



Saint Paul City Council Budget Committee

Saint Paul Regional Water Services
2019 Budget Presentation
November 14, 2018

Agenda

- 2018 Review
- 2019 Operations and capital spending plans
- 2019 Financing plan and rate adjustments
- Future Plans

2018 Review

- The beginning of 2018 was colder than normal which led to an above average number of emergency repairs
- Summer construction
 - 7.5 miles of water main replaced
 - More work outside of PW construction areas results in addressing some of our higher priority main replacements
 - Plant electrical system upgrade continues

2018 Review

- Water consumption is trending nicely along our projections
- Beginning the process of soliciting and hiring a design-build contractor for the upcoming water treatment plant improvements
- Water quality continues to be good. 12 taste and odor complaints year to date vs. 9 last year at this time.

Long Term Capital Investment Plan

- We continue to invest in accordance with our long term plans
- First major project underway at the McCarrons plant
- Second, larger project just getting underway
- Buried infrastructure investment continues

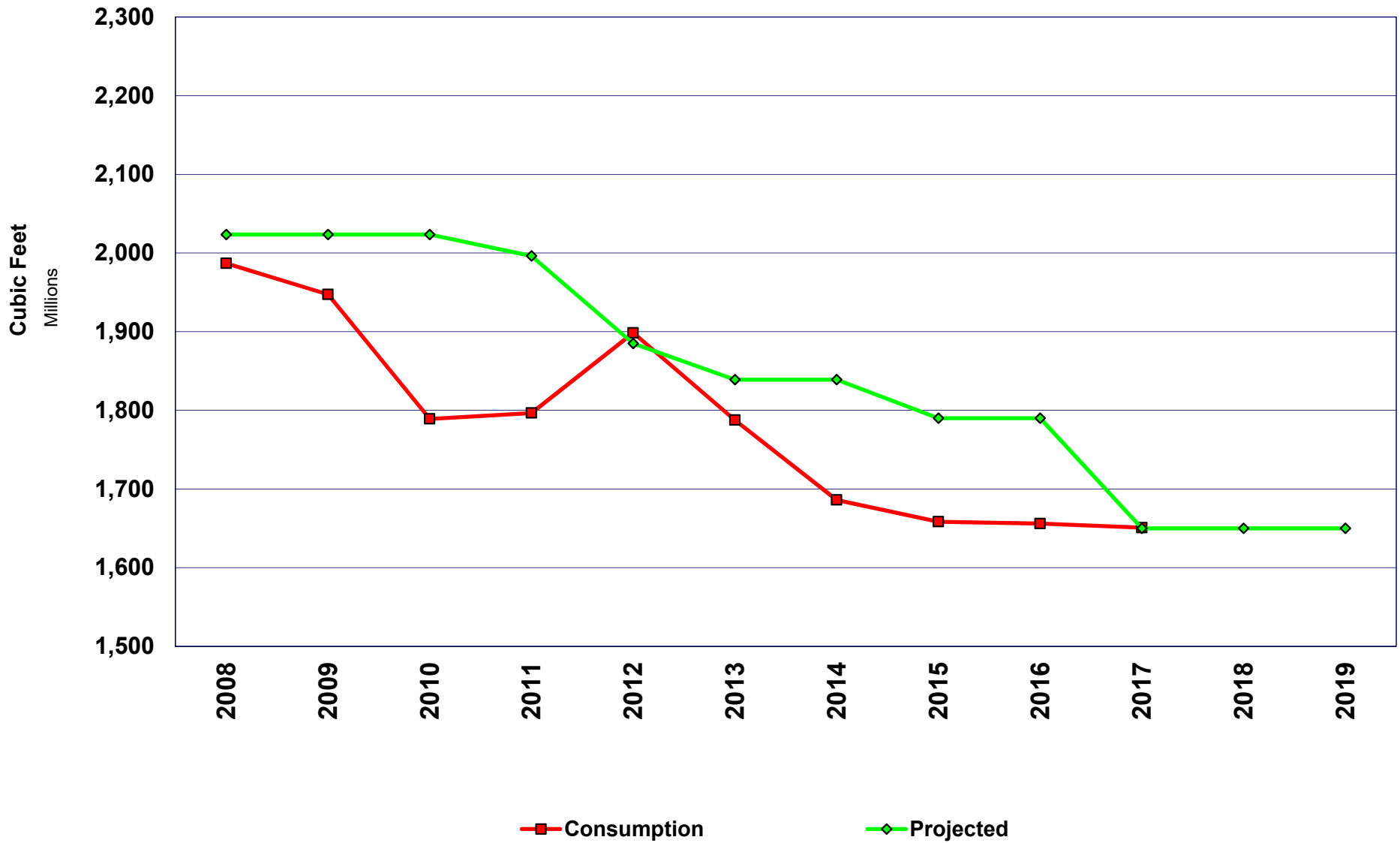
2019 Operations and Capital Investment Plans

- SPRWS Budget for 2019 includes
 - O&M of \$44.7 Million
 - Capital investment of \$32.7 Million
 - \$6.6 Million in Debt Funded Production
 - \$13.7 Million in Distribution
 - \$3.9 Million in Production
 - \$8.5 Million in debt service and other small capital

2019 Financing

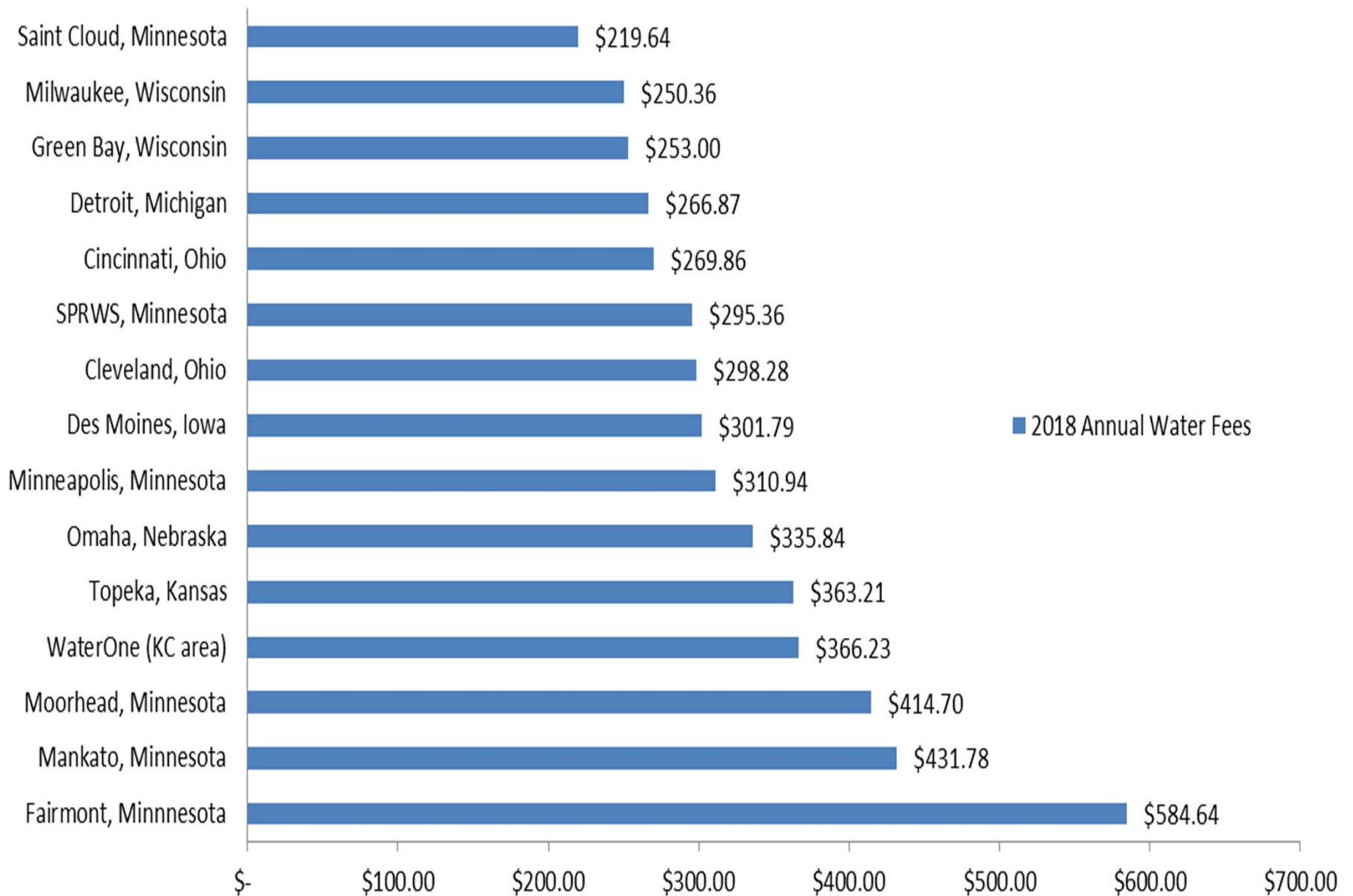
- Funding of investments and expenditures are funded by
 - Water consumption fee – \$0.09 increase (\$2.91 per unit of 748 gallons)
 - All other fees and surcharges are unchanged
- Overall consumption projection is equal to 2017 and 2018
- Impact to typical residence - increase of \$6 per year to \$301 annually for water service

Saint Paul Regional Water Services Actual vs. Projected Consumption



2018 & 2019 are estimated

2018 Midwest Water Rates - 6800 CF Annual Usage



Looking Ahead

- Board direction on improvements coming in the next 10 years
 - Decision has been made and process has begun to pursue replacement of old treatment process with new technology rather than continue to repair and maintain
 - Decision has been made to increase investment in buried infrastructure replacement
 - Regulatory changes are slow to come currently but we anticipate future change and are continuing to prepare



Conclusion