

2018 Year to Date

2019 Budget Process and Overview

Before we begin to review the current year to date, I want to talk briefly about our ending position of 2017. Revenues were slightly above our projections which will hopefully continue into subsequent budget years. This is significant because the slight surplus occurred even though rainfall was above normal. This may indicate that we have arrived at a level of consumption projection that is in a good place for a few years. We will continue to monitor this in the near term. Some of our costs centers on the spending side were below budget as well due to the low water production and due to favorable pricing for fuel and energy. All of this resulted in a surplus for the 2017 fiscal year. The resulting available cash balance will be considered in the financing for the upcoming 2019 SPRWS budget.

2018 Year to Date

Revenue

We have started the year with water sales for the first several months very close to that over the same period in 2017. We kept our projected consumption the same from 2017 to 2018 so I am optimistic that we will see our actual consumption be close to our projections. We will, as always, monitor these figures on a monthly basis and make any adjustments necessary to ensure a spending does not outpace financing.

Expenses

We have had a colder and longer than normal winter season which resulted in a larger than normal amount of emergency repairs in our distribution system. The frost depth was close to the level of our buried infrastructure which did result in a small amount of frozen water services. Our labor and overtime expense was larger than the same period in 2017. We have barely begun our summer construction as the winter weather hung on for a much longer than normal period of time. Our water main and service replacements are finally getting underway. We are continuing to focus and emphasize our routine maintenance in our Distribution system including flushing and valve exercising.

2018 budget for Large Capital Projects – Revenue Funded

- Water main replacement - \$9.0 Million (Just over 8 miles of water mains being replaced across our service area- see attached map)
- Hydrant, valve and service replacement and installation - \$4.1 Million
- Production improvements – 3.0 Million
- Equipment and Small Cap - \$ 1.8 Million

Total of \$17.9 Million of Revenue Funded Capital Projects in 2018.

Capital Projects to be Completed in 2018 – Debt Funded using MNPFA Funds

- \$7.575 Million for electrical upgrades and McCarrons pump improvements (this was part of the 2016 budget and will be completed this year)

Preview of 2019 Budget Process**Projection of billed water consumption in 2019**

- We will not be proposing a change in this amount for 2019.

Water Service Base Fee

- We are not proposing a change in our water service base fee for retail customers in 2019. Wholesale cost of service study was completed which changed the volume and base fees for Roseville and Little Canada. Their new base fees have been incorporated into our 2018 fee schedule and will remain at these levels until another study will be completed in 2023 in accordance with their respective contracts.

Debt Funded Capital Projects using MNPFA or Revenue Bonds

- We will be including dollars in our 2019 Budget proposal for the design of the upcoming Treatment Process Improvement project. That project is scheduled for construction in 2020-2022.
- We will be updating the 10-year capital plan with new estimates for some of the future large capital projects.

Expenses

- We are anticipating an increase in wages and fringe benefits in accordance with the existing labor agreements which run through 2020.
- We plan to keep our materials, supplies and services budget for 2019 flat with 2018, with the possible exception of a small adjustment for inflation.

Preparation is well underway by SPRWS staff with the initial Board Presentation at your July Board Meeting

2018 Water Main Replacement in Street Paving Projects

No.	Project Name	Project Owner	Length of Main (ft)
1	Como Ave Recon	St. Paul Public Works	3,510
2	Wheelock Parkway Recon	St. Paul Public Works	3,440
3	Woodlawn Jefferson RSVP	St. Paul Public Works	5,318
4	Farrell/Ferndale Area Improvements	City of Maplewood	12,353
5	Bernard St. Recon	City of West St. Paul	1,650
6	Forest St. (2018 M/O) - Jessamine to Case	St. Paul Public Works	1,650
7	10th St. (2019 M/O) - Robert to Jackson	St. Paul Public Works	360
8	Cleveland Ave. (2019 M/O) - Magoffin to Sheridan	Ramsey County	2,620

2018 Water Main Replacement Conducted by SPRWS Independently

No.	Street	Range	Length of Main (ft)
9	Conway St.	Johnson to Etna	1,200
10	Portland Ave.	Prior to Fairview	370
11	Suburban Ave.	Pederson to Burns	1700
	Suburban Ave.	Burns to Ruth	1,300
12	Birmingham St.	Pacific to Burns	890
13	Yorkshire Ave.	St. Paul Ave to Cleveland	800
14	McDonough Homes	Timberlake, Klainert, Biglow	5,255
15	Norton St.	Maryland to Cook	1,500
16	Morgan Ave.	Edgecumbe to Davern	1,240
17	Mailand Rd.	at Mcknight	100

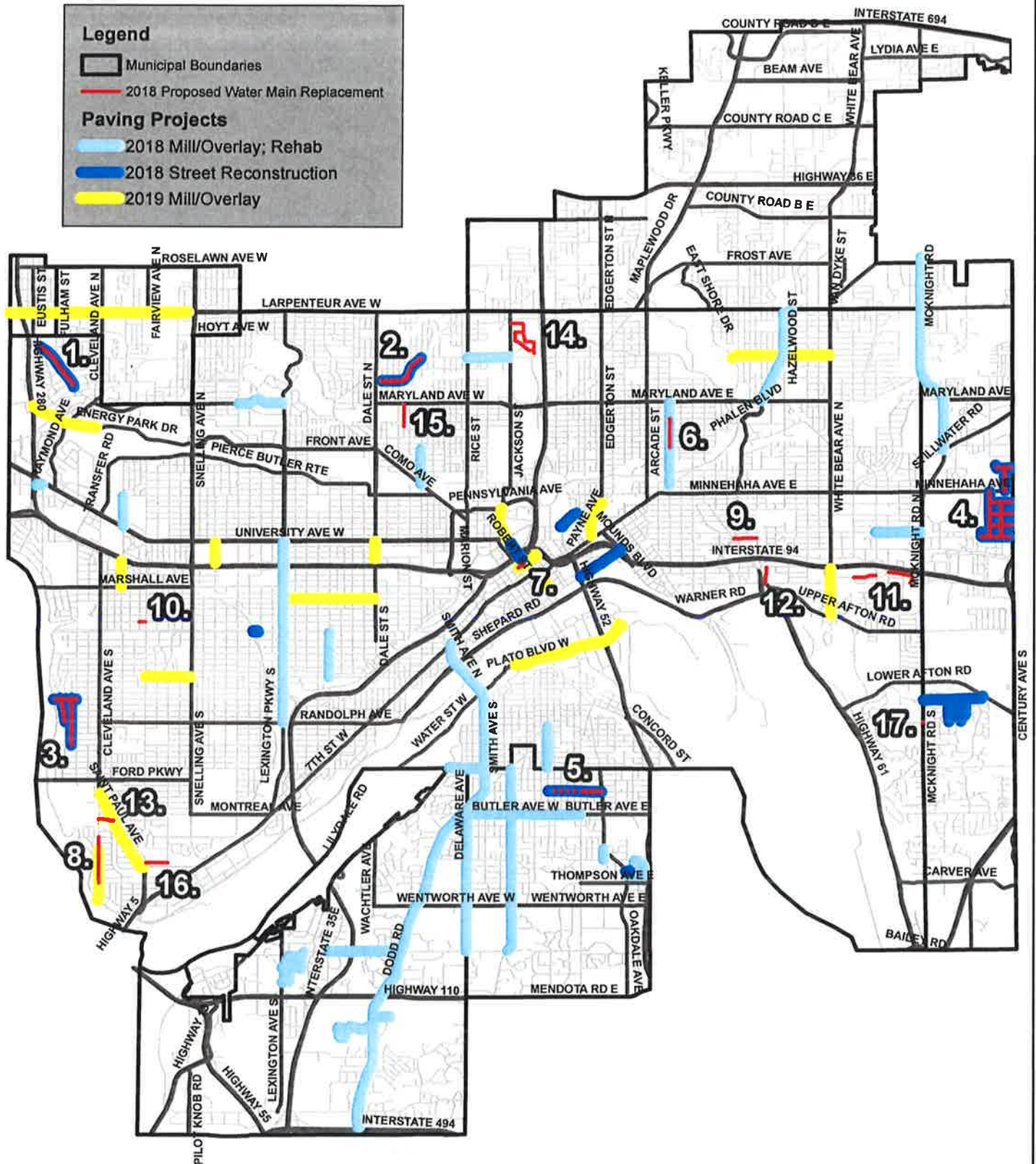


Legend

- Municipal Boundaries
- 2018 Proposed Water Main Replacement

Paving Projects

- 2018 Mill/Overlay; Rehab
- 2018 Street Reconstruction
- 2019 Mill/Overlay



Updated: Feb. 2, 2018



2018 Water Main Replacement Plan Saint Paul Regional Water Services

0 0.5 1 2
Miles

