

MSD Rate Commission



Orientation

March 4, 2019



MSD Governance



MSD Board of Trustees

- **Six members:**
 - Three appointed by the Mayor of St. Louis
 - Three appointed by the St. Louis County Executive

- **Current Members**

City:

Jim Faul - *Chairman*

Annette Mandel

Freddie Dunlap

County:

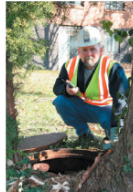
Rev. Ronald Bobo – *Vice Chairman*

Michael Yates

James Singer



MSD History



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MSD Created

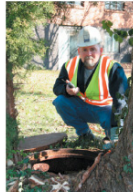
- **MSD was created in 1954 pursuant to the State Constitution.**

*Article VI Section 30(a). Powers conferred with respect to intergovernmental relations - The people of the City of St. Louis and the people of the county of St. Louis shall have power... **to establish a metropolitan district** or districts for **the functional administration of services common to the area** included therein.*

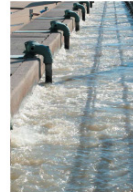


District Charter

- Charter created pursuant to the Missouri Constitution, Article VI Section 30(b)
- Missouri Constitution explicitly states that such a Charter adopted by the voters shall become the organic law of the territory and shall take the place of and supersede all laws, charter provisions and ordinances inconsistent therewith.
- Immune from legislative interference



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District Charter

- Amended in November 2000:
 - Established the Rate Commission
 - Allowed the District to issue revenue bonds as authorized by District voters
- Amended in 2012 with minor updates
- Can be found on MSD's website at: <http://www.stlmsd.com/our-organization/organization-overview/our-charter>



Charter Decision Criteria

Applicable to Rate Commission and MSD Board

Assure any proposed change in rate or rate structure:

- (1) is consistent with constitutional, statutory or common law as amended from time to time;*
- (2) enhances the District's ability to provide adequate sewer and drainage systems and facilities, or related services;*
- (3) is consistent with and not in violation of any covenant or provision relating to any outstanding bonds or indebtedness of the District;*
- (4) does not impair the ability of the District to comply with applicable Federal or State laws or regulations as amended from time to time, and*
- (5) imposes a fair and reasonable burden on all classes of ratepayers.*



Wastewater Rates

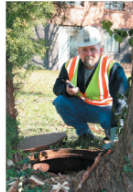


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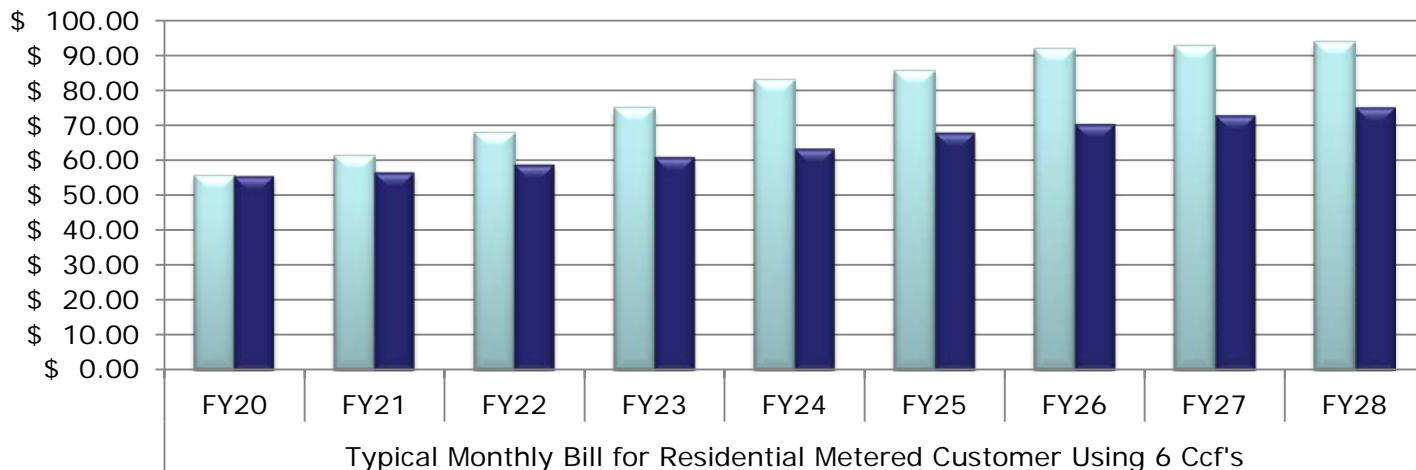
Key Issues for Consideration

- Complies with Charter requirements
- Level of bonding vs cash (“PAYGO”)
- Voter support of additional bonding
- Impact of “No Bonding” scenario
- Generational implications
- Affordability
- Equitability
- Underlying rate assumptions:
 - Customer growth
 - Water Usage
 - Inflation
 - Consent Decree Compliance
 - Low income access

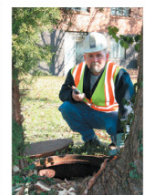
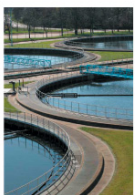


Typical Residential Monthly Bill in Existing Proposal compared to 2015 Proposal

Projected FY's 25 - 28



	FY20	FY21	FY22	FY23	FY24	FY25	FY26	FY27	FY28
2015 Rate Proposal	\$ 55.57	\$ 61.47	\$ 67.96	\$ 75.13	\$ 83.11	\$ 85.63	\$ 92.10	\$ 93.09	\$ 94.08
Percent Change		10.6%	10.6%	10.6%	10.6%	3.0%	7.6%	1.1%	1.1%
2019 Rate Proposal	\$ 55.57	\$ 56.63	\$ 58.78	\$ 61.02	\$ 63.36	\$ 67.97	\$ 70.43	\$ 72.91	\$ 75.25
Percent Change		1.9%	3.8%	3.8%	3.8%	7.3%	3.6%	3.5%	3.2%

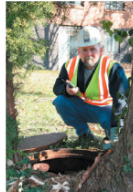


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Elements of 2019 Proposal compared to 2015 Proposal

- Impact of 2018 Consent Decree Amendment
- Operation and Maintenance Expense
- Cost of the Capital Program
- Financing Cost (Debt vs. PAYGO)



Future Milestones

- Scheduling of Wastewater Rate Design Workshop (optional)
- Submission of District's Rate Proposal and testimony by March 4, 2019
- RC Rate Recommendation Report submitted to Board by August 16, 2019 meeting (assuming 45 day extension)
- Changes to rates become effective July 1, 2020



Informational Packet



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Informational Packet Contents

- **Rate Commission Budget**
- **MSD Support Staff Roster**
- **Professional Services Contracts**
- **MSD Charter requirements specific to Rate Commission responsibilities**
- **WiFi and Document Management**



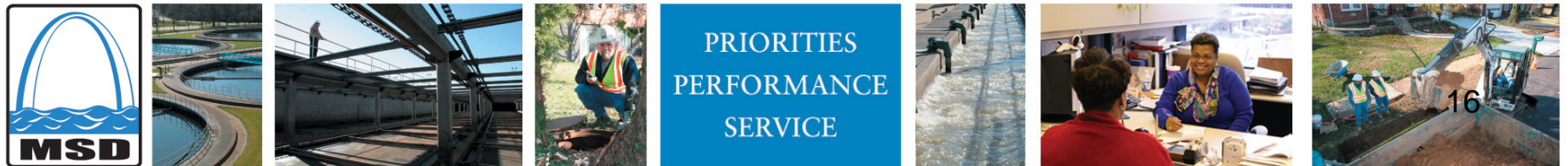
WiFi and Document Management

WiFi will be available for the Rate Commission throughout the rate review process while at 2350 Market.

Document Management:

- Similar to the most recent Rate Commission proceeding, MSD will manage the recording and collection of all exhibits and provide easy access to all information via MSD's website.
- Information will be posted to <https://www.stlmsd.com/msd-rate-commission>.

Instructions for accessing WiFi and the exhibits are contained in your information packet.



Public Communication with Rate Commission

- In addition to Rate Commission meetings and public hearings, the public has access to the Rate Commission via e-mail at ratecommission@stlmsd.com.
- Emails sent to this address go directly to the Rate Commission's Chair, Vice-Chair, Secretary, and Legal Counsel.



Questions?

