



**Metropolitan
St. Louis
Sewer District**

MSD RATE CHANGE NOTICE Exhibit MSD 2

The Metropolitan St. Louis Sewer District (MSD) has referred to its Rate Commission a proposal for wastewater rates for fiscal year 2021 through fiscal year 2024 (July 1, 2021 through June 30, 2024). The proposal addresses increases in wastewater rates. These proposed changes would apply to all MSD customers.

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 began when a rate proposal was formally presented to the Rate Commission by MSD staff on Monday, March 4, 2019. Over the next several months, the Rate Commission will review these rates and hold hearings to gather public input.

WASTEWATER RATES: Wastewater rates must be sufficient to continue MSD's ongoing multi-billion dollar, multi-decade capital construction program. From fiscal year 2021 through fiscal year 2024, MSD proposes spending nearly \$1.6 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 help ensure water quality in the St. Louis area's rivers and streams.

Effective July 1, 2019, the typical customer owning a single-family home will pay \$55.57 per month for wastewater services. MSD is proposing four rate increases between July 2020 and July 2021 to fund its operations and capital construction program. These increases will raise the typical single-family wastewater rate to \$63.36 per month.

For more information on the rate proposal or the Rate Commission Process, please visit MSD's website at www.stlmsd.com or contact Marion Gee, Director of Finance, at (314) 768-6299.

COMPARISON OF EXISTING AND PROPOSED WASTEWATER RATES

Type of Monthly Charge (per Bill)	Proposed Wastewater Charges Effective July 1					
	Existing	FY2020 (1)	FY2021	FY2022	FY2023	FY2024
Base Charge						
Billing & Collection Charge	\$ 6.67	\$ 7.38	\$ 5.11	\$ 5.31	\$ 5.51	\$ 5.72
System Availability	17.16	18.97	21.40	22.21	23.05	23.92
Total Base Service Charge	\$ 23.83	\$ 26.35	\$ 26.51	\$ 27.52	\$ 28.56	\$ 29.64
Compliance Charge (2)						
Tier 1	\$ 3.05	\$ 3.14	\$ 4.44	\$ 4.55	\$ 4.71	\$ 4.85
Tier 2	60.89	62.61	62.16	63.64	65.80	67.67
Tier 3	133.96	137.75	133.20	136.37	140.99	144.98
Tier 4	197.91	203.49	177.60	181.83	187.98	193.30
Tier 5	258.79	266.10	222.00	227.29	234.98	241.63
Volume Charge						
Metered - \$/Ccf	\$ 4.40	\$ 4.87	\$ 5.02	\$ 5.21	\$ 5.41	\$ 5.62
Unmetered						
Each Room	\$ 2.61	\$ 2.89	\$ 2.97	\$ 3.09	\$ 3.21	\$ 3.34
Each Water Closet	9.70	10.72	11.07	11.49	11.93	12.38
Each Bath	8.08	8.93	9.23	9.58	9.94	10.32
Each Separate Shower	8.08	8.93	9.23	9.58	9.94	10.32
Extra Strength Surcharges - \$/ton (2)						
Suspended Solids > 300 mg/l	\$ 277.03	\$ 283.87	\$ 314.00	\$ 321.47	\$ 332.35	\$ 341.76
BOD > 300 mg/l	691.50	708.56	898.00	919.37	950.46	977.36
COD > 600 mg/l	345.76	354.30	449.00	459.69	475.24	488.69

Proposed Typical Monthly Wastewater Bill			
	Customer Class		
	Single-family	Multi-family	Commercial
FY2019	\$50.23	\$199.83	\$524.72
FY2020	\$55.57	\$221.15	\$575.96
FY2021	\$56.63	\$227.31	\$590.67
FY2022	\$58.78	\$235.92	\$612.16
FY2023	\$61.02	\$244.96	\$635.36
FY2024	\$63.36	\$254.44	\$659.31

Single-family - based on average 6 Ccf volume.
Multi-family - based on average 40 Ccf volume/average 6 Units.
Commercial - based on Normal strength with average 100 Ccf volume. Tier 2 Compliance Charge.

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

- (1) Final rate increase of Rate Change Plan approved October 2015
- (2) Applicable only to non-residential customers.

Customer Assistance Program participant bills would be 50% less than non-participants.