

PUBLIC INFORMATION MATERIALS FROM MSD - APRIL 5 BALLOT INITIATIVES - PROPOSITION Y & PROPOSITION S

The Metropolitan St. Louis Sewer District (MSD) has placed two separate proposals on the April 5, 2016, ballot. The first, Proposition Y, deals with wastewater. The second, Proposition S, deals with stormwater.

Proposition Y – Wastewater Bond Authorization: As it did in 2004, 2008, and 2012, MSD is once again presenting an option to voters for financing the next four of years of wastewater system improvements that are required by the District’s \$4.7 billion, 23-year agreement with the Environmental Protection Agency and the Missouri Coalition for the Environment. If Proposition Y is approved, MSD will issue \$900 million in bonds, which will keep wastewater rate increases lower over the next four years. If Proposition Y is not approved, wastewater rate increases will be higher over the next four years.

Proposition S – Stormwater Service Equalization: The funding and providing of stormwater service is much more complicated than MSD’s function as a wastewater utility. In general, MSD’s stormwater services are paid for through a variety of property taxes and a \$0.24 or \$0.18 flat fee on each month's MSD bill. The amount of property taxes paid by an individual customer - and thus, the stormwater service received - is a function of where a customer lives. This funding system results in large swaths of MSD’s service area going without meaningful stormwater service.

If Proposition S is approved, MSD will rollback and eliminate several taxes; eliminate the stormwater fee; and, in lieu of these funding mechanisms, institute or leave in place two service area wide taxing districts. The overriding benefit would be that all customers would be treated equally under the new system – ergo, all customers are subject to the same tax rates and all customers receive the same level of stormwater service.

Financially, some customers will see a cut in what they pay annually to MSD for stormwater service; some customers will essentially pay the same to MSD; and other customers will pay more to MSD. Additionally, if Proposition S is approved, MSD would have “fund balances” left over from the former taxing and fee system. These fund balances would allow for a finite and limited four year stormwater capital program of ~\$67 million starting in MSD’s fiscal year 2017 and ending in fiscal year 2020.

For more information on Proposition Y and Proposition S, please go to www.stlmsd.com and visit the [2016 Ballot Initiatives](#) page.