

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

This report consists of a series of financial statements related to The Metropolitan St. Louis Sewer District's Deferred Compensation Plan and Trust (the Plan). The Statements of Plan Net Assets and the Statements of Changes in Plan Assets (on pages 5 and 6) provide information about this Plan's assets and changes in its assets during the year. These statements are prepared using the accrual basis of accounting. The investments held in trust for plan benefits are reported at fair value.

This management's discussion and analysis of the Plan's financial performance provides an overview of the Plan's financial activities for the fiscal year ended December 31, 2010. Please read it in conjunction with the Plan's financial section.

FINANCIAL HIGHLIGHTS

Plan Additions, Deductions, and net Assets

Net assets available for plan benefits exceeded \$32.8 million at the end of 2010 and the net asset value increased by \$3.7 million from that of December 31, 2009, due to the combined impact of an increase in the overall value of equity investments that resulted from an increase in the various stock markets and an increase in participant contributions. Contributions from participants were approximately \$2.7 million, which was a slight decrease of approximately \$11,000 as compared with prior year contributions.

Plan Additions for 2010, 2009, and 2008 (in thousands)

	2010	2009	Percent Change	2008	Percent Change
Employee Contributions	\$2,674	\$2,685	(0.4%)	\$2,724	(1.4%)
Investment Income	3,421	4,837	(29.3%)	(7,663)	163.1%
Total Additions (Subtractions)	6,095	7,522	(19.0%)	(4,939)	252.3%

Plan Deduction for 2010, 2009, and 2008 (in thousands)

	2010	2009	Percent Change	2008	Percent Change
Distributions to Participants	\$2,407	\$972	147.6%	\$1,169	(16.9%)

Net Assets at December 31, 2010, 2009, and 2008 (in thousands)

	2010	2009	Percent Change	2008	Percent Change
Net Assets	\$32,897	\$29,209	12.6%	\$22,658	28.9%

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

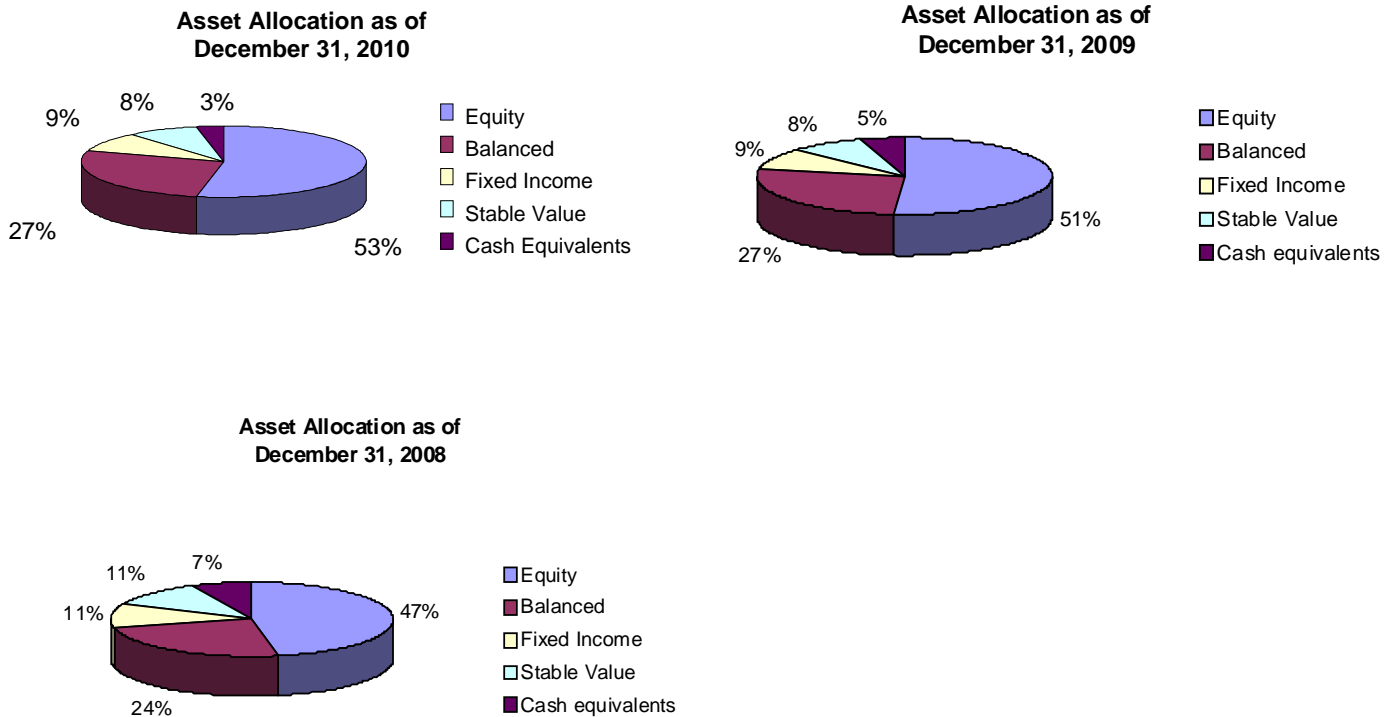
Participant Census

Employee participation in the Plan is on a voluntary basis. Plan participants are comprised of active employees of the District, retirees or surviving spouses and terminated employees with account balances as follows:

<u>December 31,</u>	<u>Number Of Participants</u>
2010	635
2009	649
2008	640

Investment Aspects

Investment decisions are participant directed. The participants are offered a diversified portfolio of investment options to from which to select. These investment options represent a series of mutual funds primarily sponsored and managed by the Vanguard Group. A breakdown of the participant directed assets allocation as of the last day of the fiscal year ended 2010, 2009, and 2008 follows:



**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED DECEMBER 31, 2010**

Fiduciary Responsibilities

The Board of Trustees and senior management are fiduciaries of the Plan and Trust. Fiduciaries are charged with the responsibility of assuring that the assets of the Plan are used exclusively for the benefit of plan participants and the beneficiaries.

Request for Information

This financial report is designed to provide the Board of Trustees, participants, investment managers, and other interested parties with an overview of the Plans finances and accountability for the money received. Questions concerning any of the information provided in this report or requests for additional information should be addressed to:

Karl J. Tyminski, Secretary-Treasurer
2350 Market Street
St. Louis, MO 63103-2555
Phone: (314) 768-6222
Fax: (314) 768-2701
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**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
STATEMENTS OF PLAN NET ASSETS**

	<u>December 31,</u>	
	<u>2010</u>	<u>2009</u>
ASSETS		
Investments at fair value:		
Mutual funds	\$28,854,703	\$25,519,210
Common/collective trust	2,632,225	2,385,693
Annuity contracts	739,721	672,844
Notes receivable from participants	670,638	630,912
NET ASSETS HELD IN TRUST FOR PLAN BENEFITS	<u>\$32,897,287</u>	<u>\$29,208,659</u>

See notes to financial statements

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
STATEMENTS OF CHANGES IN PLAN NET ASSETS**

	For the Years Ended December 31,	
	2010	2009
ADDITIONS TO (REDUCTIONS OF) NET ASSETS ATTRIBUTED TO:		
Investment income:		
Interest and dividends	\$ 723,595	\$ 715,981
Net depreciation in fair value of investments	2,697,468	4,121,727
Total Investment Income	3,421,063	4,837,708
Less: Investment expenses	(300)	(302)
Net Investment Income	3,420,763	4,837,406
Employee contributions:		
Elected deferrals	2,674,626	2,685,427
Total Additions	6,095,389	7,522,833
DEDUCTIONS FROM NET ASSETS ATTRIBUTED TO:		
Distributions to participants and beneficiaries	2,406,761	972,044
NET INCREASE	3,688,628	6,550,789
NET ASSETS AVAILABLE FOR BENEFITS, JANUARY 1	29,208,659	22,657,870
NET ASSETS AVAILABLE FOR BENEFITS, DECEMBER 31	<u>\$32,897,287</u>	<u>\$29,208,659</u>

See notes to financial statements

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The significant accounting policies consistently applied by The Metropolitan St. Louis Sewer District Deferred Compensation Plan and Trust (the “Plan”) in the preparation of the accompanying financial statements are summarized below:

1. Basis of Accounting

The financial statements of the Plan are prepared under the accrual basis of accounting. Benefit payments to participants or beneficiaries are recorded upon distribution.

2. Accounting Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires the Plan Administrator to make certain estimates and assumptions that affect the reported amounts in the financial statements. Actual results could differ from those estimates.

3. Investment Valuation

Purchases and sales of mutual funds are recorded on the settlement date. Investments in mutual funds are valued at fair value based on quoted market prices. Investments in annuity contracts are valued at contract values reported by the insurance company, which approximate fair value. Notes receivable from participants are valued at the unpaid principal balances plus any accrued but unpaid interest, which approximate fair value.

4. Administrative Expenses

All general administrative costs of the Plan are paid by The Metropolitan St. Louis Sewer District (the “District”), except those attributable to participants’ choice of optional investments or optional forms of benefit payments. These expenses are charged to the respective participants’ account balance.

5. Subsequent Event

In preparing these financial statements, the District has evaluated events and transactions for potential recognition or disclosure through July 29, 2011, the date the financial statements were available to be issued.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE B – DESCRIPTION OF THE PLAN

The following description of the Plan provides only general information. Participants should refer to the Plan agreement for a complete description of the Plan's provisions.

1. General

The Plan is a defined contribution benefit plan covering substantially all employees of the District. The District's Board of Trustees established the Plan in September 1996. The first contributions were made in October 1996. Plan provisions are established and may be amended by the District's Board of Trustees. The District does not contribute to the Plan.

All assets of the Plan are the sole property of the Plan and are not subject to the claims of creditors of the District. The Plan Administrator issues a publicly available Summary Plan Description. That information may be obtained by writing to The Metropolitan St. Louis Sewer District, 2350 Market Street, St. Louis, MO 63103-2555.

2. Contributions

Under the plan provisions, employees of the District are eligible to contribute up to 100% of their total compensation into the Plan, through payroll deferral, of any amount not previously reduced or withheld from their total compensation. In accordance with the Internal Revenue Code Section 457 as amended, the Plan limits an individual's annual contribution (adjusted annually) not to exceed \$16,500 for the years ended December 31, 2010 and 2009. If the employee is over the age of 50, they can contribute an additional catch-up contribution up to \$5,500 for the years ended December 31, 2010 and 2009. Underutilization catch-up of two times the standard annual deferral applies within the three years prior to normal retirement, less amounts deferred under the Plan. Amounts contributed by employees are deferred for federal and state income tax purposes until received as a withdrawal or distribution from the Plan.

Employee contributions may be allocated to the Vanguard accounts only, in 1% increments as the participant directs. No contributions are currently made to the Lincoln National accounts.

Equity option: Vanguard Windsor II Fund, Vanguard Index 500 Fund, and Vanguard U.S. Growth Fund – Investment objective is long-term capital appreciation.

Diversification option: Vanguard Small-Cap and Mid-Cap Index Fund and Vanguard International Growth Fund – Investment objective is long-term capital appreciation.

Life Strategy option: Vanguard Life Strategy Growth Fund, Vanguard Life Strategy Moderate Growth Fund, Vanguard Life Strategy Conservative Growth Fund, and Vanguard Life Strategy Income Fund – Investment objective is long-term capital appreciation and some current income.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE B – DESCRIPTION OF THE PLAN *(Continued)*

2. Contributions *(Continued)*

Bond option: Vanguard Total Bond Market Index Fund – Investment objective is income stability and conservation of principal.

Balanced option: Vanguard Balanced Index Fund – Investment objective is income, conservation of principal, and long-term growth.

Stable Value option: Vanguard Retirement Savings Trust – Investment objective is income stability and conservation of principal.

Money Market option: Vanguard Prime Money Market Fund – Investment objective is income while maintaining safety of principal.

Target Retirement option: Vanguard Target Retirement 2005-2050 Fund – Investment objective is capital appreciation and current income consistent with its current asset allocation.

3. Participant Accounts

Each participant's account is credited with the participant's contribution and allocations of Plan earnings. Allocations are based on participants' account balances, as defined. There are no forfeitures applicable to the Plan. Participants' contributions are immediately fully vested.

At December 31, 2010 and 2009, approximately 635 and 649 participants, respectively, actively participated in the Plan.

4. Notes Receivable from Participants

Active participants, with some exceptions, may borrow from their fund accounts a percentage of their vested account balances. Principal and interest is paid through payroll deductions. At December 31, 2010 and 2009, interest rates on notes receivable outstanding range from 5.00% to 9.25%.

5. Distributions

Participants contributing to the Plan may receive benefits or withdraw the present value of funds contributed to the Plan upon retirement, disability, or termination of employment from the District or due to financial hardship as defined by the Plan, if approved by the Plan Administrator.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE B – DESCRIPTION OF THE PLAN *(Continued)*

5. Distributions *(Continued)*

Participants may select various payout options including lump sum or equal annual payments over various periods. Participants may also elect to have the value of the account converted into fixed or variable annuity contracts. All investments, including annuity contracts, remain assets of the Plan until payments are made to the participants.

6. Tax Status

The Plan received a favorable determination letter from the Internal Revenue Service on June 23, 1999, indicating the Plan and its underlying trust are qualified under Section 457 of the Internal Revenue Code.

NOTE C – RELATED PARTY-IN-INTEREST TRANSACTIONS

The Plan invests in shares of mutual funds managed by an affiliate of Vanguard Fiduciary Trust Company (VFTC). VFTC acts as trustee for only those investments as defined by the Plan. Transactions in such investments qualify as party-in-interest transactions which are exempt from the prohibited transaction rules.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE D – INVESTMENTS

Investments held by the custodians in the Plan's name were as follows:

	December 31,	
	2010	2009
Mutual funds:		
Vanguard Group, Inc.		
Windsor II Fund	\$ 5,601,754 *	\$ 5,290,044 *
Balanced Index Fund	3,698,326 *	3,379,621 *
Index 500 Fund	3,501,145 *	3,043,921 *
Total Bond Market Index Fund	2,496,035 *	2,343,959 *
Vanguard U.S. Growth Fund	2,296,150 *	2,021,922 *
Vanguard LifeStrategy Moderate Growth Fund	2,110,646 *	1,792,381 *
Vanguard International Growth Fund	1,810,215 *	1,575,472 *
Vanguard Small-Cap Index Fund	1,699,212 *	1,114,284
Vanguard Mid-Cap Index Fund	1,649,966 *	1,038,884
Vanguard LifeStrategy Growth Fund	1,188,075	1,111,696
Vanguard Prime Money Market Fund	1,034,387	1,355,842
Vanguard LifeStrategy Conservative Growth Fund	617,675	646,614
Vanguard LifeStrategy Income Fund	392,825	332,386
Target Retirement 2010 Fund	204,966	69,707
Target Retirement 2030 Fund	86,786	60,630
Target Retirement 2015 Fund	82,935	78,706
Target Retirement 2050 Fund	77,295	19,339
Target Retirement 2040 Fund	66,536	39,646
Target Retirement 2025 Fund	63,681	42,043
Target Retirement 2020 Fund	52,252	23,209
Target Retirement 2035 Fund	48,809	10,015
Target Retirement Income	45,698	29,950
Target Retirement 2045 Fund	29,334	43,504
Target Retirement 2005 Fund	-	55,435
Total Mutual Funds	28,854,703	25,519,210
Common/collective trust:		
Vanguard Group, Inc.		
Retirement Savings Trust	2,632,225 *	2,385,693 *

* Represents 5% or more of the Plan's net assets.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE D – INVESTMENTS *(Continued)*

	December 31,	
	2010	2009
Annuity contracts:		
Lincoln National Life		
Fixed earnings option:		
Lincoln National Fixed	353,509	341,613
Variable earnings option:		
Special Opportunity Fund	151,130	116,896
Growth & Income Fund	128,392	114,930
Trend Fund	29,460	21,706
International Fund	24,791	24,441
Money Market Fund	20,321	20,786
Social Awareness Fund	10,793	9,777
Capital Appreciation Fund	8,505	7,713
Midcap Growth	6,450	5,078
Equity-Income Fund	3,355	2,876
Global Growth	3,015	2,729
Managed Fund	-	4,299
Total Annuity Contracts	<u>739,721</u>	<u>672,844</u>
	<u>\$32,226,649</u>	<u>\$28,577,747</u>

Debt Securities Interest Rate and Credit Risk

The Plan will minimize the risk that the market value of securities in the portfolio will fall due to changes in general interest rates by selecting mutual funds for the investment portfolio that manage credit quality and duration of fixed income investments.

The Plan will minimize credit risk, the risk of loss due to failure of the security issuer or backer, by selecting mutual funds for the investment portfolio that manage their respective fund under a predetermined average credit risk investment management policy.

The following table provides information on the duration and credit ratings associated with the Plan's investment in debt-backed mutual funds, excluding obligations of the U.S. Government or obligations explicitly guaranteed by the U.S. government within these funds at December 31, 2010 and 2009:

THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE D – INVESTMENTS *(Continued)*

Plan Investments With Debt Securities	Fair Value	S & P Average Credit Rating	Credit Quality Percentage							Not Rated	Average Effective Duration In Years
			AAA	AA	A	BBB	BB	B			
December 31, 2010:											
Vanguard Group, Inc.											
Balanced Index Fund	\$3,698,326	AA	29.3 %	1.8 %	3.9 %	3.2 %	- %	- %	- %	- %	5.00
Total Bond Market Index Fund	2,496,035	AA	75.7	4.7	10.7	8.9	-	-	-	-	5.00
Prime Money Market Fund	1,034,387	AA	46.8	45.5	7.7	-	-	-	-	-	0.15
Life Strategy Moderate Growth Fund	2,110,646	AA	24.9	1.3	3.6	3.0	-	-	-	-	5.00
Retirement Savings Trust	2,632,225	AAA	63.1	35.1	1.8	-	-	-	-	-	2.73
Life Strategy Conservative Growth Fund	617,675	A	28.9	5.5	8.0	5.5	-	-	1.50	-	3.80
Life Strategy Income Fund	392,825	A	43.2	6.2	9.6	7.5	-	-	1.40	-	4.10
Target Retirement 2010 Fund	204,966	AA	39.5	1.6	3.9	3.5	-	-	-	-	4.90
Target Retirement 2015 Fund	82,935	AA	30.1	1.6	3.9	3.5	-	-	-	-	4.80
Target Retirement 2020 Fund	52,251	AA	24.6	1.3	3.2	3.2	-	-	-	-	5.00
Target Retirement 2025 Fund	63,681	AA	19.1	1.0	2.8	2.3	-	-	-	-	5.00
Target Retirement 2030 Fund	86,786	AA	13.5	0.7	2.0	1.6	-	-	-	-	5.00
Target Retirement 2035 Fund	48,809	AA	8.0	0.4	1.2	1.0	-	-	-	-	5.00
Target Retirement 2040 Fund	66,536	AA	7.4	0.4	1.1	0.9	-	-	-	-	5.00
Target Retirement 2045 Fund	29,334	AA	7.4	0.4	1.1	0.9	-	-	-	-	5.00
Target Retirement 2050 Fund	77,295	AA	7.4	0.4	1.1	0.9	-	-	-	-	5.00
Target Retirement Income	45,698	AA	52.1	1.9	4.3	3.7	-	-	-	-	5.00
Lincoln National Life											
Fixed (Annuity Contracts)	353,508	BBB+	*	*	*	100.0	*	*	*	*	*
Lincoln Money Market Fund	20,321	*	*	*	*		*	*	*	*	*

* Information is unavailable for this mutual fund.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST**
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009

NOTE D – INVESTMENTS (Continued)

Plan Investments With Debt Securities	Fair Value	S&P Average Credit Rating	Credit Quality Percentage						Not Rated	Average Effective Duration In Years
			AAA	AA	A	BBB	BB	B		
December 31, 2009:										
Vanguard Group, Inc.										
Balanced Index Fund	\$3,379,621	AA	29.0 %	1.5 %	3.8 %	3.4 %	- %	- %	- %	4.50
Total Bond Market Index Fund	2,343,959	AA	77.0	4.0	10.0	9.0	-	-	-	4.50
Prime Money Market Fund	1,355,842	AA	42.5	44.6	12.9	-	-	-	-	0.20
Life Strategy Moderate Growth Fund	1,792,381	AAA	24.6	1.0	3.2	2.9	-	-	-	4.50
Retirement Savings Trust	2,385,693	AA	61.7	36.1	2.2	-	-	-	-	0.77
Life Strategy Conservative Growth Fund	646,614	AA	28.9	4.3	7.2	6.3	-	-	1.4	3.70
Life Strategy Income Fund	332,386	AA	42.6	5.2	9.2	7.2	-	-	1.3	4.00
Target Retirement 2005 Fund	55,435	AAA	46.9	1.7	3.9	3.3	-	-	-	4.70
Target Retirement 2010 Fund	69,707	AAA	37.5	1.4	3.7	3.2	-	-	-	4.60
Target Retirement 2015 Fund	78,706	AA	27.8	1.4	3.6	3.2	-	-	-	4.50
Target Retirement 2020 Fund	23,209	AA	22.5	1.2	2.9	2.6	-	-	-	4.50
Target Retirement 2025 Fund	42,043	AA	17.2	0.9	2.2	2.0	-	-	-	4.50
Target Retirement 2030 Fund	60,630	AA	11.9	0.6	1.5	1.4	-	-	-	4.50
Target Retirement 2035 Fund	10,015	AA	7.1	0.4	0.9	0.8	-	-	-	4.50
Target Retirement 2040 Fund	39,646	AA	7.1	0.4	0.9	0.8	-	-	-	4.50
Target Retirement 2045 Fund	43,504	AA	7.1	0.4	0.9	0.8	-	-	-	4.50
Target Retirement 2050 Fund	19,339	AA	7.1	0.4	0.9	0.8	-	-	-	4.50
Target Retirement Income	29,950	AAA	51.2	1.8	4.3	3.7	-	-	-	4.70
Lincoln National Life										
Fixed (annuity contracts)	341,613	BBB	*	*	*	100.0	*	*	*	*
Lincoln Money Market Fund	20,786	*	*	*	*	*	*	*	*	*

* Information is unavailable for this mutual fund.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2010 AND 2009**

NOTE E – RISKS AND UNCERTAINTIES

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risk. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such change could materially affect the participants' account balances and amounts reported in the Statement of Plan Net Assets.

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
SUPPLEMENTAL INFORMATION**

SUPPLEMENTAL INFORMATION SECTION

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
SUPPLEMENTAL INFORMATION**

HISTORICAL TREND INFORMATION

For The Years Ended December 31	Employee Contributions	Net Investment Income (Loss)	Distributions To Participants And Beneficiaries	Increase (Decrease) In Net Assets
2010	\$2,674,626	\$3,420,763	(\$2,406,761)	\$3,688,628
2009	2,685,427	4,837,406	(972,044)	6,550,789
2008	2,723,760	(7,663,384)	(1,168,917)	(6,108,541)
2007	2,595,532	1,500,519	(1,442,611)	2,653,440
2006	2,479,067	2,790,431	(1,405,638)	3,863,860
2005	2,203,103	1,311,662	(670,007)	2,844,758
2004	2,050,893	1,909,831	(792,780)	3,167,944
2003	2,041,688	2,746,391	(1,238,629)	3,549,450
2002	2,133,784	(2,095,283)	(1,819,333)	(1,780,832)
2001	1,986,726	(1,194,727)	(793,369)	(1,370)

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
SUPPLEMENTAL INFORMATION**

INVESTMENT RETURNS AND EXPENSE RATIOS

An independent investment consultant, New England Pension Consultants, monitored investment performance of the various options offered to the participants. Performance of the funds are measured net of the corresponding expense ratios. Below is a table that reflects the funds available for employees to invest and their performance for the years 2010 and 2009 as compared to the appropriate benchmarks as well as their current expense ratios:

Funds / Benchmarks	Expense Ratios	Returns Net of Fees*	
		2010	2009
Federal Money Market	N/A* %	N/A*	N/A*
Prime Money Market Investment	0.23	0.1	0.5
Retirement Savings Trust	0.30	3.0	3.0
<i>90-day T-Bills</i>		.1	3.0
<i>Bankers Trust 3-Year Guaranteed Investment</i>		3.4	0.2
<i>Contract Rate</i>		0	4.5
Total Bond Market Index	0.22	6.4	5.9
<i>BarCap US Aggregate Bond Index</i>		6.5	5.9
Balanced Index Fund	0.25	13.1	20.1
<i>60% Standard & Poor's 500/ 40% BarCap</i>		<i>12.1</i>	<i>16.4</i>
<i>Agg Index</i>			
Life Strategy Income	0.18	9.2	12.1
<i>Dow Jones U.S. Moderate Conservative</i>		<i>11.9</i>	<i>11.2</i>
<i>Portfolio</i>			
Life Strategy Conservative Growth	0.19	11.1	17.1
<i>Dow Jones U.S. Moderate Conservative</i>		<i>11.9</i>	<i>15.4</i>
<i>Portfolio</i>			
Life Strategy Moderate Growth	0.19	13.3	20.3
<i>Dow Jones U.S. Moderate Portfolio</i>		<i>11.9</i>	<i>18.3</i>
Life Strategy Growth	0.20	15.1	25.0
<i>Russell 1000</i>		<i>16.7</i>	<i>22.4</i>
Standard & Poor's 500 Index	0.18	14.9	26.5
<i>Standard & Poor's 500 Index</i>		<i>15.1</i>	<i>26.5</i>
Windsor II Fund	0.35	10.6	27.1
<i>Russell 1000 Value Index</i>		<i>15.5</i>	<i>19.7</i>
U.S. Growth	0.53	11.5	35.0
<i>Russell 1000 Growth Index</i>		<i>16.7</i>	<i>37.2</i>
Mid Cap Index	0.27	25.5	41.6
<i>Russell Mid Cap Index</i>		<i>25.7</i>	<i>34.3</i>
Small Cap Index	0.28	27.7	36.1
<i>Russell 2000 Index</i>		<i>27.8</i>	<i>34.0</i>
International Growth	0.51	15.7	41.6
<i>Citigroup PMI EPAC Index</i>		<i>11.2</i>	<i>34.3</i>
<i>MSCI EAFE Index</i>			
Vanguard Target Retirement Income	0.17	9.4	14.3
<i>Vanguard Retirement Income Benchmark</i>		<i>9.4</i>	<i>14.3</i>

**THE METROPOLITAN ST. LOUIS SEWER DISTRICT
DEFERRED COMPENSATION PLAN AND TRUST
SUPPLEMENTAL INFORMATION**

Vanguard Target Retirement 2005 <i>Vanguard Target 2005 Benchmark</i>	0.17	9.7 <i>10.0</i>	16.2 <i>16.4</i>
Vanguard Target Retirement 2010 <i>Vanguard Target 2010 Benchmark</i>	0.17	11.4 <i>11.6</i>	19.3 <i>19.4</i>
Vanguard Target Retirement 2015 <i>Vanguard Target 2015 Benchmark</i>	0.16	12.5 <i>12.6</i>	21.3 <i>21.4</i>
Vanguard Target Retirement 2020 <i>Vanguard Target 2020 Benchmark</i>	0.17	13.1 <i>13.3</i>	23.1 <i>23.3</i>
Vanguard Target Retirement 2025 <i>Vanguard Target 2025 Benchmark</i>	0.18	13.8 <i>13.9</i>	24.8 <i>25.1</i>
Vanguard Target Retirement 2030 <i>Vanguard Target 2030 Benchmark</i>	0.18	14.4 <i>14.5</i>	26.7 <i>27.0</i>
Vanguard Target Retirement 2035 <i>Vanguard Target 2035 Benchmark</i>	0.19	15.1 <i>15.2</i>	28.2 <i>28.5</i>
Vanguard Target Retirement 2040 <i>Vanguard Target 2040 Benchmark</i>	0.19	15.2 <i>15.2</i>	28.3 <i>28.5</i>
Vanguard Target Retirement 2045 <i>Vanguard Target 2045 Benchmark</i>	0.19	15.2 <i>15.2</i>	28.2 <i>28.5</i>
Vanguard Target Retirement 2050 <i>Vanguard Target 2050 Benchmark</i>	0.19	15.2 <i>15.2</i>	28.3 <i>28.5</i>

**The returns shown above are net of fees as reported by the managers.*

Certain participants with assets valued at \$739,721 and \$672,844 in 2010 and 2009, respectively, are invested in a series of fixed and variable rate annuity contracts sponsored by Lincoln National Life Insurance Company. The Lincoln National Life option was phased out in 1992, and any balances represent undistributed participant balances. This option is no longer available to new participants or for current deferrals.