



# Saint Paul City Council Budget Committee

Saint Paul Regional Water Services  
2016 Budget Presentation  
October 7, 2015

# Agenda

- 2015 Review
- 2016 Operations and capital spending plans
- 2016 Financing plan and rate adjustments
- Future Plans

# 2015 Review

- Mild winter resulted in average number of emergency repairs
- Summer construction
  - 7.5 miles of water main replaced
  - More work outside of PW construction areas resulting in increased cost per foot
  - Design of plant electrical system replacement and upgrade underway for 2016 construction

# 2015 Review

- Precipitation well above normal and temperatures below normal leads to low water demand from customers
- Spending adjustments are being made to offset the revenue shortfall
- Water quality has been excellent. 5 water quality complaints year to date

# Long Term Capital Investment Plan

- AECOM completed a study of our buried distribution water mains
- CH2MHill completed a study of our above ground assets
- Studies resulted in a 10 year capital plan
  - \$117 Million in debt funded improvements
  - \$192 Million in revenue funded improvements

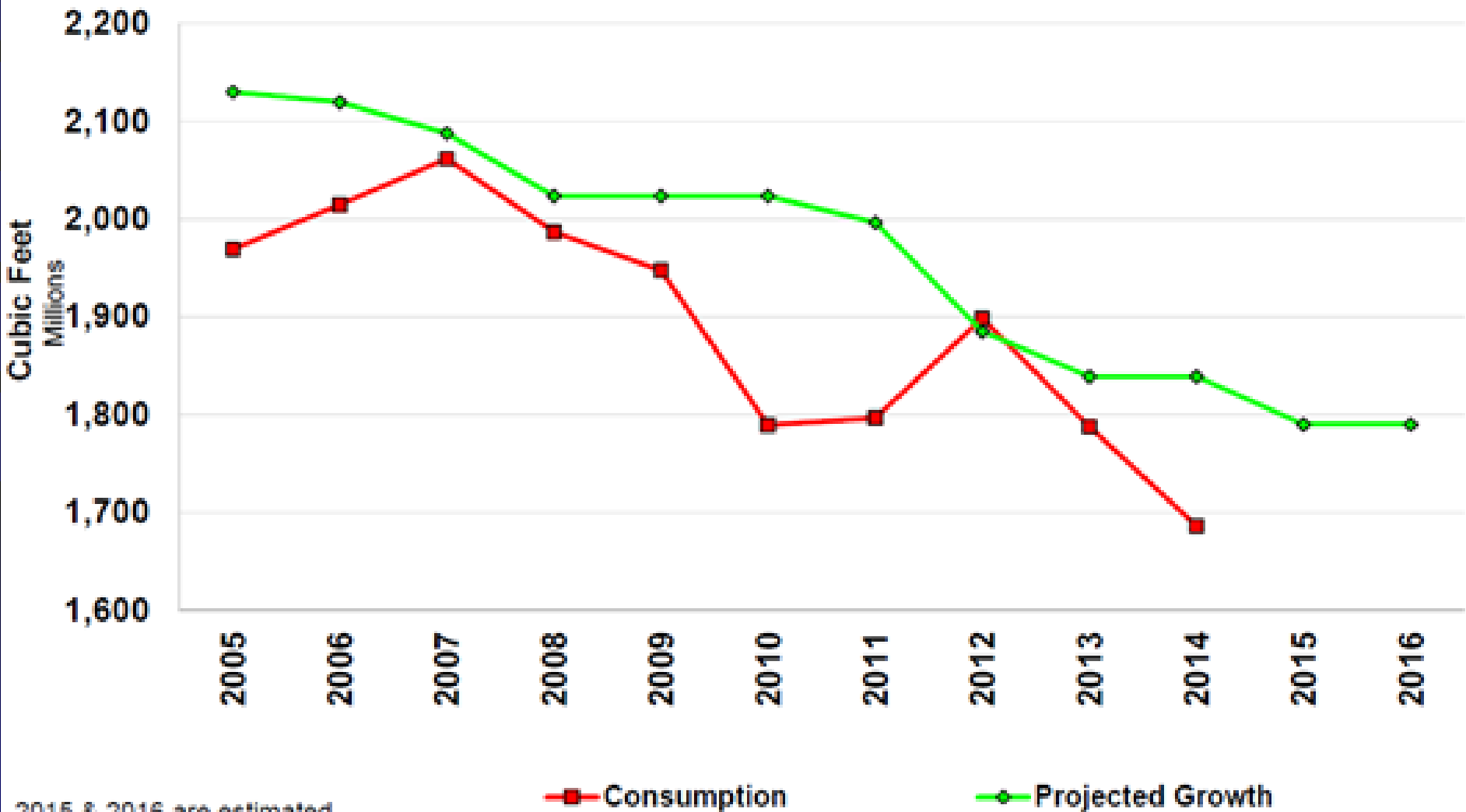
# 2016 Operations and Capital Investment Plans

- SPRWS Budget for 2016 includes
  - O&M of \$42.0 Million
  - Capital investment of \$29.0 Million
    - \$11.7 Million in Distribution
    - \$10.4 Million in Production
    - \$6.9 Million in debt service and small capital

# 2016 Financing

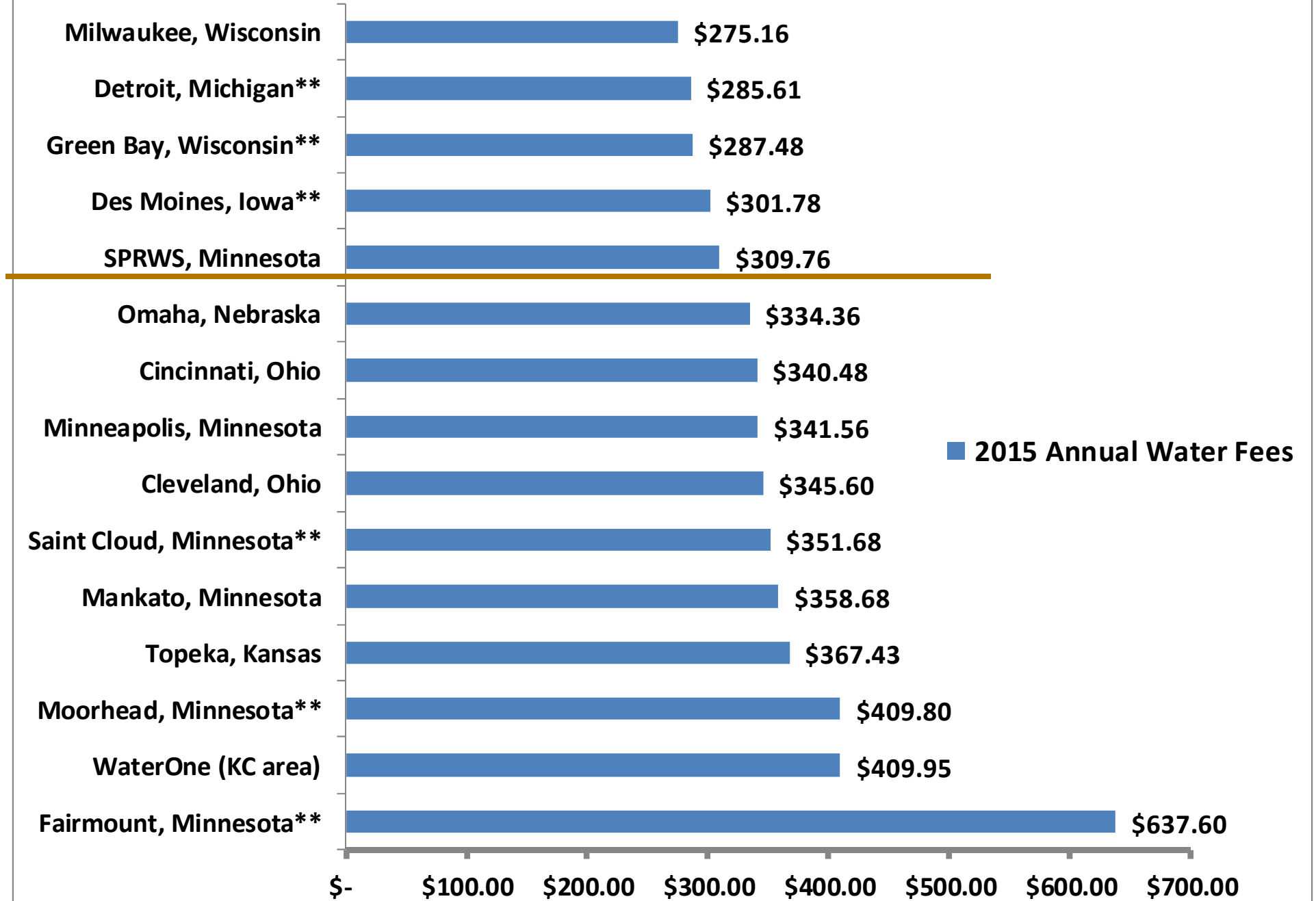
- Funding of investments and expenditures are funded by
  - Water service base fee increase from \$4 to \$5 per month
  - Water consumption fee - no change (\$2.57 per unit)
  - Water main surcharge – no change (\$0.20 per unit)
- Impact to typical residence - increase of \$12 per year to \$322 per year for water service

## Saint Paul Regional Water Services Actual vs. Projected Consumption





## 2015 Water Rates - 88000 CF Annual Usage



# Looking Ahead

- Board direction on improvements coming in the next 10 years
  - Decision has been made 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
  - Further information needed on supply conduits from Mississippi through to treatment plant



# Conclusion