



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

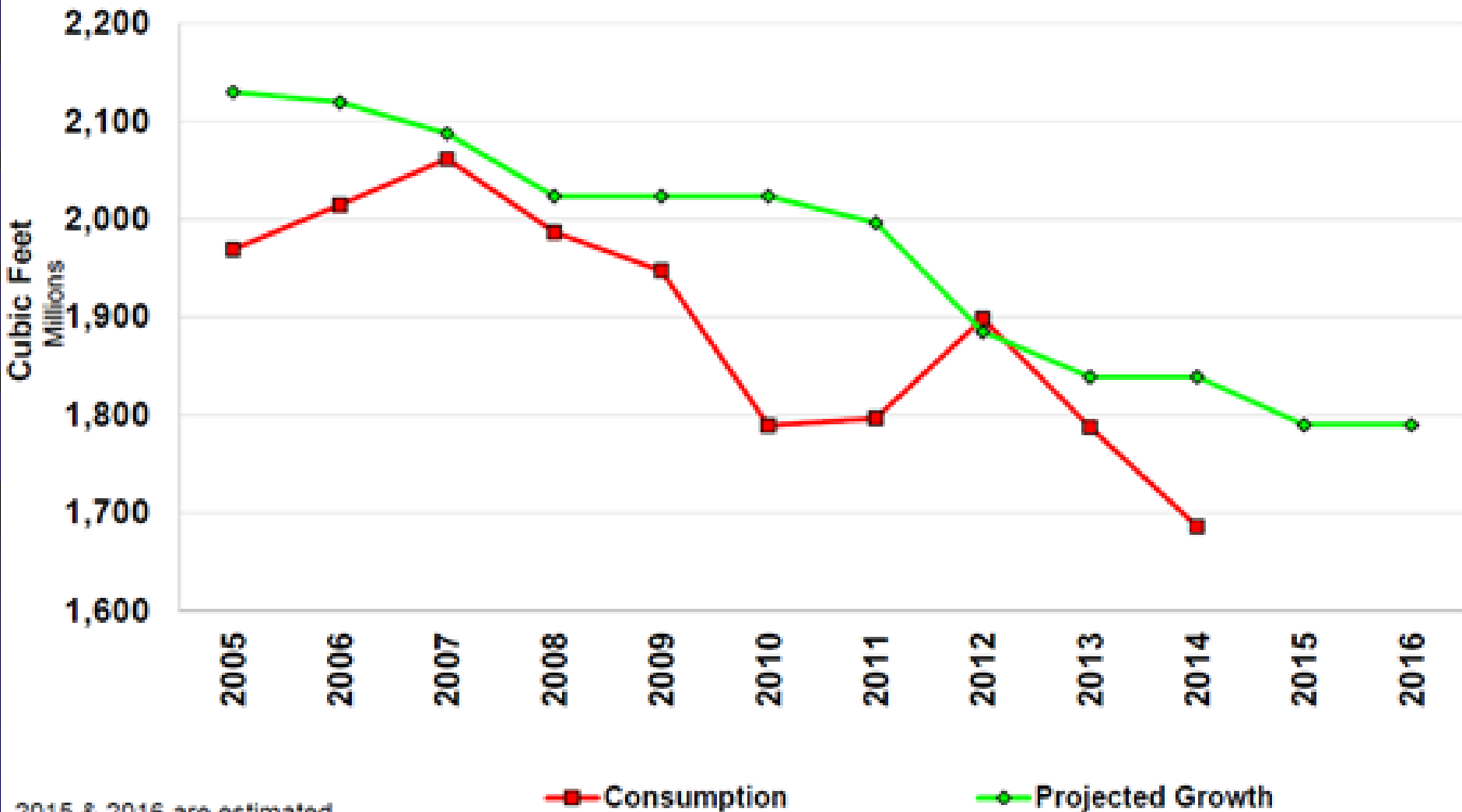
2016 Operations and Capital Investment Plans

- 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

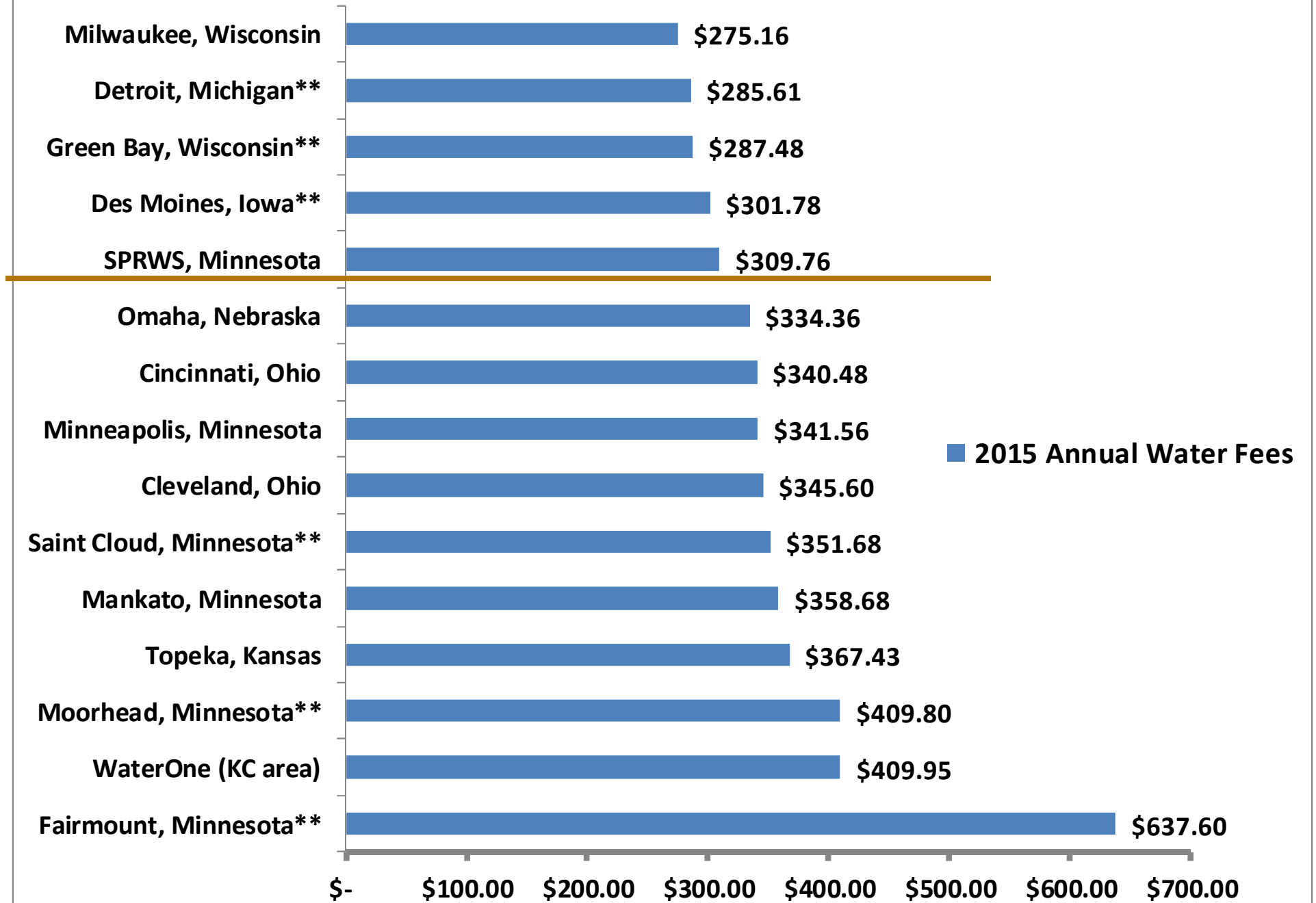
2016 Financing

- 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