

MSD Rate Commission



Orientation

October 5, 2017



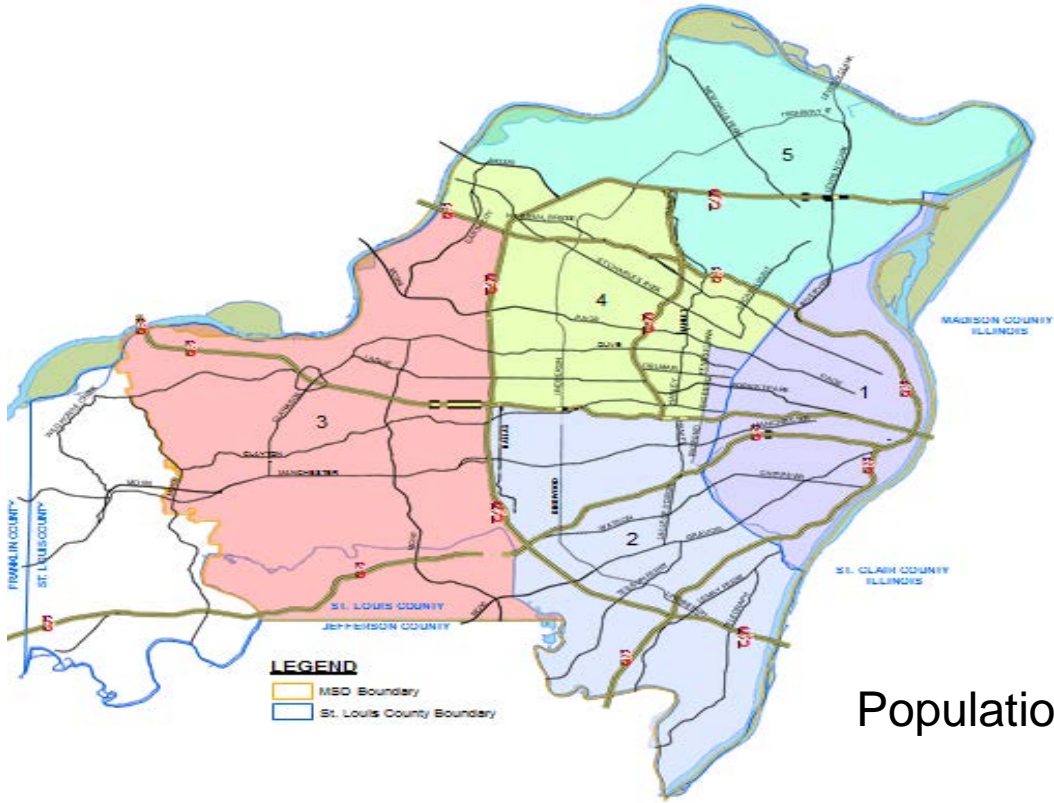
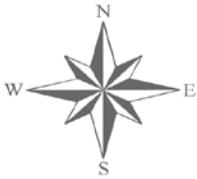
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MSD History

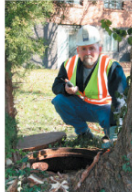


MSD Service Area



Population served = 1.3M

Service area includes 520 square miles including all 66 square miles of the City of St. Louis and 454 square miles of St. Louis County.



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MSD Created

- **MSD was created in 1954 by an amendment 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 the power (1) to consolidate the territories and governments of the city and county into **one political subdivision...** (4) **to establish a metropolitan district or districts for the functional administration of services common to the area included therein...***



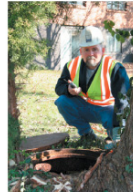
MSD Board of Trustees

- **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
 - Ruby Bonner
 - County:**
 - Rev. Ronald Bobo – *Vice Chairman*
 - Michael Yates
 - James Singer



District Charter

- The District Charter is similar to an Article of Incorporation.
- Established in 1954.
- Amended in November 2000:
 - Established the Rate Commission.
 - Allowed the District to issue revenue bonds as authorized by St. Louis 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>.

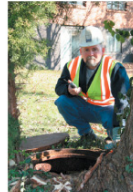


Charter Decision Criteria

Applicable to Rate Commission and MSD Board

Assure any proposed rate change:

- (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 to comply with 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.*



Rate Commission Proceedings

General Schedule

2018 – Stormwater
2019 – Wastewater



Stormwater Funding



Current Stormwater Funding Structure

Funding is currently received from two property taxes:

<u>Description</u>	<u>FY 17 Revenue</u>
Regulatory (2¢)	\$ 5.5 million
Maintenance (10¢)	\$27.0 million
 Total	 \$32.5 million



Proposed Stormwater Funding Structure

- A voter approved impervious based charge would be assessed.
- Funds would be used to address flooding and erosion control issues.



Previous SW Impervious Fee

Aug 2007 - The Rate Commission recommended MSD taxes and 24¢ fee be replaced by a SW Impervious Fee.

Dec 2007 - The MSD Board approves the Rate Commission recommendation and implements the fee.

July 2008 - A Class Action lawsuit, *Zwieg vs MSD*, challenging the fee is filed.

Aug 2010 - The District suspended the impervious fee and reinstated the prior taxes and 24¢ fee.

July 2008 – The Circuit, Appellate and Missouri Supreme Courts declared the fee unconstitutional and requiring voter approval.

Nov 2013

The Courts unanimously agreed the District was not required to refund SW impervious revenue collected prior to litigation.



Key Issues – Voter Approved Impervious Rate

- Complies with Charter requirements
- Voter Approval
- Practical and cost effective to implement
- Timing of implementation
- Risk of legal challenge
- Basis for funding:
 - Impervious area
 - Taxes
- Service levels
- Equitability
- Sustainability



Informational Packet

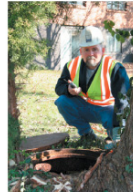


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Informational Packet Contents

- **Rate Commission Budget**
- **MSD Support Staff Roster**
- **Professional Services RFPs (1 year with a 1 year renewal option)**
- **MSD Charter requirements specific to Rate Commission responsibilities**
- **Prior Rate Commission Rules & Procedures**
- **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 <http://www.stlmsd.com/our-organization/organization-overview/rate-commission>.

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



Rate Commission Committees



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Rate Commission Committees

- **Technical Committee**
- **Public Affairs Committee**
- **Finance Committee**



Technical Committee Duties

- Recommend the selection of any consulting or professional services required to facilitate the Committee's work.
- Recommend the content of discovery, information requests and areas of investigation to be pursued during the rate case.
- Coordinate the implementation of measures required to complete a timely and thorough review of the District's rate proposal.
- Assist the Commission in defining matters most in need of legal review based on the District's Charter, federal, state and local laws, and the powers of the Commission.



Public Affairs Committee Duties

- Recommend the publication, timing, format and location of public hearings as mandated by the Charter and Commission rules.
- Recommend measures for informing the public of the purpose, operations and work product of the Commission.
- Coordinate the implementation measures to educate consumers of District services about the rate review process.
- Recommend the retention of any consulting services required to facility the Committee's work.



Finance Committee Duties

- Recommend the amount, content and basis for the Commission's annual budget request to the MSD Board per Charter.
- Recommend supplemental funding or resource requests outside the annual budget required for the Commission to discharge its duties.
- Review all bills incurred by the Commission prior to the submittal for its approval.
- Prepare and submit monthly financial reports and end of fiscal year report to the Commission.
- Coordinate the implementation of any other administrative measure required to assist the Commission in the discharge of its duties.



Rate Commission Committees Assignments (Rate Commission Chairman)



Future Meetings (Rate Commission Chairman)

