



Metropolitan  
St. Louis  
Sewer District

## MSD RATE CHANGE NOTICE

The Metropolitan St. Louis Sewer District (MSD) has referred to its Rate Commission a proposal for wastewater rates for fiscal year 2013 through fiscal year 2016 (July 1, 2012 through June 30, 2016). The proposal addresses increases in wastewater rates. These proposed changes would apply to all MSD customers.

**WASTEWATER RATES:** Wastewater rates must be sufficient to continue MSD's ongoing multi-billion dollar, multi-decade capital construction program. From fiscal year 2013 through fiscal year 2016, MSD proposes spending approximately \$1.0 billion on construction and related work. Largely driven by state and federal regulatory requirements, this work will reduce overflows into area waterways, alleviate basement backups, and ensure water quality in the St. Louis area's rivers and streams.

As of July 1, 2011, the average customer owning a single-family home will pay \$28.73 per month for wastewater services. This compares to a national average of approximately \$33.59 per month. MSD is proposing four rate increases between July 2012 and July 2015 to fund its operations capital construction program. These increases will raise the average single-family wastewater rate to \$47.05 per month.

**RATE COMMISSION PROCESS:** In 2000, changes to MSD's Charter were approved by area voters that required the creation of an independent Rate Commission. Composed of 15 member organizations representing a broad cross-section of MSD's customers and the community it serves, the Rate Commission is designed to provide public input into how rates are set. The Rate Commission process includes multiple public hearings and can last up to 165 days. This process begins when a rate proposal is formally referred to the Rate Commission by MSD staff. The proposal containing the aforementioned rates changes was referred to the Rate Commission by MSD staff on Tuesday, May 10, 2011. Over the next several months, the Rate Commission will review these rates and hold hearings to gather public input.

For more information on the rate proposal or the Rate Commission Process, please visit MSD's website at [www.stlmsd.com](http://www.stlmsd.com) or contact Jan Zimmerman, Director of Finance, at (314) 768-6200.

COMPARISON OF EXISTING AND PROPOSED RATES

Comparison of Existing and Proposed Wastewater Rates						
Type of Monthly Charge (per Bill)	Existing	Proposed Wastewater Charges Effective July 1				
		FY2012 (1)	FY2013	FY2014	FY2015	FY2016
Base Charge	\$ 2.60	\$ 2.65	\$ 3.25	\$ 3.45	\$ 3.60	\$ 3.70
Billing & Collection Charge	8.80	9.20	10.00	11.50	13.40	15.75
System Availability Charge						
Total Base Service Charge	\$ 11.40	\$ 11.85	\$ 13.25	\$ 14.95	\$ 17.00	\$ 19.45
Compliance Charge (2)						
Uniform Compliance Charge	\$ 30.85	\$ 31.95	-	-	-	-
Proposed Tiered Compliance Charge:						
Tier 1	-	-	\$ 23.00	\$ 16.00	\$ 9.00	\$ 2.35
Tier 2	-	-	\$ 40.25	\$ 42.60	\$ 44.05	\$ 45.35
Tier 3	-	-	\$ 85.70	\$ 90.65	\$ 93.80	\$ 96.55
Tier 4	-	-	\$ 125.65	\$ 132.95	\$ 137.50	\$ 141.55
Tier 5	-	-	\$ 165.60	\$ 175.20	\$ 181.20	\$ 186.65
Volume Charge						
Metered - \$/Ccf	\$ 2.02	\$ 2.11	\$ 2.39	\$ 2.72	\$ 3.07	\$ 3.45
Unmetered						
Each Room	\$ 1.32	\$ 1.38	\$ 1.55	\$ 1.77	\$ 2.00	\$ 2.24
Each Water Closet	4.93	5.15	5.83	6.64	7.49	8.42
Each Bath	4.11	4.30	4.86	5.53	6.24	7.01
Each Separate Shower	4.11	4.30	4.86	5.53	6.24	7.01
Extra Strength Surcharges - \$/ton (2)						
Suspended Solids > 300 mg/l	\$ 222.62	\$ 231.35	\$ 231.35	\$ 231.68	\$ 257.18	\$ 265.68
BOD > 300 mg/l	596.72	620.14	620.14	620.14	652.14	673.30
COD > 600 mg/l	298.36	310.07	310.07	310.07	326.07	336.65
Typical Residential Bill - \$/Bill (3)						
User Charge Portion	\$ 24.28	\$ 26.19	\$ 27.56	\$ 29.87	\$ 32.75	\$ 34.76
Capital Charge Portion	1.26	2.54	4.81	6.84	8.81	12.29
Total	\$ 27.56	\$ 28.73	\$ 32.37	\$ 36.71	\$ 41.56	\$ 47.05

Ccf - Hundred Cubic Feet  
mg/l - milligram per liter

(1) Final rate increase of Rate Change Plan approved April 2008.  
(2) Applicable only to nonresidential customers.  
(3) Based on contributed wastewater volume of 8 Ccf per month.

# Exhibit MSD 2

Proposed Typical Monthly Bill Comparison															
Rate Type	FY2012			FY2013			FY2014			FY2015			FY2016		
	Customer Class			Customer Class			Customer Class			Customer Class			Customer Class		
	S/F	M/F	Comm.	S/F	M/F	Comm.	S/F	M/F	Comm.	S/F	M/F	Comm.	S/F	M/F	Comm.
Wastewater	\$28.73	\$96.25	\$254.80	\$32.37	\$108.85	\$292.50	\$36.71	\$123.75	\$326.55	\$41.56	\$139.80	\$368.05	\$47.05	\$157.45	\$409.80
Stormwater	0.24	1.08	0.24	0.24	1.08	0.24	0.24	1.08	0.24	0.24	1.08	0.24	0.24	1.08	0.24
Total Monthly Bill	\$28.97	\$97.33	\$255.04	\$32.61	\$109.93	\$292.74	\$36.95	\$124.83	\$326.79	\$41.80	\$140.88	\$368.29	\$47.29	\$158.53	\$410.04
Low-Income Bill	\$14.49	\$48.67	N/A	\$16.31	\$54.97	N/A	\$18.48	\$ 62.42	N/A	\$20.90	\$ 70.44	N/A	\$23.65	\$ 79.27	N/A

Single Family (S/F) - based on average 8 Ccf volume.

Multi Family (M/F) - based on average 40 Ccf volume/average 6 Units.

Commercial (Comm) - based on Normal strength with average 100 Ccf volume. Tier 2 Compliance Charge.