



Saint Paul City Council Budget Committee

Saint Paul Regional Water Services
2017 Budget Presentation
November 9, 2016

Agenda

- 2016 Review
- 2017 Operations and capital spending plans
- 2017 Financing plan and rate adjustments
- Future Plans

2016 Review

- Mild winter resulted in below average number of emergency repairs
- Summer construction
 - 7.1 miles of water main replaced
 - More work outside of PW construction areas and construction by contractors resulting in increased cost per foot
 - Plant electrical system contract has been awarded and project is underway

2016 Review

- Precipitation well above normal leads to low water demand from customers
- Spending adjustments are being made to offset the revenue shortfall
- Water quality has been excellent. 13 taste and odor complaints year to date

Long Term Capital Investment Plan

- We continue to invest in accordance with our long term plans
- First major project underway at the McCarrons plant
- Buried infrastructure investment continues
- Need to work on coordination with other entities to minimize disruption to residents and maximize efficiencies

2017 Operations and Capital Investment Plans

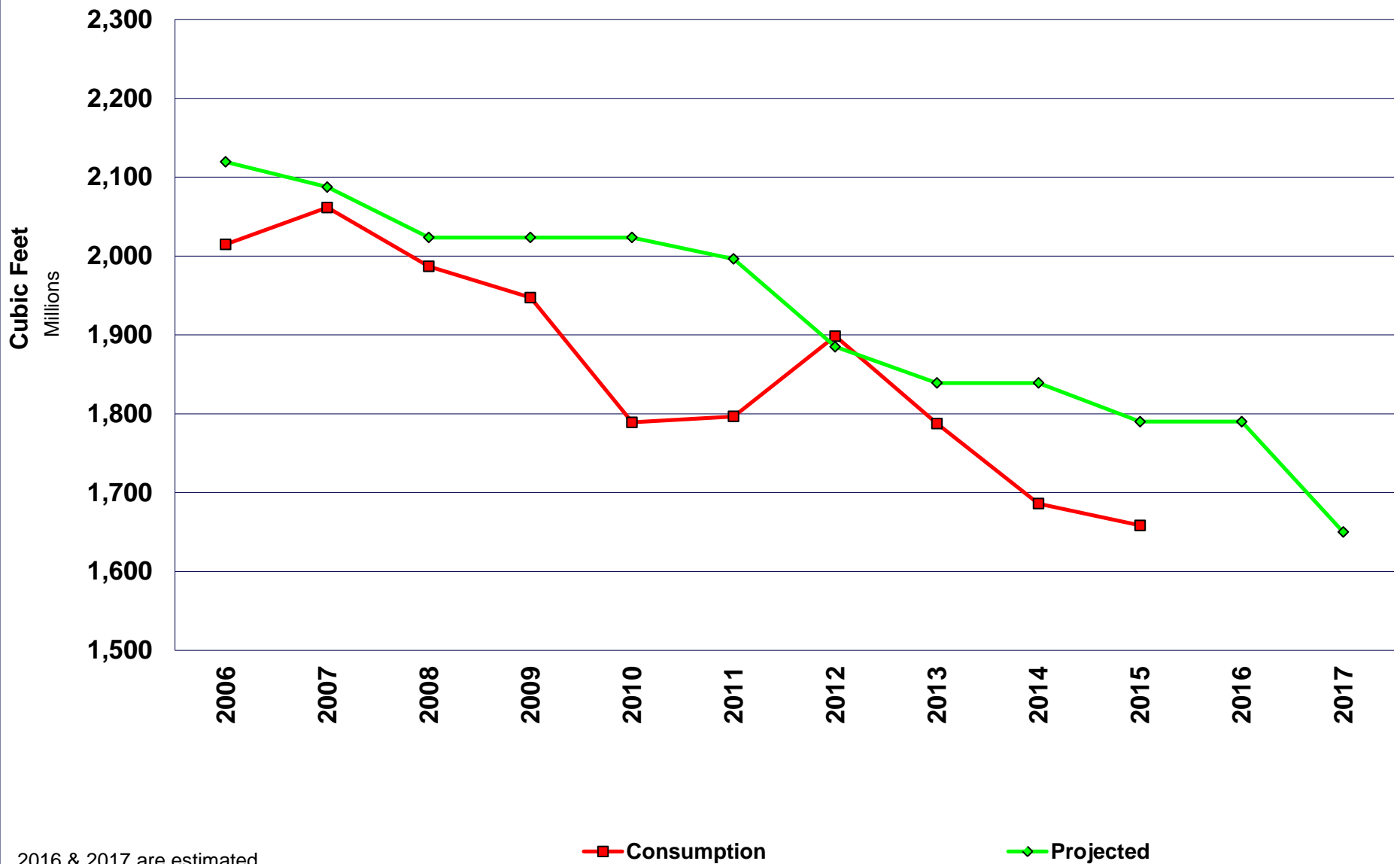
- SPRWS Budget for 2017 includes
 - O&M of \$44.6 Million
 - Capital investment of \$22.2 Million
 - \$12.3 Million in Distribution
 - \$2.2 Million in Production
 - \$7.7 Million in debt service and other small capital

2017 Financing

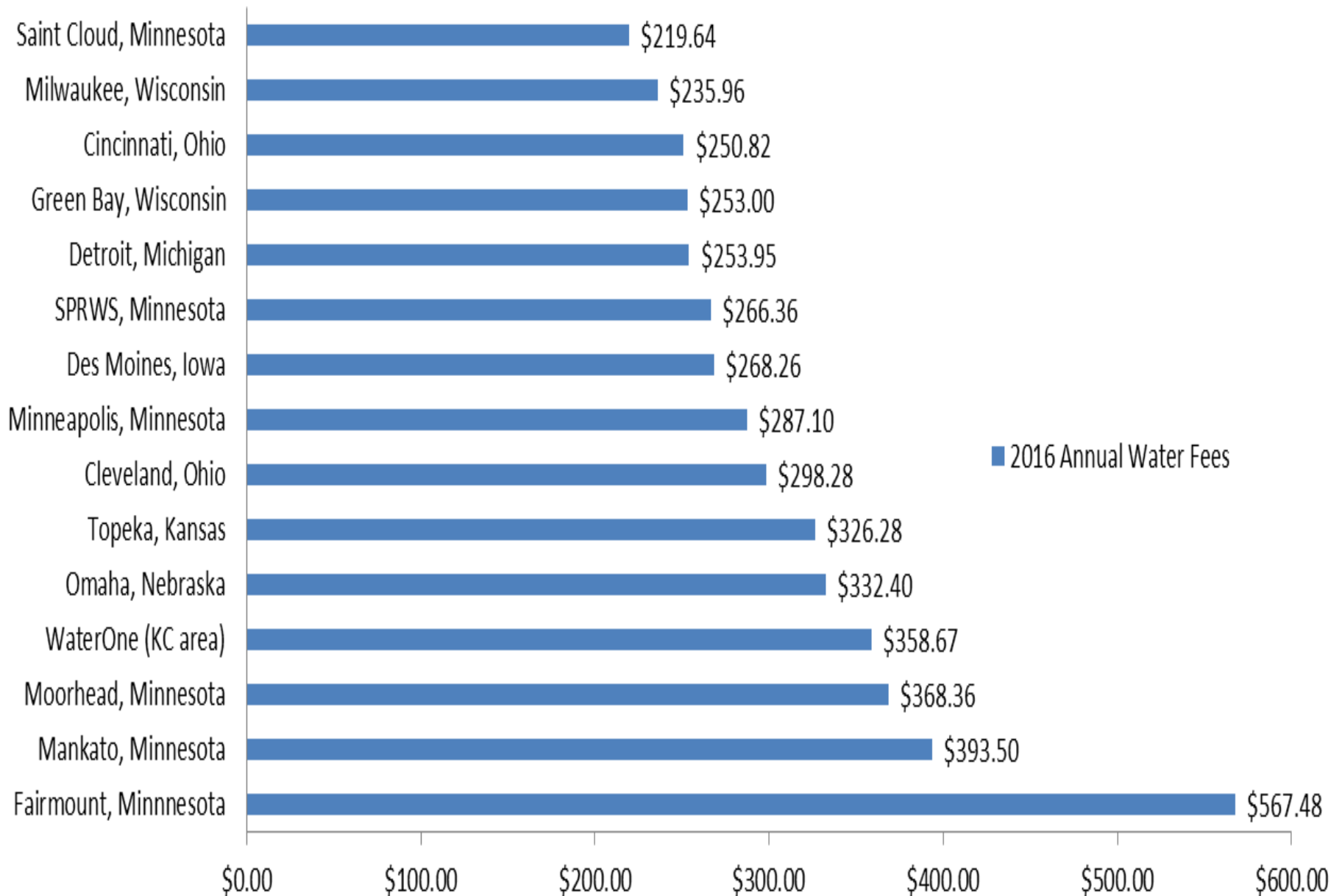
- Funding of investments and expenditures are funded by
 - Water service base fee increase from \$5 to \$6 per month
 - Water consumption fee – \$0.12 increase (\$2.69 per unit of 748 gallons)
 - Water main surcharge – no change (\$0.20 per unit)
- Overall reduction in consumption of 7.8%
- Impact to typical residence - increase of \$20.16 per year to \$286 per year for water service

Saint Paul Regional Water Services

Actual vs. Projected Consumption



2016 Water Fees - 6800 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
 - LCR revisions are to be proposed soon and we are proactively addressing some of the anticipated additional requirements



Conclusion