

• MEETING MINUTES •

MSD / ACECMO Liaison Committee

Friday, August 16, 2019, 10:30 a.m.

Location: Civil Design, Inc.

ATTENDEES:

Name / Organization

Bruce Litzsinger / Metropolitan St. Louis Sewer District
Brad Nevois / Metropolitan St. Louis Sewer District
Rich Unverferth / Metropolitan St. Louis Sewer District
Raed Armouti, Crawford, Murphy & Tilly, Inc.
April Giesmann, Horner & Shifrin, Inc. (co-chair)
A.J. Girondo, GBA, Inc.
Bently Green, Black & Veatch
Dave Hasty, Wood
John Killips, GHD, Inc.
Chris Linneman, EFK Moen, LLC
Mike McCarty, Jacobs Engineering Group
John McEnery, M3 Engineering Group, P.C.
Jeff Rensing, Oates & Associates, Inc. (co-chair)
Laura Mwirigi Rightler, Civil Design, Inc.
Bruce Wylie, ACECMO President

MINUTES:

1. Disparity Study Update: Rich Unverferth
 - a. For fiscal years 2013-2017 performed by Mason Tillman
 - b. Looking at MSD's capital program, professional services and construction
 - c. Reporting by Prime Consultants only, not sub-consultants
 - d. Currently sitting at 32% women, 18% minority, closely matches the workforce available in the area
 - e. Prime contracts – 25% sub-consultant requirement (not necessarily minority/women), extra credit for minority team (prime plus subs)
 - f. Moving into anecdotal reporting phase, Mason Tillman is reaching out to firms in September/October – Can contact Allura Scott – ascott@mtaltd.com – if you would like to be included.
 - g. Update to be completed January 2020. No changes to standard procedures until July of 2020.
 - h. MSD is not anticipating much change.
2. Wastewater Rate Proposal – Rich Unverferth
 - a. For Fiscals year 2021 through 2024.
 - b. Spent last 6 months presenting (Feb) to Rate Commission
 - c. Major spending is Capital Program
 - i. Ongoing construction tunnels (Deer Creek, Maline Creek, Jefferson Barracks)
 - ii. Bissell Lemay plant fluidized bed incinerators
 - iii. Sanitary Program (I/I, PIRR, relief sewers)
 - d. Currently spending \$1.2-1.5 Billion per year, drops to \$800,000 for next four years.
 - e. Asking for \$500M in bonding over 4 year rate cycle. Still have bonding authority left from current rate cycle. Next April, going to election (will be a difference in rates).
 - f. Double digit increases for last 12 years.
 - g. Will be single digit increase this time, under 5% per year.

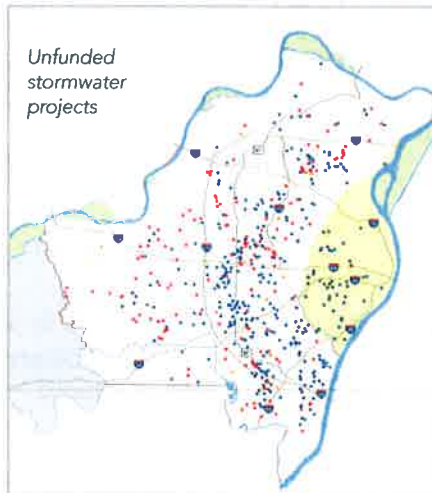
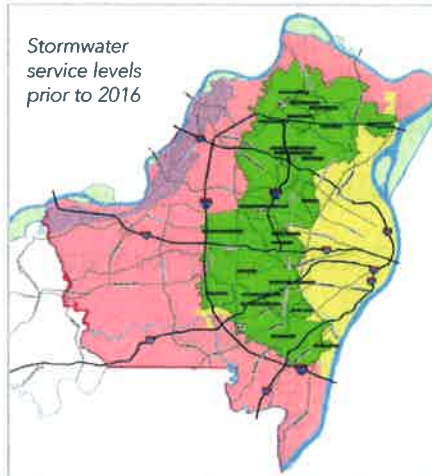
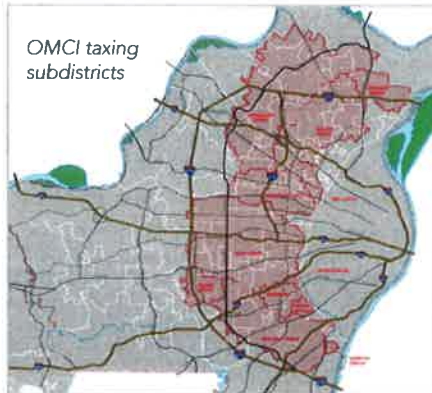
- h. Actual proposal is on website.
 - i. Average is \$72 increase per family at the end of the cycle.
 - j. Increase for industrial users possible.
 - k. I/I allocation, bill based on quantity of water, also possible.
 - l. Last study done in 2008.
 - m. Schedule:
 - i. Final report by rate commission due 8/16/19.
 - ii. 9/12/19 – formally present to Board of Trustees Meeting
 - iii. 10/1/19 – Stakeholders Committee meeting (open to public, no comment opportunity), Rich's staff summarizing to Committee
 - iv. 10/10/19 – Introduce to accept
 - v. 11/14/19 – Board acceptance
 - vi. Then add to ballot for April 2020
 - n. Leftover bonding authority, decreasing rates – why?
 - i. Program is coming in under budget and MSD is seeing good construction bid prices
 - ii. Success in I/I, removing overflows without relief projects (\$30-50M savings)
 - iii. Favorable rates in bond markets
 - iv. Operational savings District has seen; Seeing a reduction in water usage (without decrease in population)
 - v. Increased collection efforts since program began; \$90M to \$70M in bad debt, without utilizing shut-off
3. Charter Change Commission – Rich Unverferth
- a. Every 10 years the District is required to review its Charter
 - b. Last Charter amended in 2000, which set up rate commission (set rates based on water usage)
 - c. 2010 minor changes
 - d. Any changes require voter approval
 - e. 6 Trustees, each appoints 2 Commissioners (District only currently has 5 Trustees, 2 Commissioners) John Stiffler is chairman
 - f. First formal meeting on July 29, 2019
 - g. Can come back with no changes, or make suggestions until June 2020
 - h. Reviewing commissioner identified changes considered in 2010
 - i. Public outreach (meetings, website, email, etc.) will follow
4. Board of Trustees Update – Rich Unverferth
- a. One Board Member short from County side – currently vacant.
 - b. Three from County and three from City on Board.
 - c. Looking for someone between now and 8/27 to update new member on issues before next meeting.
 - d. County members
 - i. Michael Yates, Chair, reappointed until March 2022 then will term out
 - ii. James Singer currently on expired term, not formally reappointed yet. Can continue through March 2021
 - e. City members
 - i. James Fall in second term, term out in March 2021
 - ii. Freddy Dunlap, serving first term, term up in March 2022
 - iii. Annette Mandell, Vice Chair, terms out March 2020
5. Stormwater CIRP (post no Vote) – Rich Unverferth (see attached handout)
- a. April 2016 (Prop S also) for operations and maintenance of current stormwater infrastructure

- i. Provided 10 cent tax
 - ii. Outside of 270 was not paying, gaining no services. Made uniform taxes and services. Increased service in some areas.
 - iii. Turned off old taxes previously used for capital in some areas to increase chance of positive vote in 2019.
 - iv. Committed to using the old balances of that work. Projects being designed, no additional capital improvement money once constructed. Need new funding source.
 - b. Needed new funding mechanism for flooding and erosion, new Prop S in 2019.
 - i. Currently identified half-billion dollars needed in system.
 - ii. Impervious rate would generate \$30M per year, \$27/year for average customer. What the people told MSD they were willing to pay. Voters said \$1/month, asked for \$2.25.
 - iii. Lost by 53% to 47% margin. Trying to get feedback on why it didn't pass. Looking at areas that didn't vote for it. Could be differentiating between stormwater and sanitary (ongoing in many areas) for residents.
 - c. Since 2019 Prop S didn't pass, the old taxes can be turned back on.
 - i. 62 municipalities, including St. Louis County, within 12 existing taxing districts.
 - ii. New campaign to reach out to those municipalities to gauge interest in turning these taxes back on. Summarize by end of September.
 - iii. If all got turned back on, \$9M per year for those districts only.
 - iv. By November 2019, make recommendations to the Board to turn on some, all, or none of these taxing districts again.
 - v. Potential for cities to generate their own money and share costs with MSD for known stormwater or flooding issue.
 - vi. May be possible to use for stormwater studies in municipalities to identify projects.
- 6. Insurance Requirements Update – Brad Nevois
 - a. MSD Legal department did not look favorably on the changes requested at previous meeting.
 - i. "Negligence" is a higher level of proof
 - ii. Formal response coming from MSD legal department
 - b. Brad will forward April email with formal response
 - c. Bruce Wylie will forward response to ACEC attorneys for review and comment
- 7. Update on Pulling Watershed Work Back In-House – Brad Nevois
 - a. Watershed consultants were a result of staffing, transferring management to consultants. Will begin pulling projects from watershed teams as staff becomes available internally.
 - b. Four contracts left to support the CSO tunnels and neighborhood sanitary relief projects.
 - c. Extended Consent Decree until 2039.
 - d. Seeing projects bundled (pump station rehab projects, etc.).
 - e. Post-construction monitoring has changed the project listing.
 - f. Evaluations being done now and identifying new projects.
 - g. In first "bucket" of projects from Consent Decree, 85% of SSO's have to be removed by 2023.
- 8. Accella Implementation Update – Bruce Litzsinger
 - a. Just shy of 2 years post-implementation of new plan review development process.
 - b. Completely electronic submittal and review.
 - c. Overwhelming success in MSD's eyes.
 - d. Storage of paper files reduced.
 - e. Increased transparency of project status.
 - f. Minor issues with tracking, workflow, etc. with electronic system.

- g. Surveyed 170 users of the system. 80% found it easy to use, 20% didn't. But 20% of users were not "frequent" users. 80% said they saved significant time and printing costs.
 - h. Two largest issues:
 - i. layout of software (very little customization done by MSD)
 - ii. communication on use (PDFs on website showing how to use on MSDs website, so they are listening to feedback and trying to assist)
 - i. Looking at moving Design to some sort of electronic submittal format, currently all paper submittals.
 - j. Backup documentation
 - i. Currently stored in the cloud
 - ii. Rejis system used by police
 - k. Other connections to Municipalities
 - i. Originally wanted to have relationship with County
 - ii. Versions and upgrades prevented sharing of minimal items on database
 - iii. Having processes linked with other agencies may not happen
 - 1. Would make sense for building permits, but unlikely
 - l. MSD had hoped to use Accella for GIS of facilities, which has not happened.
9. Open discussion
- a. Rich updated on Five Cities conference September 3-5, 2019
 - i. At Hyatt Regency by Arch in St. Louis
 - ii. Registration on September 3, tour to Anheuser Busch, Cardinals game, rooftop reception
 - iii. September 4, breakfast, general session, breakout sessions in morning in afternoon
 - iv. September 5, breakfast, breakout sessions, executive session
 - v. City-Arch River, Municipal League, County Executive, John Grimm to be speakers
 - b. Rich stated Marie Collins, Asst Director of Construction Management, announced her retirement as of March 2020.
 - i. Advertised internally now.
 - ii. October 1, 2019 onboarding replacement hopefully.
 - c. Rich discussed the timing of the Design Build sanitary storage project in Pagedale that came out last year. Consultants were not notified at January Engineering meeting nor in May were Contractors notified at their annual meeting with MSD. Rich apologized for the timing of project, as it was not known at those meetings to make announcements. Other potential design build project was too high on a building facility, so it was not cost effective to move forward with a D-B approach. Rich will always do his best to communicate new projects as they come up between "notification meetings" with engineering and contractor meetings. Floodwall will be appropriated end of 2020.
10. Next meeting at TBD February 21, 2020 10:30am – 1:00pm. Potentially at B&V, Bentley to confirm if parking garage construction at their office will be completed by then.
11. Action Items:
- a. Brad to follow up with MSD Legal Department and forward official response to insurance question.

Respectfully submitted by April Giesmann, Co-Chair.

OMCI TAXING SUBDISTRICTS



Your municipality, or a portion of it, is located within one or more taxing districts shown in the red shaded area (map #1). These taxing subdistricts are formally called OMCI or Operation, Maintenance, and Construction Improvement Funds.

Each OMCI subdistrict is authorized to levy a tax up to \$.10 per \$100 of assessed property valuation. Historically, this funding has been used by MSD to fund stormwater-related activities within the boundaries of each taxing subdistrict.

In conjunction with voter approval of Proposition S in 2016 (operation and maintenance services), the tax rates in these subdistricts are now set to zero. However, the taxing subdistricts and their taxing authority remain. The subdistricts could generate revenue to be used for the construction of stormwater capital projects.

Although these taxing districts cannot fund comprehensive or extensive stormwater capital improvements, they can enable MSD to construct some high priority projects, similar to past investments we have made in these taxing district areas. These projects generally address erosion and flooding.

BACKGROUND

2016 | PROPOSITION S - Maintenance (map #2)

In April 2016, area voters approved MSD's Proposition S, which puts all customers – for the first time – under the same property tax rates to pay for stormwater services to operate and maintain existing stormwater infrastructure. In turn, all MSD customers now receive the same level of stormwater service.

2019 | PROPOSITION S - Capital Improvements (map #3)

While the passage of Proposition S was a significant milestone in terms of MSD's function as a stormwater utility, it did not address the full range of stormwater needs that exist throughout our St. Louis community. That is why in 2019, MSD proposed a second proposition S to address issues related to flooding and erosion district wide. Voters rejected the proposition by a margin of approximately 53% to 47%, but the problems still exist with no current funding source.

PLEASE DIRECT SPECIFIC QUESTIONS TO:

BRUCE LITZINGER
Assistant Director of Engineering
(314) 768-6273 or blitzsin@stlmsd.com

RICH UNVERFERTH
Director of Engineering
(314) 768-6204 or rlnuve@stlmsd.com

TWO FUNDING OPTIONS

OPTION 1: ADMINISTERED BY MSD

Funding generated would be totally administered by MSD as MSD had managed these funds prior to April 2016. MSD would plan, design, and construct projects within each area based on 100% available funding and established priorities to address flooding and erosion.

OPTION 2: ADMINISTRATION SPLIT

Funding generated within each municipality or unincorporated area would be split 50/50 between MSD and the local agency. The municipality or county could use its funds to address its priority stormwater issues. MSD would use the remaining 50% of the funds to plan, design, and construct projects within each area based on established priorities to address flooding and erosion, as in Option 1.

UNFUNDED STORMWATER ISSUES:



LOCALIZED
FLOODING



EROSION



REGIONAL
FLOODING

MOVING FORWARD

Reestablishing OMCI taxes would require:

- A recommendation from MSD staff based on feedback from the municipalities in each subdistrict
- A positive vote by the MSD Board of Trustees

MSD is meeting with individual municipalities within each subdistrict to establish stormwater committees. MSD staff, based on input from these committees, will be responsible for making a recommendation to the MSD Board of Trustees regarding whether or not they would like MSD to begin levying the OMCI taxes to fund stormwater projects in their area. The ultimate decision will be made by the MSD Board of Trustees.

TIMELINE

JULY - SEPTEMBER 2019

MSD will help to establish stormwater committees in each subdistrict, which will hold planning meetings to determine their final recommendations on rate and administration.

OCTOBER - DECEMBER 2019

MSD staff will submit recommendations to the MSD Board of Trustees, and the Board of Trustees will vote on re-establishing subdistrict rates