



The Municipal Option Sales Tax (MOST)

What it Means to Atlanta

What Is the Municipal Option Sales Tax (MOST)?

- Penny sales tax (1%) on goods and services purchased inside Atlanta city limits
- Purpose: to assist in funding needed renovations to the water and sewer system
- Originally passed in 2004 by 75% of the vote
- Reauthorized in 2008 with 71% of the vote
- Provides approximately 20% of Department of Watershed Management (DWM) annual funding for water and sewer projects and costs
- Reauthorization on **March 6, 2012** primary ballot



What does the MOST do?

- Helps to fund costly, ongoing Consent Decree mandated infrastructure improvements
- Shares costs of maintaining and improving water/sewer infrastructure
 - More than 500,000 workers/visitors in Atlanta each day
- Limits future rate increases
- Provides 20% of DWM annual funding; equates to half of water and sewer Capital Projects and Operation/Maintenance costs

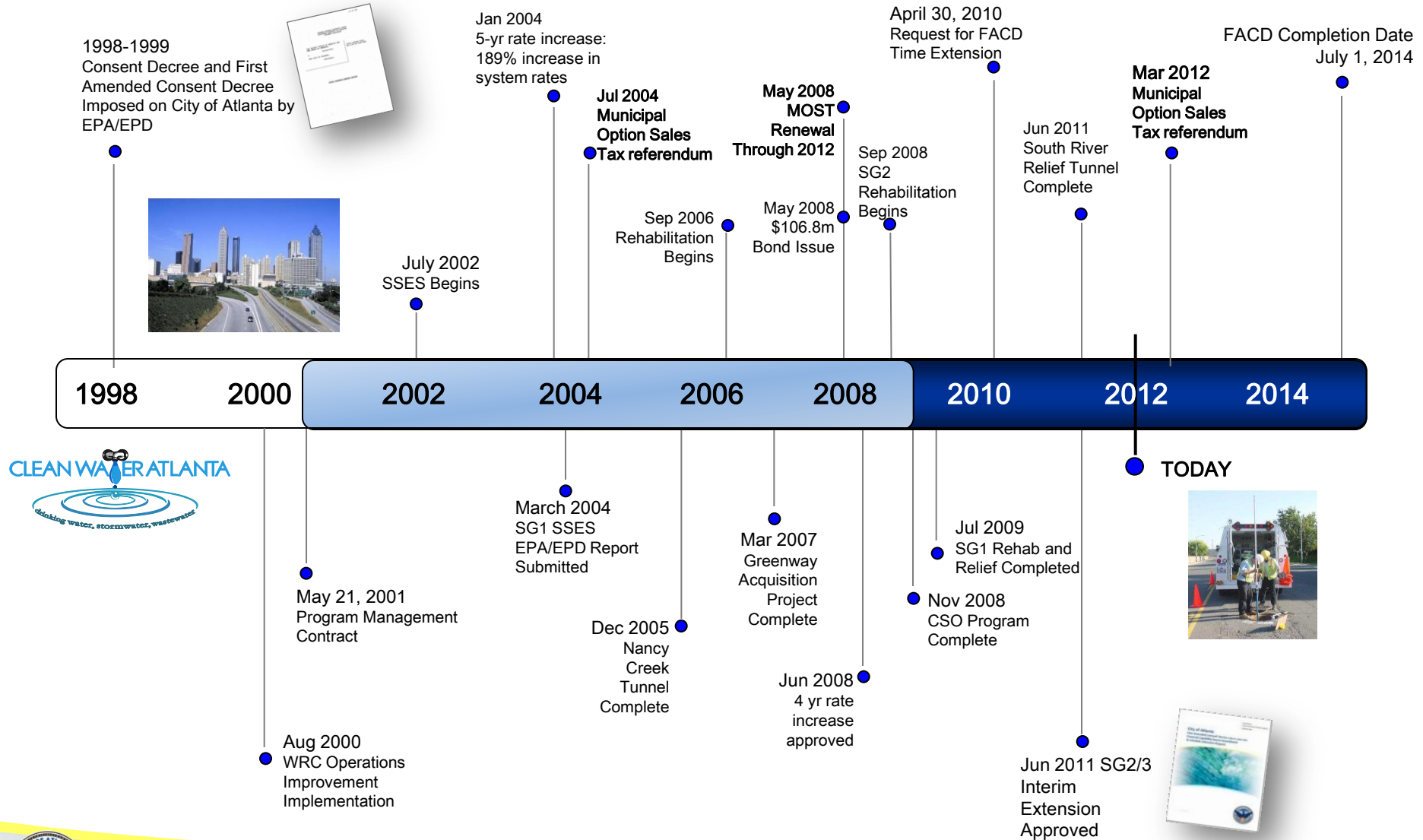


Consent Decree requirements

- Comply with Clean Water Act
 - Treatment plants
 - Collection systems
- Eliminate unpermitted discharges from Combined Sewer System (CSO)
- Eliminate Sanitary Sewer Overflows (SSO)
- Complete CSO Consent Decree Nov 2008
- Complete SSO Consent Decree by Jul 2014



Consent Decrees required Atlanta to fix sewers and comply with Clean Water Act by 2014



CSO program completed in 2008 on time, under budget

“A REMARKABLE ACCOMPLISHMENT”
– Judge Thomas Thrash

Key Projects	Capital Cost	Completed
Intrenchment Creek CSO Treatment Plant Upgrade	\$35,087,000	Jan 2007
Greensferry Sewer Separation	\$102,657,800	Jan 2008
McDaniel Street Sewer Separation	\$94,663,700	Mar 2008
Stockade Sewer Separation	\$91,536,300	Mar 2008
West CSO Treatment Plant	\$53,750,000	Oct 2007
West Area CSO Tunnel and Pump Station	\$248,243,300	Nov 2008
Custer Avenue CSO Storage and Dechlorination	\$41,210,400	Nov 2006
Dechlorination Upgrades – West CSOs	\$5,528,900	Aug 2005
Dechlorination Upgrades – East CSOs	\$1,049,000	Aug 2005
Greenway Acquisition – Land Purchase and Consultant Services	\$30,550,200	Nov 2007

CSO Budgeted at \$715 million → Expended \$711 million



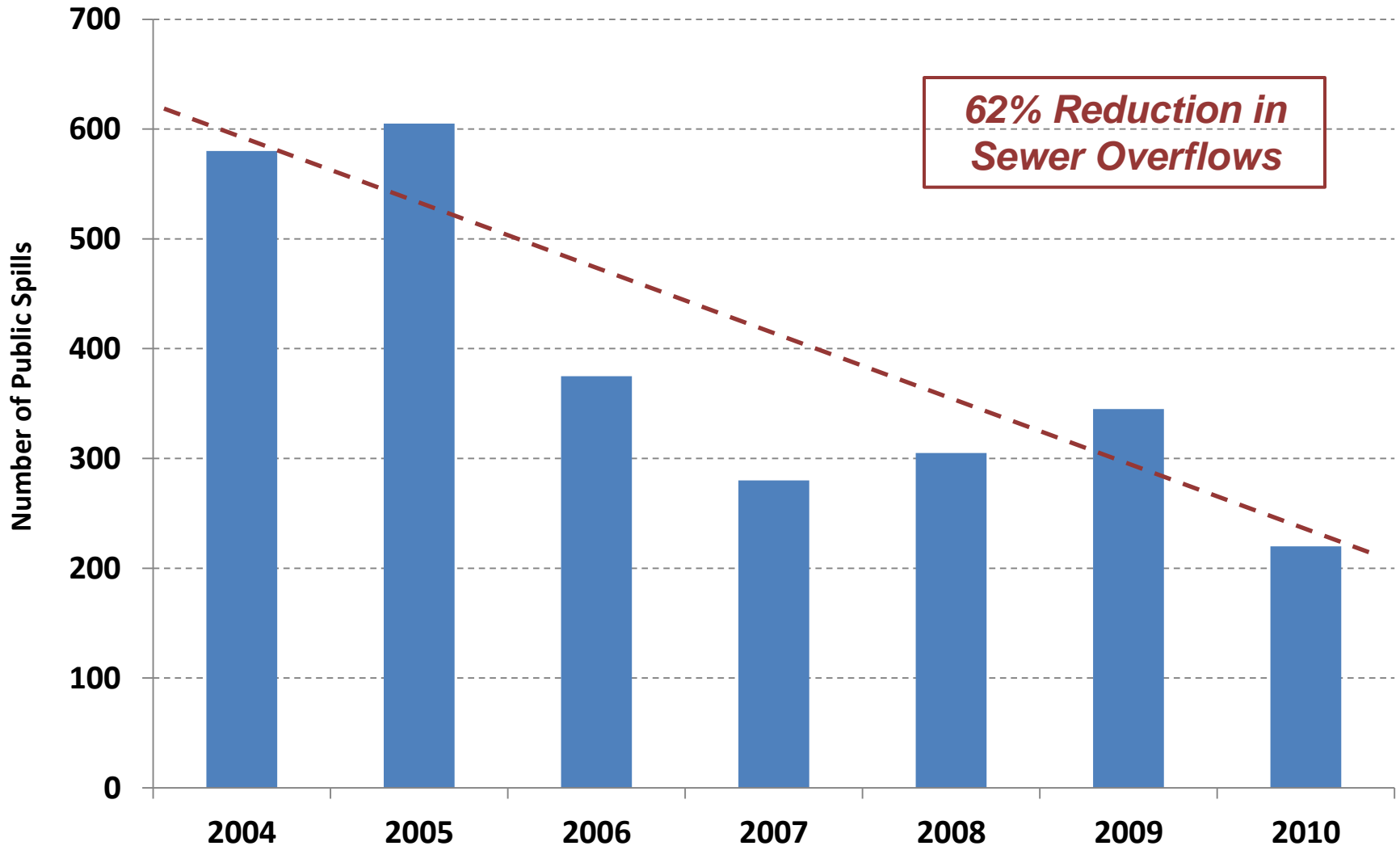
SSO program is approximately 65% complete

Key Projects	Capital Cost	Completed
Camp Creek Outfall Projects	\$11,241,400	Apr 2009
Nancy Creek Tunnel & Pump Station	\$182,146,000	Dec 2005
Veteran's Hospital Trunk Sewer Reconstruction	\$8,171,000	July 2002
Sewer Group 1 Rehabilitation	\$80,760,000	Jun 2009
South River Tunnel & Pump Station	\$121,000,300	Jun 2011
Sewer System Evaluation Survey (SSES) SG1-6	\$100,250,000	Oct 2011
Sewer Group 2 Rehabilitation	\$95,580,000	Sept 2011
Riverside Outfall Relief Sewer	\$8,730,000	April 2009

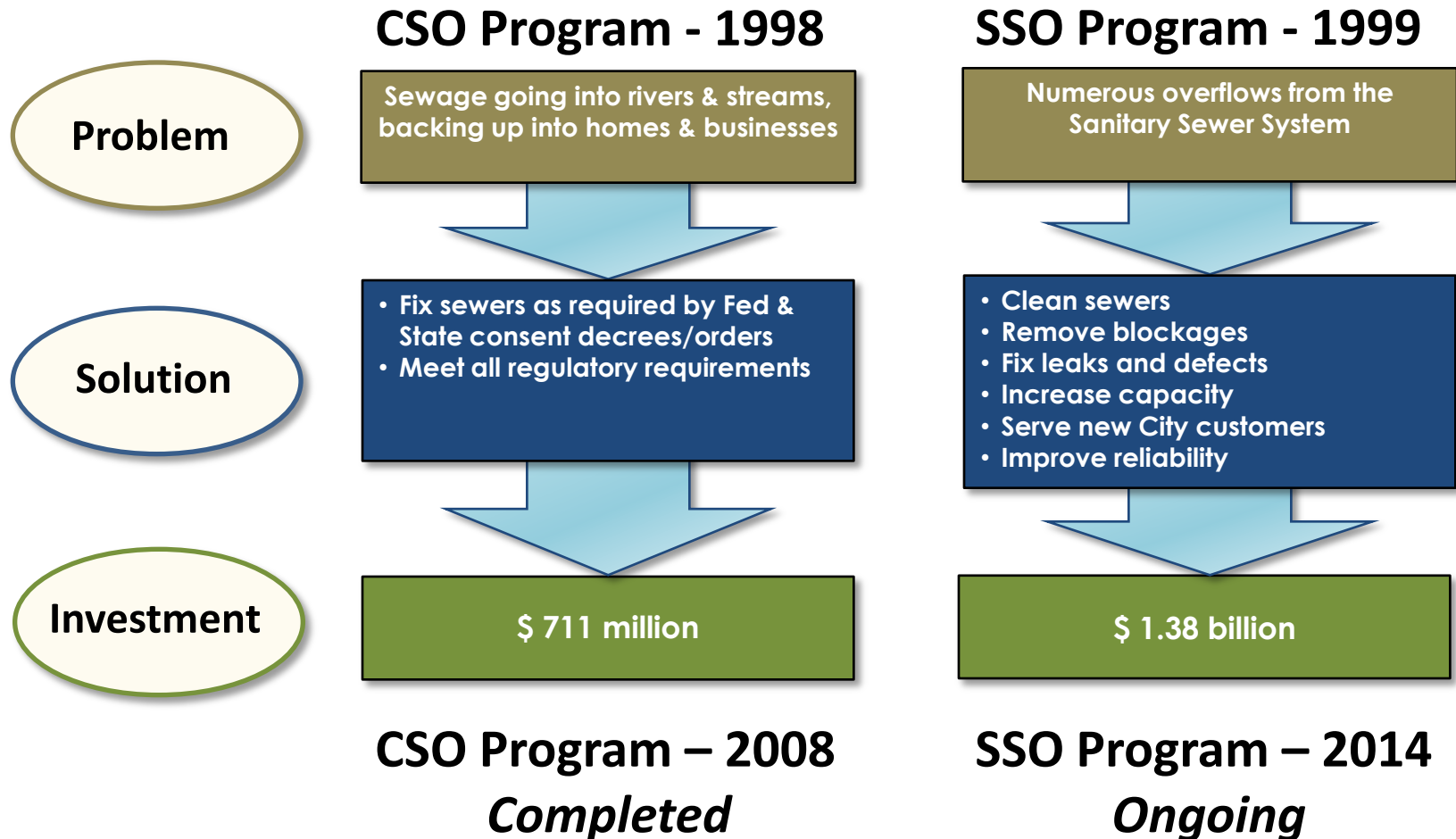
SSO Expended \$902M spent to date vs. budget of \$1.38B

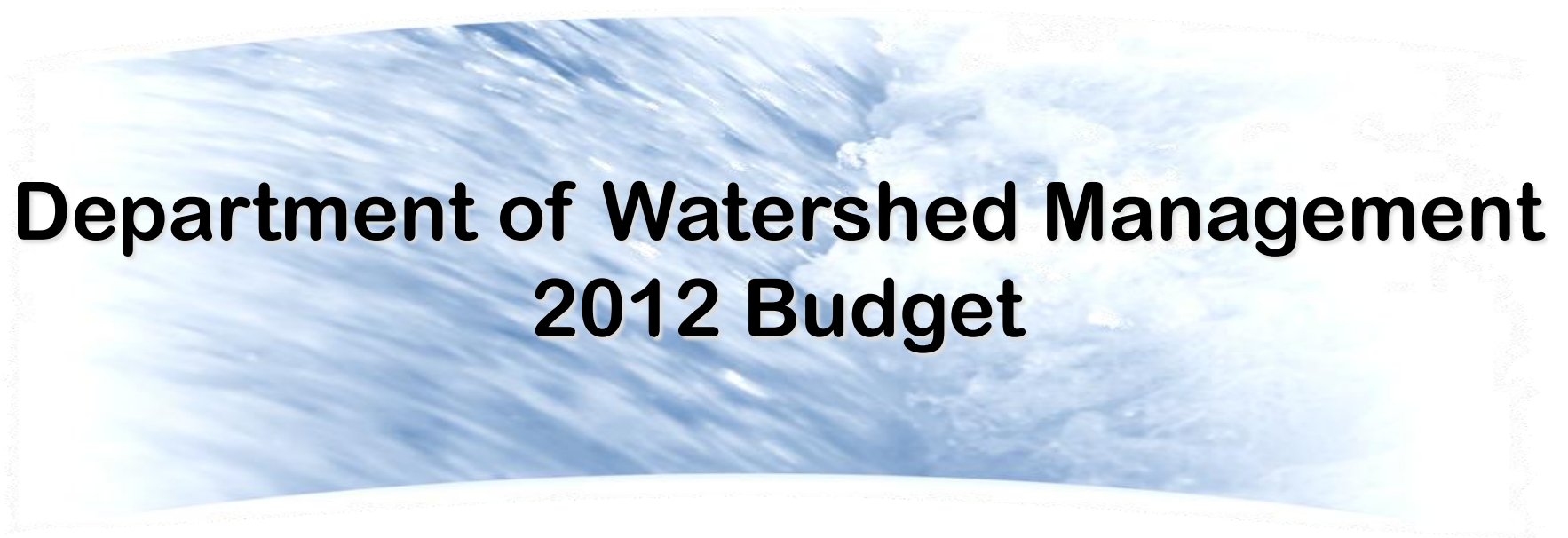


Investment has improved water quality



Consent Decree – strategy and challenges

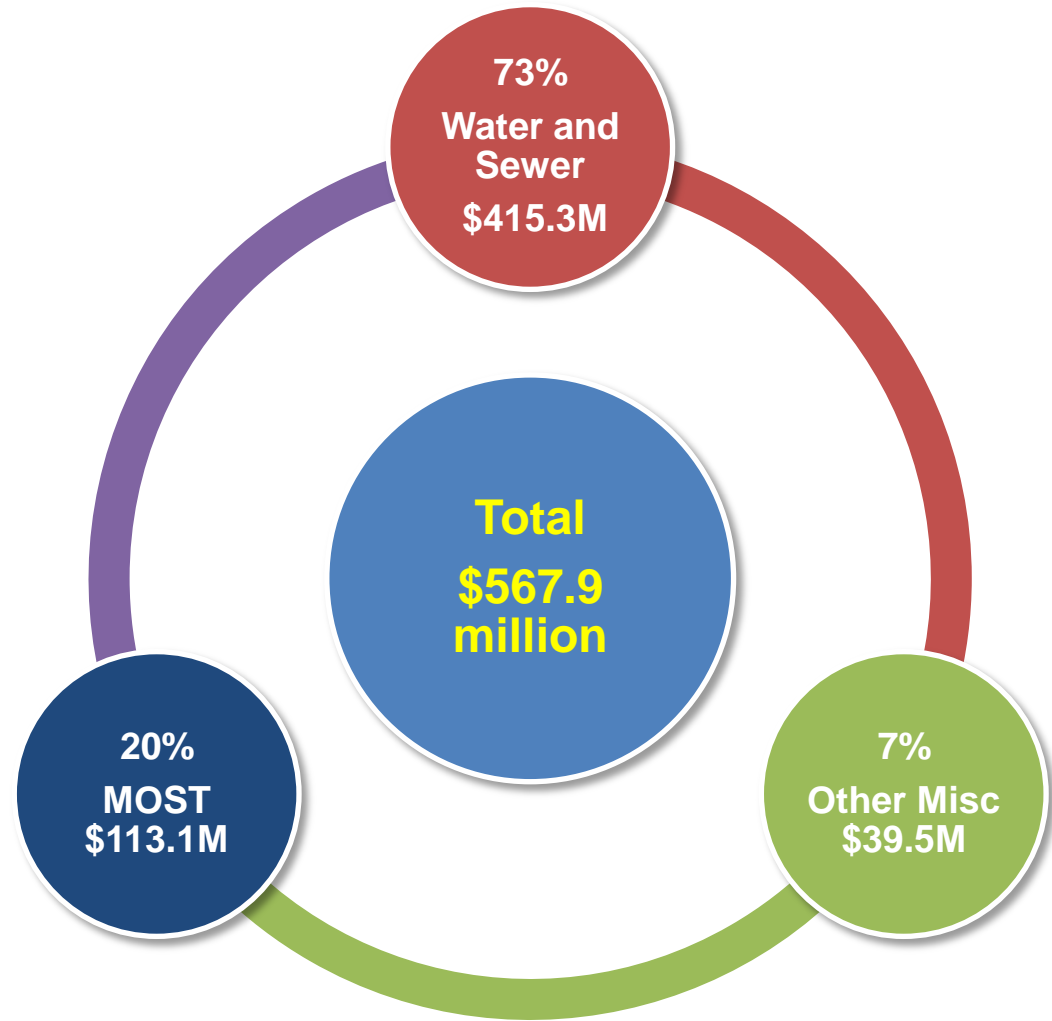




Department of Watershed Management 2012 Budget

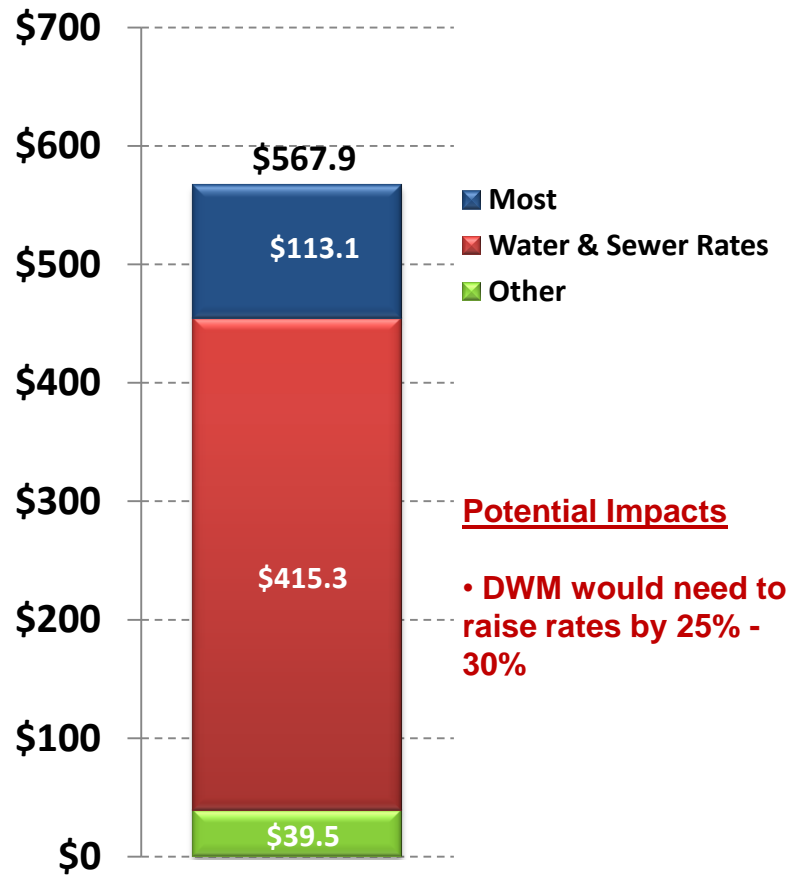
FY 2012 anticipated revenues - \$567.9M

- Water & Sewer Service
- MOST Receipts
 - current 4-year period expires Sept 30, 2012
 - Two 4-year renewals, subject to voter approval
- Other Miscellaneous Revenue
 - Includes Interest Earnings and Inter-jurisdictional revenue

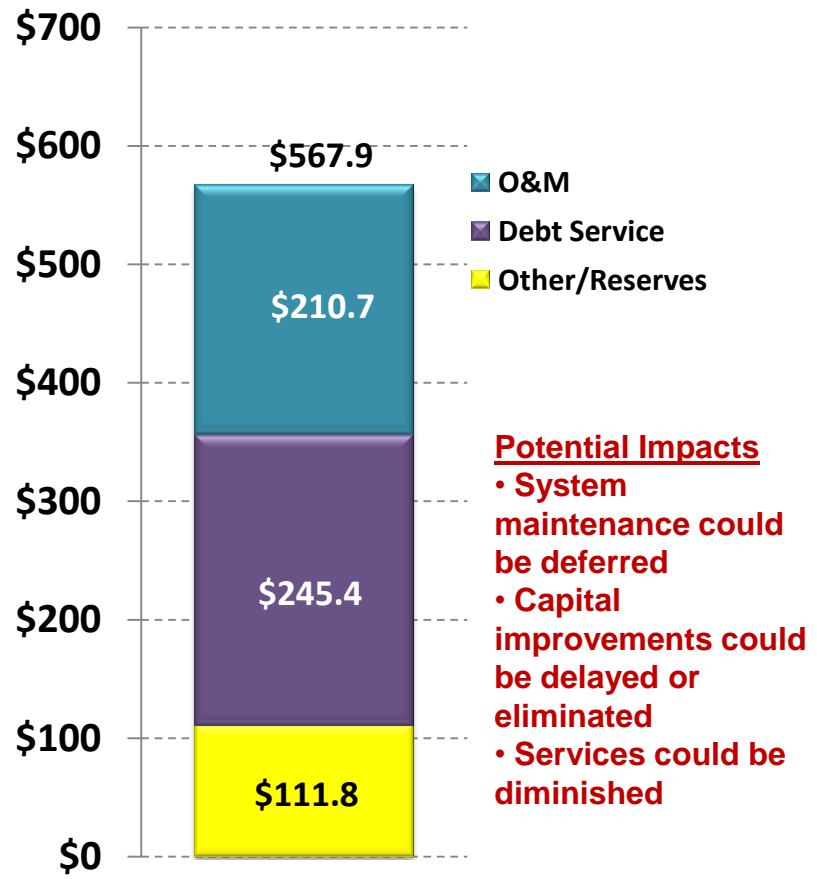


Expenditures are within anticipated revenues

Anticipated 2012 Revenue



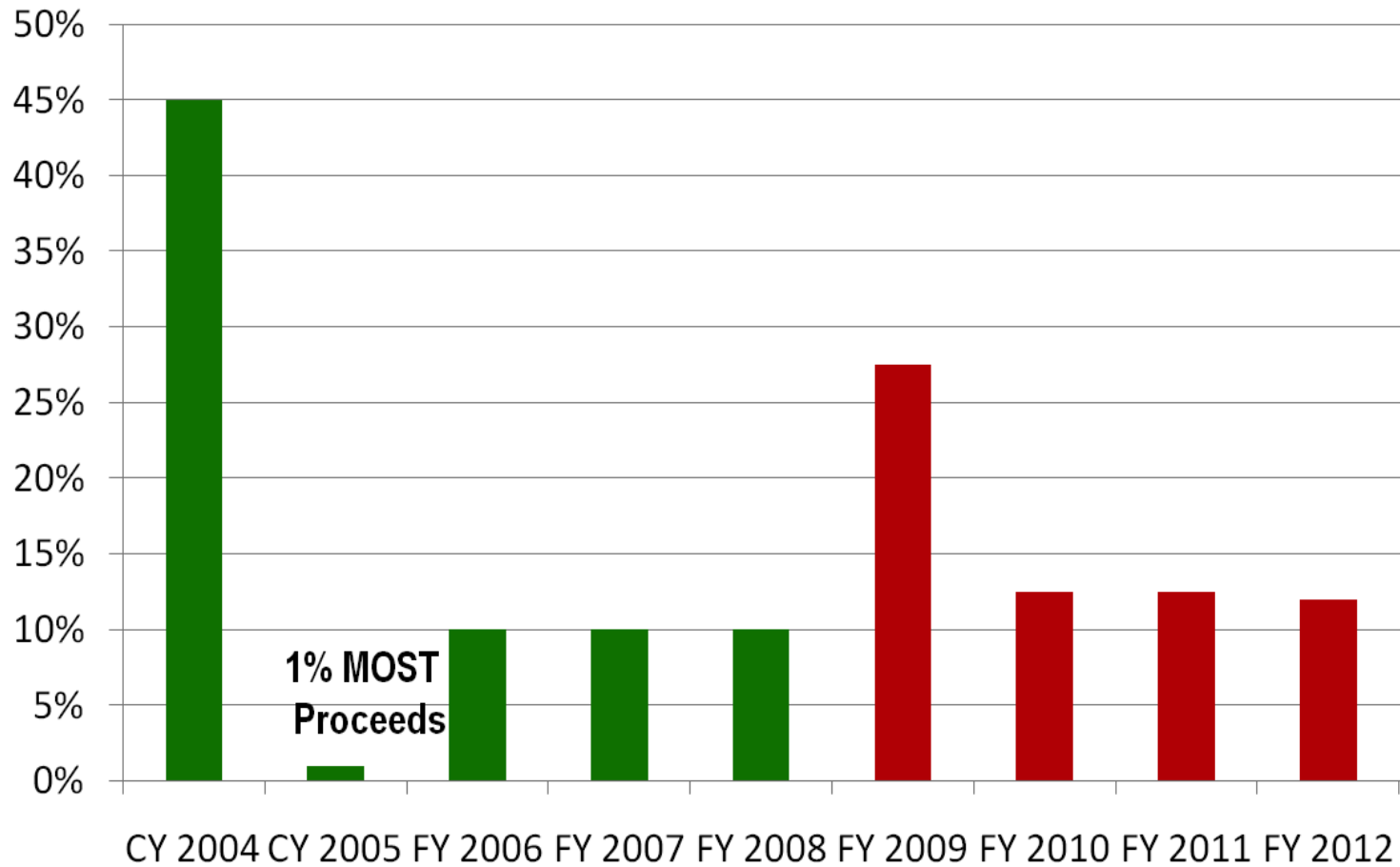
Budgeted 2012 Expenditures



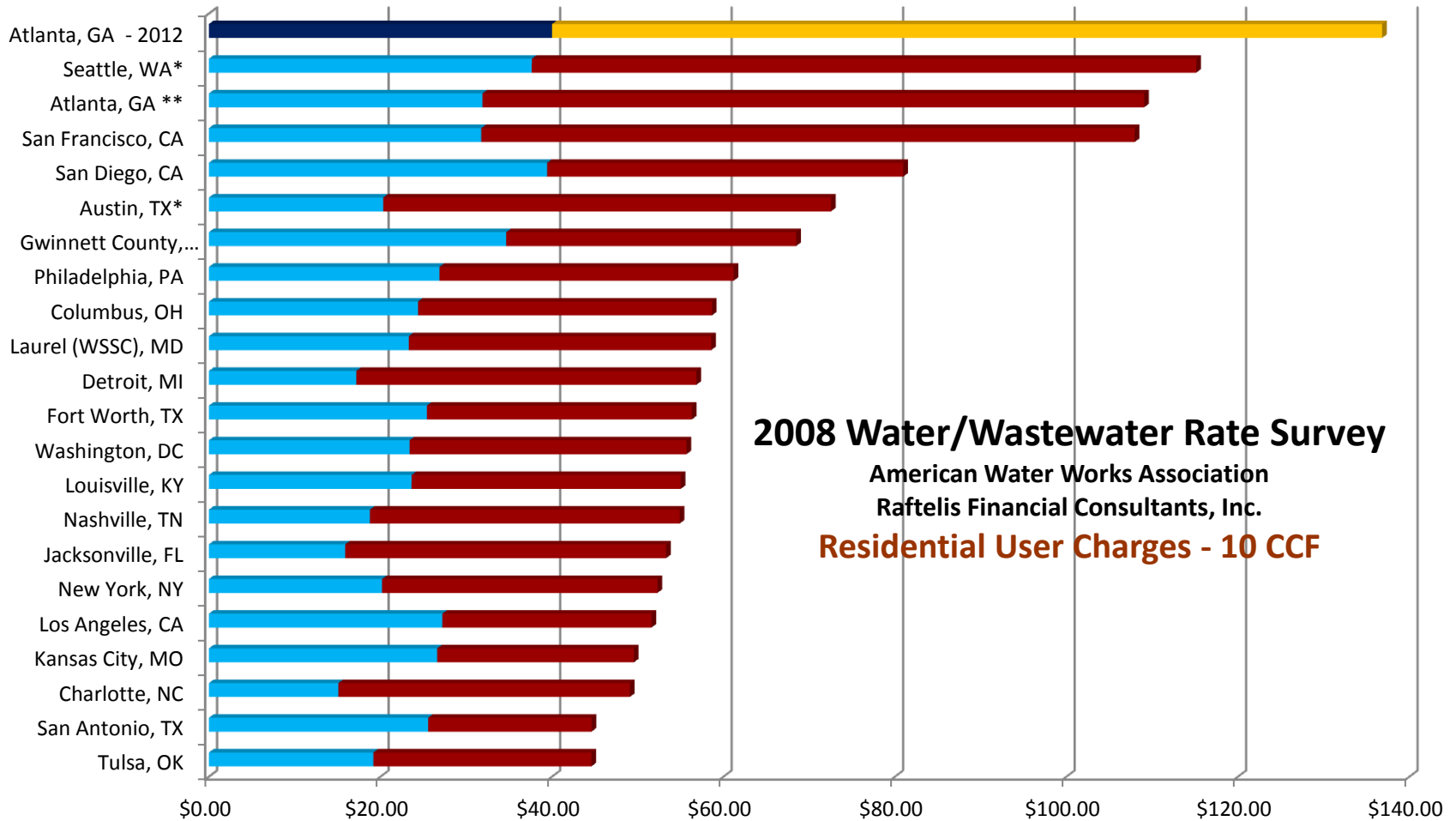


**MOST Impacts
“Bottom-line”**

MOST has helped limit rate increases



Atlanta still has highest rates in US



2008 Water/Wastewater Rate Survey

American Water Works Association
Raftelis Financial Consultants, Inc.

Residential User Charges - 10 CCF

■ Water Charges ■ Wastewater Charges

Atlanta 2012 bills reflect approved rate increases

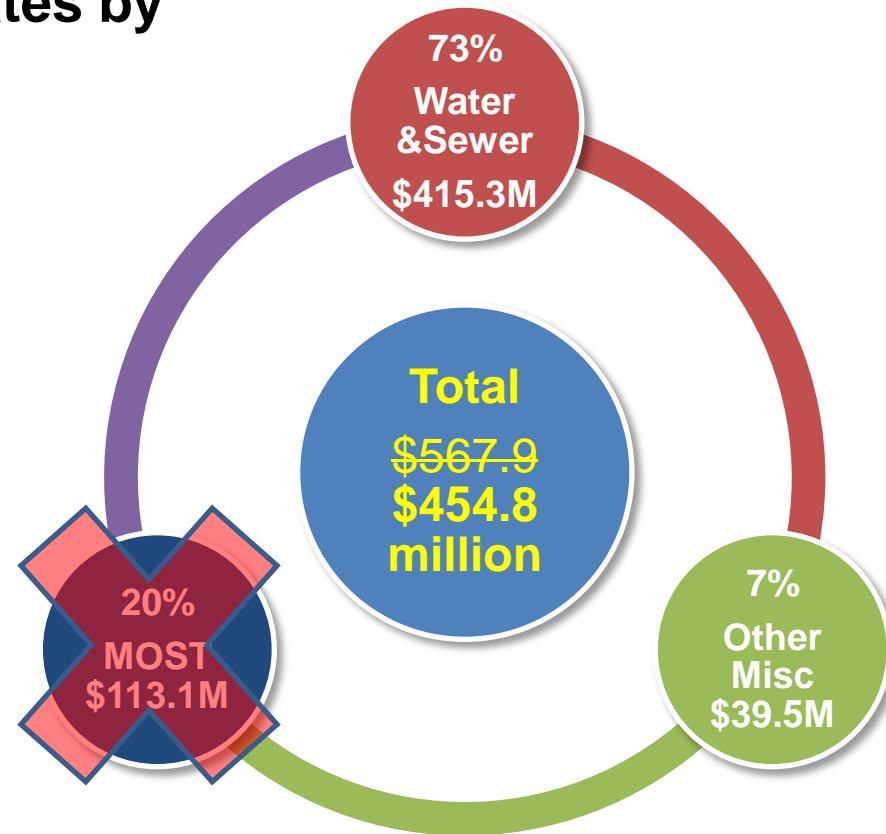
* Seasonal water rates, weighted average of charges for 10 CCF user

** Does not include 1% Municipal Option Sales Tax



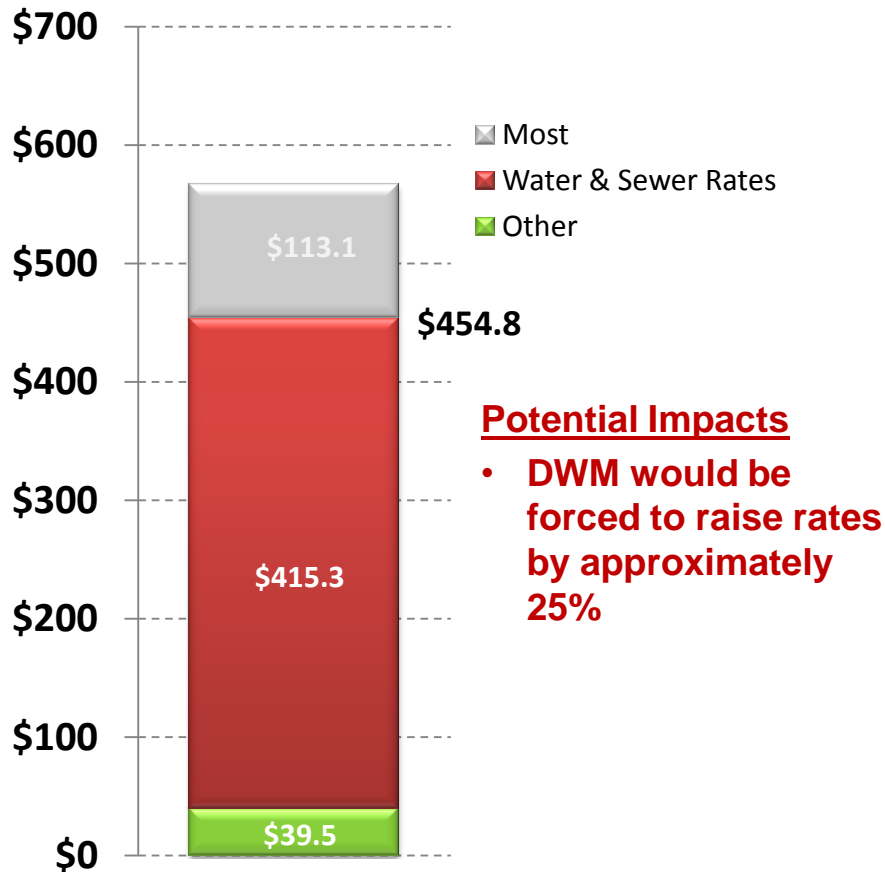
Impact if voters fail to approve MOST

- Loss of 20% of water/sewer funding
- DWM would be forced to raise rates by approximately **25% - 30%; or**
- Capital improvements could be delayed or eliminated; and/or
- System maintenance could be deferred; and/or
- Risks severe consequences of noncompliance; and/or
- Services could be diminished

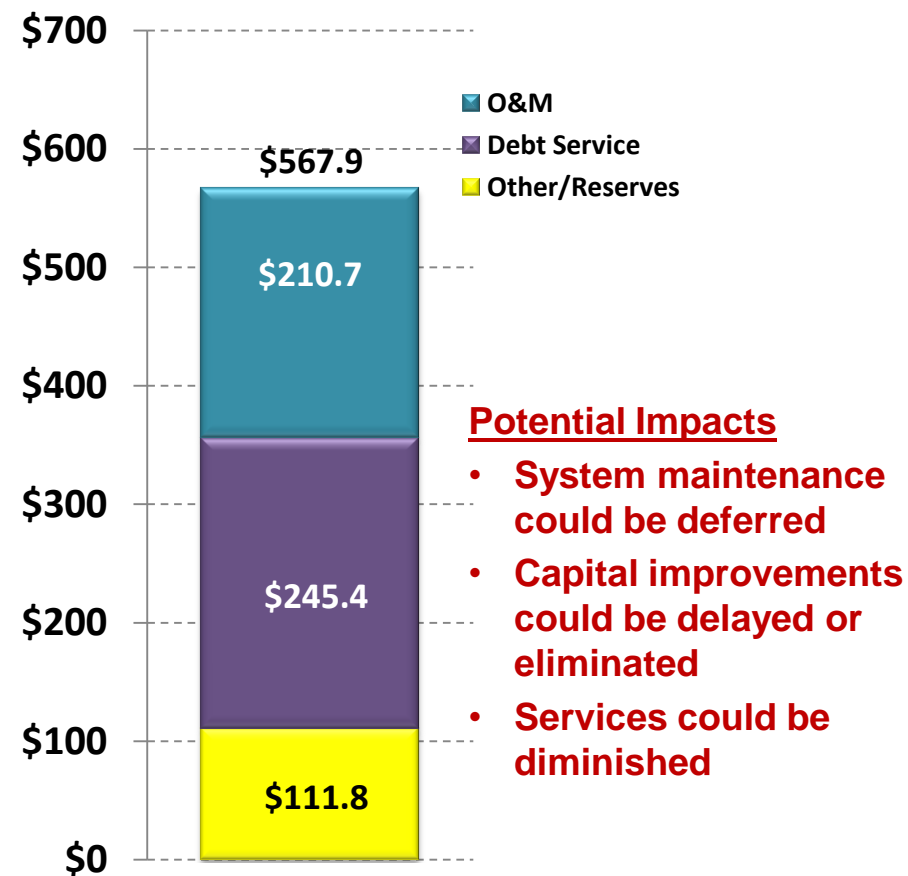


Revenue will fall if voters fail to approve MOST

Anticipated 2012 Revenue



Budgeted 2012 Expenditures



Possible severe consequences of noncompliance:

\$ penalties, sewer moratoria, federal takeover, environmental harm





Q & A