

**BEFORE THE RATE COMMISSION OF THE
METROPOLITAN ST. LOUIS SEWER DISTRICT**

**JULY 15, 2011 FIRST DISCOVERY REQUEST
OF BARNES JEWISH HOSPITAL**

Metropolitan St. Louis Sewer District Response

ISSUE: WASTEWATER RATE CHANGE PROPOSAL
WITNESS: METROPOLITAN ST. LOUIS SEWER DISTRICT
SPONSORING PARTY: BARNES JEWISH HOSPITAL
DATE PREPARED: JULY 25, 2011

**Metropolitan St. Louis Sewer District
2350 Market Street
St. Louis, Missouri 63103**

**BEFORE THE RATE COMMISSION
OF THE METROPOLITAN ST. LOUIS SEWER DISTRICT**

For Consideration of a Wastewater)
Rate Change Proposal by the Rate)
Commission of the Metropolitan)
St. Louis Sewer District)

**JULY 15, 2011 FIRST DISCOVERY REQUEST
OF BARNES JEWISH HOSPITAL**

Metropolitan St. Louis District Response

Pursuant to §§ 7.280 and 7.290 of the Charter Plan of the Metropolitan St. Louis Sewer District (the "Charter Plan"), Operational Rule 3(5) and Procedural Schedule §§ 17 (b)(i) and (ii) of the Rate Commission of the Metropolitan St. Louis Sewer District ("Rate Commission"), the Metropolitan St. Louis Sewer District ("District") thereby responds to the Barnes Jewish Hospital July 15, 2011 First Discovery Request for additional information and answers regarding the Rate Change Notice dated May 10, 2011 (the "Rate Change Notice").

JULY 15, 2011 FIRST DISCOVERY REQUEST
OF BARNES JEWISH HOSPITAL

Metropolitan St. Louis Sewer District Response

1. Are all customers of MSD customers for both wastewater and stormwater or are some customers receiving only one of the two services?

RESPONDER: Brian Hoelscher, MSD Director of Engineering

RESPONSE: Most MSD customers receive wastewater services and all MSD customers receive stormwater services. The stormwater services provided customers varies however, based on geographic location.

The current funding mechanism for stormwater services is a combination of a 24¢ monthly charge and ad valorem taxes. All customers who pay a wastewater charge also pay the 24¢ monthly charge. The District has a three tiered stormwater taxing structure. 2¢ per \$100 assessed property valuation is assessed on all MSD customers within the District's boundaries. This revenue is used to provide the minimum stormwater services regulatorily required. A 5¢ tax is levied on MSD customers within the District's original boundary, which is approximately aligned with Interstate 270. In addition to the basic regulatory stormwater services funded by the 2¢ tax, customers within the original boundary receive a level of stormwater maintenance and repair services to the extent revenue generated by the 5¢ tax is available. A portion of customers also receive a third component of stormwater services. This consists primarily of capital projects in addition to basic regulatory and maintenance and repair services. These capital projects are funded by subdistrict ad valorem tax revenue dedicated for use within the boundaries of each specific subdistrict. There are currently 16 stormwater subdistricts with tax levies ranging from 5¢ to 10¢ per \$100 of assessed property valuation. A 0¢ tax is levied on four subdistricts as sufficient fund balances within these subdistricts are available to fund capital projects without the need for additional tax revenue. Also note that some MSD customers receive stormwater service but do not pay for these services due to being tax exempt or because they fall under the provisions of State Legislation (House Bill 661).

2. If the answer to Question 1 is that there are customers who do not receive both services:

a. How many of MSD's customers receive only wastewater service and what percentage is that to total customers and

RESPONDER: Jan Zimmerman, MSD Director of Finance

RESPONSE: The District currently bills an average of 426,579 wastewater accounts per month. However, during the time the District charged an impervious rate for stormwater, the total number of billed MSD customers was approximately 467,593. 41,014 of these customers received only stormwater service. Based on this information, 91% of MSD customers receive only wastewater services

b. How many of MSD's customers receive only stormwater service and what percentage is that to total MSD customers?

RESPONDER: Jan Zimmerman, MSD Director of Finance

RESPONSE: As stated in the District's response to Question # 2a, at the time MSD charged an impervious stormwater rate, 41,014 customers received only stormwater services. This represented approximately 9% of MSD's total customer base of 467,593 as defined in Question # 2a.

3. Please provide a breakdown of MSD's actual legal fees for each year of FYs 08, 09, 10, 11 by legal vendor and subdivided by type of work performed, for whom it was performed (e.g. MSD Staff, Rate Commission, etc) and amount spent per year on each type of work.

RESPONDER: Jan Zimmerman, MSD Director of Finance.

RESPONSE: The requested information is provided as Exhibit MSD 26B.



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CERTIFICATE OF SERVICE

The undersigned hereby certifies that on the 25th day of July, 2011:
An electronic copy of the foregoing instrument was emailed to the Secretary of the Rate Commission c/o jfenton@stlmsd.com

SECRETARY OF RATE COMMISSION: Ms. Nancy Bowser
Secretary of Rate Commission
Metropolitan St. Louis Sewer District
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St. Louis, MO 63103-2555
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At the request of Rate Commission Counsel, one paper original and associated Exhibits are held at the Rate Commission office for Commissioner review.

An electronic copy of the foregoing instrument was emailed and one paper copy and associated Exhibits were couriered to:

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