

Overview of Wastewater Rate Proposal

MSD Rate Commission Public Hearings
May – July 2019



MSD Overview & Details

- **Government Utility**
 - State Constitution
 - Voter Approved Charter
 - 6 Member Board of Trustees
(3 City & 3 County)
- **Two utilities: Wastewater & Stormwater**
- **520 square mile service area**
 - All of St. Louis City
 - 87% of St. Louis County
- **~1,300,000 customers**
- **88 municipalities served**
- **7 Treatment Plants**
- **350+ million gallons per day of wastewater treated**
- **4,700+ miles of sanitary sewers**
- **1,800+ miles of combined sewers**
- **3,000+ miles of stormwater sewers**
- **4th largest sewer system in the United States (as measured by miles of sewers handling wastewater)**

Wastewater Rates

Wastewater Proposal Objective

Proposal Objective:

Fund a four-year \$1.58B, 300+ project, capital improvement program to meet regulatory and system improvement needs

MSD proposes authorization of \$500M in additional bonds to fund this four-year capital program, in order to make needed rate increases more manageable.



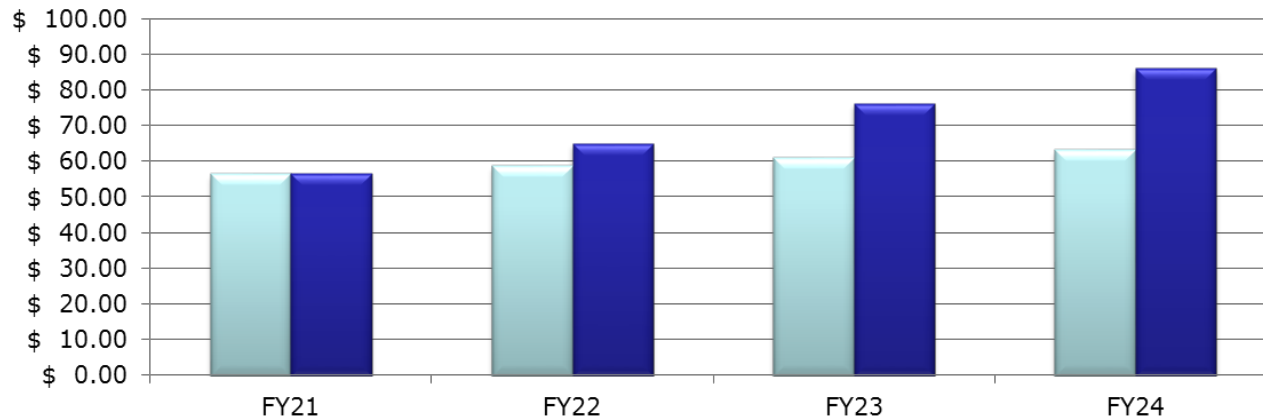
FY2021-2024 Wastewater Benefits

- Eliminate 50 wastewater sewer overflows from sewer pipes
- Build 60 miles of new wastewater sewers
- Inspect 64,000 manholes
- Replace incinerators at Bissell and Lemay treatment plants
- Build tunnel from Fenton treatment plant to Lower Meramec treatment plant to eliminate Fenton plant.

Key Issues for Consideration

- Charter requirements
- Bonding v. Cash (“Paygo”)
- Affordability
- Equitability
- Underlying rate assumptions:
 - Customer growth
 - Water Usage
 - Inflation
 - Consent Decree compliance
 - Customer Assistance Program access

Typical Residential Monthly Bill in 2019 Proposal - Bond Financing v. Paygo



Typical Monthly Bill for Residential Metered Customer using 6 Ccf's.

	<u>FY21</u>	<u>FY22</u>	<u>FY23</u>	<u>FY24</u>
2019 Bonds	\$ 56.63	\$ 58.78	\$ 61.02	\$ 63.36
Percent Change	1.9%	3.8%	3.8%	3.8%
2019 Paygo	\$ 56.63	\$ 65.17	\$ 76.30	\$ 86.29
Percent Change	1.9%	15.1%	17.1%	13.1%

Cost Savings Benefits

- Impact of 2018 Consent Decree amendment
- Operation and maintenance expense
- Cost of the capital program
- Financing Cost (Debt v. Paygo)

Wastewater Rate Commission Timeline

- Submission of District's Rate Proposal and testimony – March 4, 2019
- Rate Commission Recommendation Report submitted to Board by August 19, 2019
- Changes to rates effective July 1, 2020
- Potential bond vote dates: Spring 2020 – Spring 2021

Rate Commission Public Hearings

- Tuesday, May 14, 6 p.m. - St. Louis County Library, Grant's View Branch, 9700 Musick Road, St. Louis, MO 63123
- Wednesday, May 22, 6 p.m. - Manchester Parks, Recreation and Arts Center, 359 Old Meramec Station Road 63021
- Tuesday, June 4, 6 p.m. - Richmond Heights Community Center, 8001 Dale Avenue 63117
- Thursday, June 27, 6 p.m. - Maryland Heights Community Center, 2300 McKelvey Road 63043
- Wednesday, July 10, 6 p.m. - UMSL Wellness & Recreation Center, 1 University Blvd. 63121
- Wednesday, July 24, 9 a.m. - Metropolitan St. Louis Sewer District headquarters, 2350 Market Street 63103

More Information/ Questions

www.stlmsd.com/ratecommission

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2019 MSD

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MSD Questions

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