



## MSD by the numbers...

- 1,300,000 customers
- 6,500+ miles of wastewater pipes
- 3,000+ miles of stormwater pipes
- 525 square mile service area
- 79 original sewer districts combined
- 7 wastewater treatment plants
- 4th largest sewer system in US

# April 2016 Ballot Initiatives

## Proposition Y & Proposition S

The Metropolitan St. Louis Sewer District (MSD) is both a wastewater and a stormwater utility. Funds and operations for both functions must be accounted for separately.

MSD is presenting two initiatives before area voters on the April 5th ballot: Proposition Y - Wastewater Bond Authorization, and Proposition S - Stormwater Service Equalization. Both initiatives stem from a recommendation made to MSD's Board of Trustees by the District's Rate Commission.

For more information about MSD's Rate Commission, please visit [www.stlmsd.com/RateCommission](http://www.stlmsd.com/RateCommission).

## PROPOSITION Y: WASTEWATER BOND AUTHORIZATION

**Wastewater Funding:** The wastewater bond authorization seeks voter authorization for \$900 million in additional bonds to fund a four-year, \$1.5 billion capital improvement program to meet regulatory and system improvement needs. These projects are part of a \$4.7 billion, 23-year agreement with the Environmental Protection Agency and the Missouri Coalition for the Environment. The question before voters is not "if" the work should take place - as part of the agreement, it must - but, rather, how this work should be paid for over the next four years.

Within this capital program, MSD would continue to:

- Address sewer overflows that discharge wastewater into area creeks and streams during moderate to heavy rainstorms;
- Alleviate basement backups throughout the City and County;
- Repair and rehabilitate an aging sewer system;
- Increase wastewater treatment plant capacity;
- Proactively clean and maintain the collection and treatment system.

**Cost:** Based on average monthly water usage of a single-family residence, a monthly wastewater sewer bill would resemble the following rates, shown here with and without bond approval:

| WITH BOND FINANCING <sup>1</sup> |          | NO BOND FINANCING <sup>2</sup> |          |
|----------------------------------|----------|--------------------------------|----------|
| \$\$\$                           | % Change | \$\$\$                         | % Change |
| FY16 <sup>3</sup> \$40.72        | 13.1%    | FY16 <sup>3</sup> \$40.72      | 13.1%    |
| FY17 \$44.59                     | 9.5%     | FY17 \$44.59                   | 9.5%     |
| FY18 \$49.31                     | 10.6%    | FY18 \$73.16                   | 64.1%    |
| FY19 \$54.63                     | 10.8%    | FY19 \$82.71                   | 13.1%    |
| FY20 \$60.44                     | 10.6%    | FY20 \$95.13                   | 15.0%    |

<sup>1</sup> With Bonding: Projects are funded with cash and debt. <sup>2</sup> No Bonding: Projects are funded with cash. All numbers above are based on average usage of 700 cubic feet per month (7 Ccfs). This is the equivalent of 5,236 gallons.

<sup>3</sup> MSDs fiscal year (FY) is July 1 through June 30. MSD is currently in fiscal year 2016.

### Wastewater Service:

MSD's wastewater management involves the collection and treatment of "used" water from sinks, toilets, and floor drains at one of seven treatment plants, where it is treated to high standards before returning to our region's waterways.

### Wastewater Funding:

Voters will be asked to choose one of two wastewater financing options: if voters approve, MSD will issue \$900 million in additional bonds to fund this four-year capital program, to make needed rate increases more manageable. If voters do not approve additional bonds, the Rate Commission recommendation calls for cash financing of the capital program.

### BENEFITS:

|   |   |  |   |  |  |   |  |
|---|---|--|---|--|--|---|--|
| <b>24</b><br>Miles of Storage & Conveyance Tunnels Designed | <b>39</b><br>Sanitary Sewer Overflows Removed | <b>226</b><br>Wastewater Construction Projects | <b>360</b><br>Miles of Sewer Rehabilitation | <b>598</b><br>Wastewater Planning, Design, & Construction Projects | <b>1,600</b><br>Miles of Sewer Inspected With CCTV | <b>6,000</b><br>Manhole Rehabilitations | <b>3,814</b><br>Miles of Sewer Cleaned |
|---|---|--|---|--|--|---|--|

# PROPOSITION S: STORMWATER SERVICE EQUALIZATION

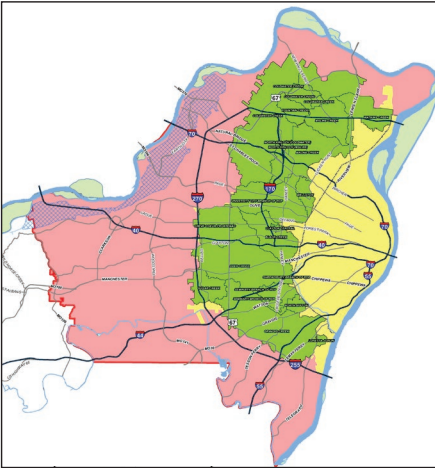
**Stormwater Service:** MSD stormwater services are currently paid for through a variety of stormwater property taxes and a \$0.24 or \$0.18 charge on each month's MSD bill. The amount of taxes paid by an individual customer - and the stormwater service received - is a function of where a customer lives. The result is that stormwater service is uneven across MSD's service area, with a significant number of customers receiving only regulatory compliance work - that is to say, these customers go without basic stormwater sewer maintenance and repair.

If Proposition S is approved, MSD will rollback and eliminate several of the taxes, eliminate the stormwater fee, and, in place of these funding mechanisms, institute or leave in place two property taxing districts that cover the entire service area. All customers would then receive the exact same level of stormwater service. Instead of stormwater service being dictated by available funds in a specific area - as it is now - service will be prioritized by where the need is greatest. This change would:

- Ensure compliance with all local, state, and federal stormwater regulations;
- Address impacts of stormwater runoff on water quality of receiving streams;
- Fund complete operations and maintenance of the public storm sewer system.

If Proposition S is approved, the current tax structure would leave behind "fund balances" that would be spent on stormwater projects throughout the City and County. Thus, if Proposition S is approved, MSD would spend \$67 million on stormwater projects over the next four years.

## CURRENT STORMWATER REVENUE



The map at left represents the different current levels of stormwater service available. Red represents the least service; yellow represents the next highest level of service; green represents the most service.

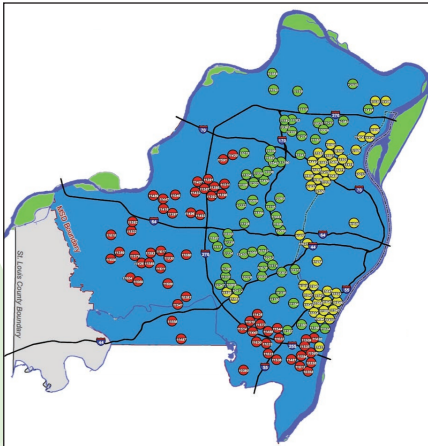
The below figures show the average annual customer cost for stormwater service, by area. The figures include the stormwater fee paid through each month's MSD bill (\$2.88 annually), plus stormwater taxes. All taxes are calculated per \$100 of assessed valuation. The below calculations use the average appraised value for each color-coded area. Each area's stormwater services are listed beneath the figures.

**Red Area: Stormwater Fee + \$0.0197 administrative tax = \$13.40/year**  
 • Includes regulatory compliance

**Yellow Area: Stormwater Fee + Red tax + \$0.0682 stormwater tax = \$15.38/year**  
 • Includes regulatory compliance  
 • Adds partial operations and maintenance efforts

**Green Area: Stormwater Fee + Red tax + Yellow tax + up to \$0.10 tax = \$64.55/year**  
 • Includes regulatory compliance (varies based on taxing subdistricts within area)  
 • Adds complete operations and maintenance  
 • Adds minimal capital projects

## STORMWATER SERVICE EQUALIZATION



If Proposition S is approved, an existing \$0.0197 tax would pay for the costs of stormwater regulatory compliance. This tax currently covers MSD's entire service area and would remain in place. A \$0.10 stormwater maintenance tax would replace the other taxes and the monthly stormwater fee. This tax would cover MSD's entire service area. **The result: some customers would annually pay more to MSD; some would pay about the same; and others would pay less. However, everyone would be under the same tax structure and everyone would receive the same stormwater service.** The average change in cost paid to MSD annually for stormwater services is listed below, by area.

**Blue Area: \$0.0197 regulatory tax + \$0.10 stormwater tax**

Anticipated amount paid to MSD annually (MSD portion on your annual property tax bill)      Average annual change

**Red Area: Total tax rate \$0.1197 = \$60.60/year      Red Area: + \$47.20/year**

**Yellow Area: Total tax rate \$0.1197 = \$16.10/year      Yellow Area: + \$0.72/year**

**Green Area: Total tax rate \$0.1197 = \$41.92/year      Green Area: - \$22.63/year**

The map at left shows the \$67 million in stormwater projects that would be built over the next four years. As the leftover "fund balances" are specific to each area - and can only be spent in the area in which the individual taxes were levied - each "dot" is appropriately color-coded.

### Stormwater Service Equalization:

Voters will be asked to choose whether to equalize the application of stormwater taxes and stormwater services across the City and County. If approved, MSD would implement a finite \$67 million stormwater capital program.