

MSD Newsletter copy, Proposition Y

Voters to Decide Proposition Y on April 6, 2021

MSD Project Clear is once again presenting an option to voters for financing the next several years of wastewater system improvements. This is similar to ballot issues decided by voters in 2008, 2012, and 2016. Proposition Y, which will appear on the April 6, 2021 ballot in St. Louis City and St. Louis County, will allow voters to decide how they want to fund the necessary improvements to our regional wastewater system through June 2024.

Proposition Y was originally intended to be put before voters in April 2020, but the vote was postponed after the onset of COVID-19 restrictions in the weeks leading up to that election. In addition to Proposition Y, voters will also be presented with several potential changes to MSD's Charter.

Between now and 2024, MSD is planning to spend approximately \$1.58 billion undertaking nearly 300 projects designed to:

- Eliminate wastewater overflows,
- Reduce wastewater building backups,
- Repair and rehabilitate the wastewater sewer system,
- Upgrades at Bissell Point and Lemay Wastewater Treatment Plants, and
- Retire the Fenton Wastewater Treatment Plant.

It's not a question of whether these improvements need to be done — they will improve water quality in our region, and they are a required component of MSD's 2012 agreement with the U.S. Environmental Protection Agency and the Missouri Coalition for the Environment. The question before voters is how to pay for the improvements.

This isn't a quick or inexpensive process. That's why St. Louis' historically low wastewater rates have been going up the past few years.

How does the April 6 election impact what customers pay?

WITH BOND FINANCING			WITHOUT BOND FINANCING		
2021	\$56.40	CURRENT	2021	\$56.40	CURRENT
2022	\$58.33	3.4%↑	2022	\$65.07	15.4%↑
2023	\$60.36	3.5%↑	2023	\$76.20	17.1%↑
2024	\$62.59	3.7%↑	2024	\$86.12	13.0%↑

YES VOTE **NO VOTE**

Projections based on typical monthly water usage for a single-family residence.

If voters vote “yes,” they’re voting to allow MSD to borrow some of the money (\$500,000,000 in bonds) to fund the work and repay that debt over a 20- to 30-year period. This is the option that voters chose in 2012 and 2016 —a “yes” vote means that rates will increase, but they will increase much less because the costs will be spread out over a longer period. However, the cost will be greater in the long-term because of the interest paid on the amount borrowed.

If voters vote “no,” MSD will pay for the work as it is done exclusively through rate increases. A “no” vote means rates will increase more sharply in the short term, but in the long run, the work will cost less because the MSD won’t be paying interest on borrowed money.

The breakdown

A “yes” vote to borrow some of the money means that wastewater rates will go up 3.4% in 2022, 3.5% in 2023, and 3.7% in 2024.

A “no” vote, meaning we will make these improvements without bond financing, will see our customers’ wastewater rates increase an estimated 15.4% in 2022, 17.1% in 2023, and 13% in 2024.

For more information on Proposition Y and charter amendments on the April 6, 2021 ballot, click the links below or visit:

- [Proposition Y Fact Sheet](#)
- [MSD Rate Commission](#)
- [MSD Plan Amendment Commission](#)