



LITTLE BLUE VALLEY SEWER DISTRICT



ADVANCED AIR EMISSIONS CONTROLS BOND ISSUE

OVERVIEW

The Little Blue Valley Sewer District has always been in the business of protecting public health and the environment. Since 2010, we have made considerable improvements to our existing facilities and processes in order to seek optimization, **greater efficiency**, and **effectiveness**. These evaluations resulted in:

- savings on energy costs
- savings on reheat costs
- savings on labor costs
- reduction of mercury emissions by 50%

Working under a consent order, the Little Blue Valley Sewer District is required to meet new state and federal regulatory requirements that are created by the Environmental Protection Agency (EPA) and enforced by the Missouri Air Pollution Control Program.

Due to a changing regulatory climate, we must continue to invest in our Atherton facility by upgrading our sewage sludge incinerator to include **advanced air emissions controls**.

Under the new air emissions regulations, we are violating the air quality standards for mercury

APPROVE \$20 MILLION IN REVENUE BONDS

*Boost community benefits at the
same cost to the customer*

and nitrogen oxides. While we have reduced our mercury emissions by 50% in recent years, the new regulations call for a further 99% reduction. Operational improvements and source controls will not correct this problem. Our only solution is to install advanced air emissions controls.

Although this significant improvement comes with a price, your **financial impact is essentially zero** due to the various efficiencies and cost savings that were put into place during the Phase II Program.

By approving the issuance of \$20 million additional revenue bonds, **there will be no appreciable change to the current financial forecast**. The bonds will not extend the duration of current service agreements as the 2016 bonds will be retired in 2036, four years before the 2010 bonds are paid off in 2040.

FUND OR LOSE

Unless we achieve air quality standards in a 4-year time frame, we will be required to cease operation of the incinerator. Without a working incinerator, sewage sludge will be hauled to the landfill at an **added cost of \$3 million per year.**

It is fiscally responsible to invest in this essential upgrade rather than spending millions of dollars on hauling costs that lack long-term value to our customers.



The advanced air emissions controls upgrade is identified within the Phase III Improvements Program at the Atherton Plant. Phase III bonds will be paid off with the same operating budgets approved in 2010 for the Phase II bonds. Unanticipated operational efficiencies offset the \$20 million bond repayment costs!

COMMUNITY BENEFITS

By upgrading our sewage sludge incinerator, we will be able to continue the benefits to the community from Phase II and add benefits from Phase III at the same cost to our customer.

1

Improving air quality

- Reduced mercury emissions
- Reduced nitrogen oxide emissions
- Reduced other pollutants including: lead, cadmium, dioxins and furans, sulfur dioxide

2

Using less resources

- Reduced electricity use
- Reduced need for natural gas
- Reduced need for polymer

3

Saving money

- Reduced labor costs
- Increased energy efficiency
- Reduced operations costs

4

Contain Service Costs to 2010 Forecast

- No Budgetary Impacts-Financial forecasts for the 2010 Phase II Program are unchanged, as the costs of Phase III are negated by better-than-anticipated cost controls

ADVANCED AIR EMISSIONS CONTROLS SCHEDULE

