

BOARD OF WATER COMMISSIONERS

February 10, 2026

Consent Agenda



Min 26-8

**RES 26-236
RES 26-237
RES 26-238
RES 26-239
RES 26-240
RES 26-241
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RES 26-245
RES 26-246**

Business Division Performance Metrics



Billing + Affordability
Financial Metrics
Register Replacements
**Automated Metering
Infrastructure**

General Manager Report



Main Breaks
Spring Hiring



Billing and Affordability

Financial Metrics

Register Replacements

**Automated Metering
Infrastructure (AMI)**



BUSINESS DIVISION

Richard Rowland
Assistant General Manager



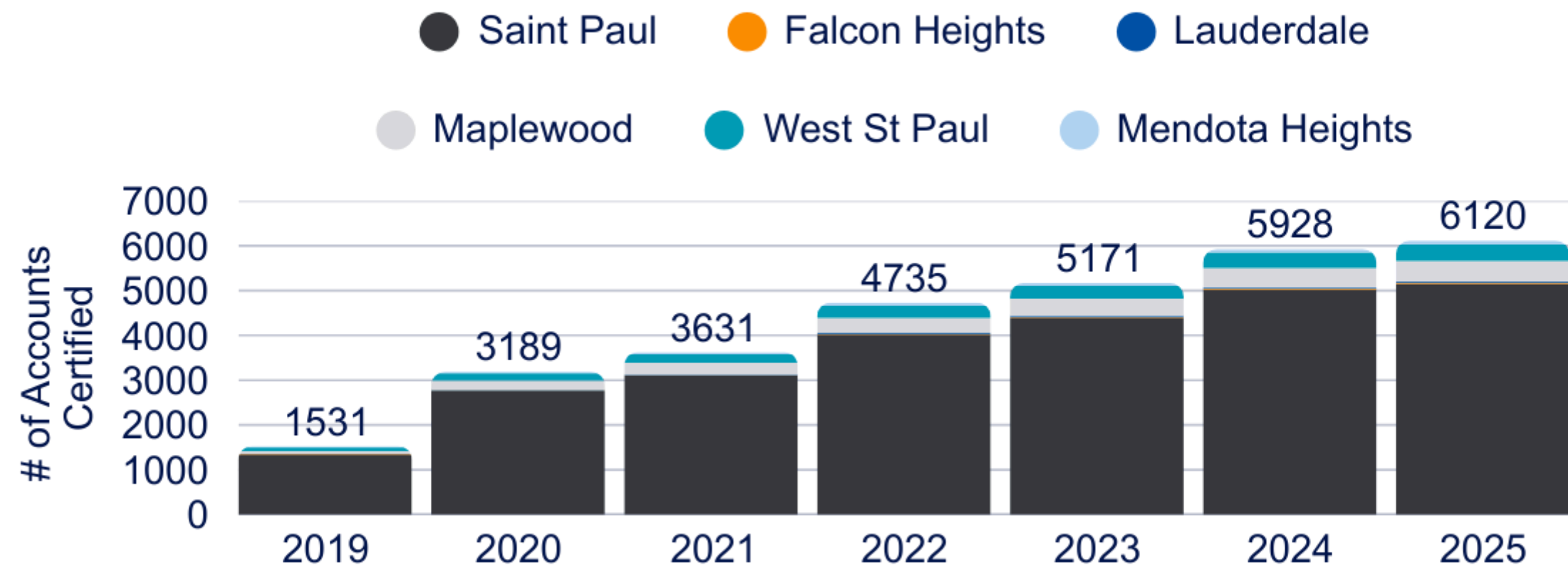
Billing and Affordability Metrics

1

"Since the elimination of water shutoffs for non-payment, what impacts have there been on non-payment rates and the # of accounts certified to property tax at year end?"

Growth in the total amount certified reflects several factors.

1. Without shutoffs, some customers are able to carry unpaid balances for a full year, resulting in certification of the entire annual bill rather than only the most recent quarter. Previously, shutoffs typically required customers to bring earlier quarters current before service was restored.
2. A small number of larger accounts, such as apartment complexes or commercial properties, have been certified in recent years, which significantly increases the total dollar amount certified. It is important to note that the majority of certified accounts remain single-family residential properties, which represent 81.9% of all certifications.



**Impact Since
Eliminating
Shut-Offs**

4X
of Accounts

20X
Amount of \$

**Saint Paul
Customers**

77%
of Total Accounts

85%
of Certified Accounts

2

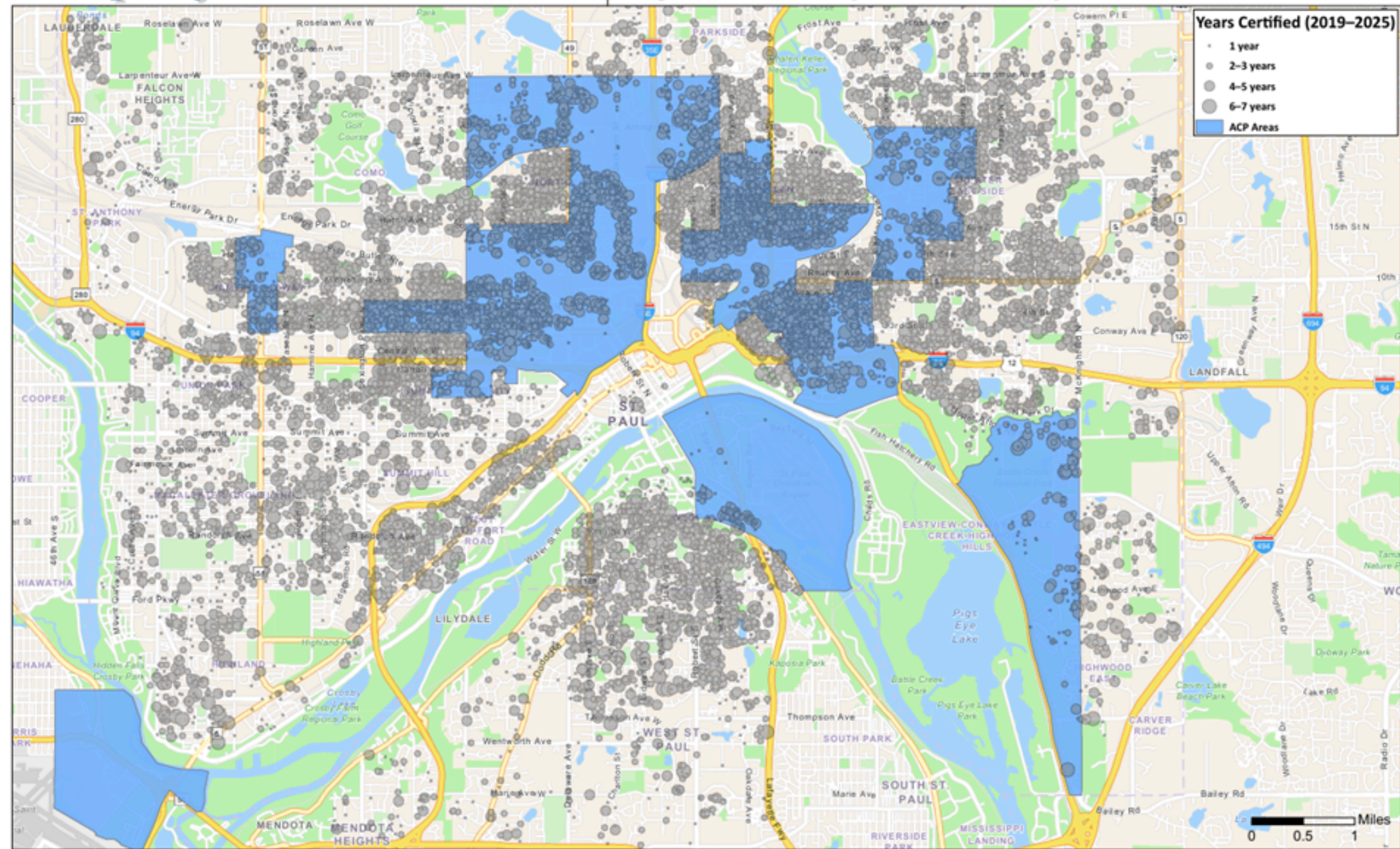
"Are tax certifications of unpaid water bills happening primarily in areas of concentrated poverty?"

As the map shows, tax certifications of unpaid water bills occur across our entire service area. While affordability concerns are often assumed to be the primary factor behind non-payment, the geographic distribution suggests this is not always the case. Some neighborhoods show higher densities, but these patterns do not consistently align with areas of concentrated economic hardship.

Non-payment can result from a range of factors beyond income, including language barriers, limited use of electronic tools such as autopay and e-billing, forgetfulness, or deliberate decisions to delay payment until tax season to allocate funds elsewhere.

Our goal is to better understand the full range of reasons behind non-payment and to offer a suite of solutions such as improved communication, flexible payment options, and customer support tools that help more customers stay current on their bills and avoid additional fees.

Property Tax Certifications | By Account (2019-2025) with ACP Areas





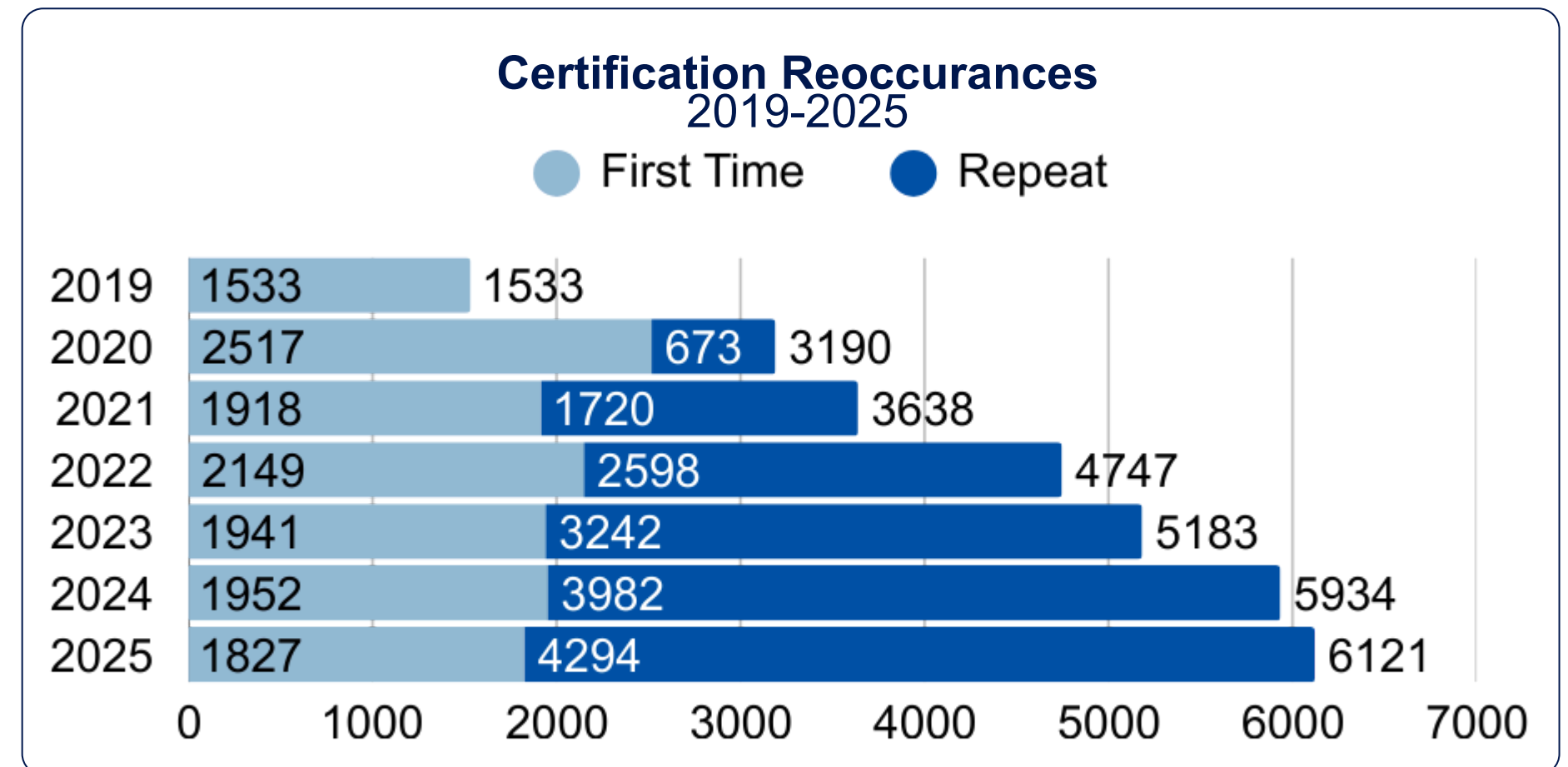
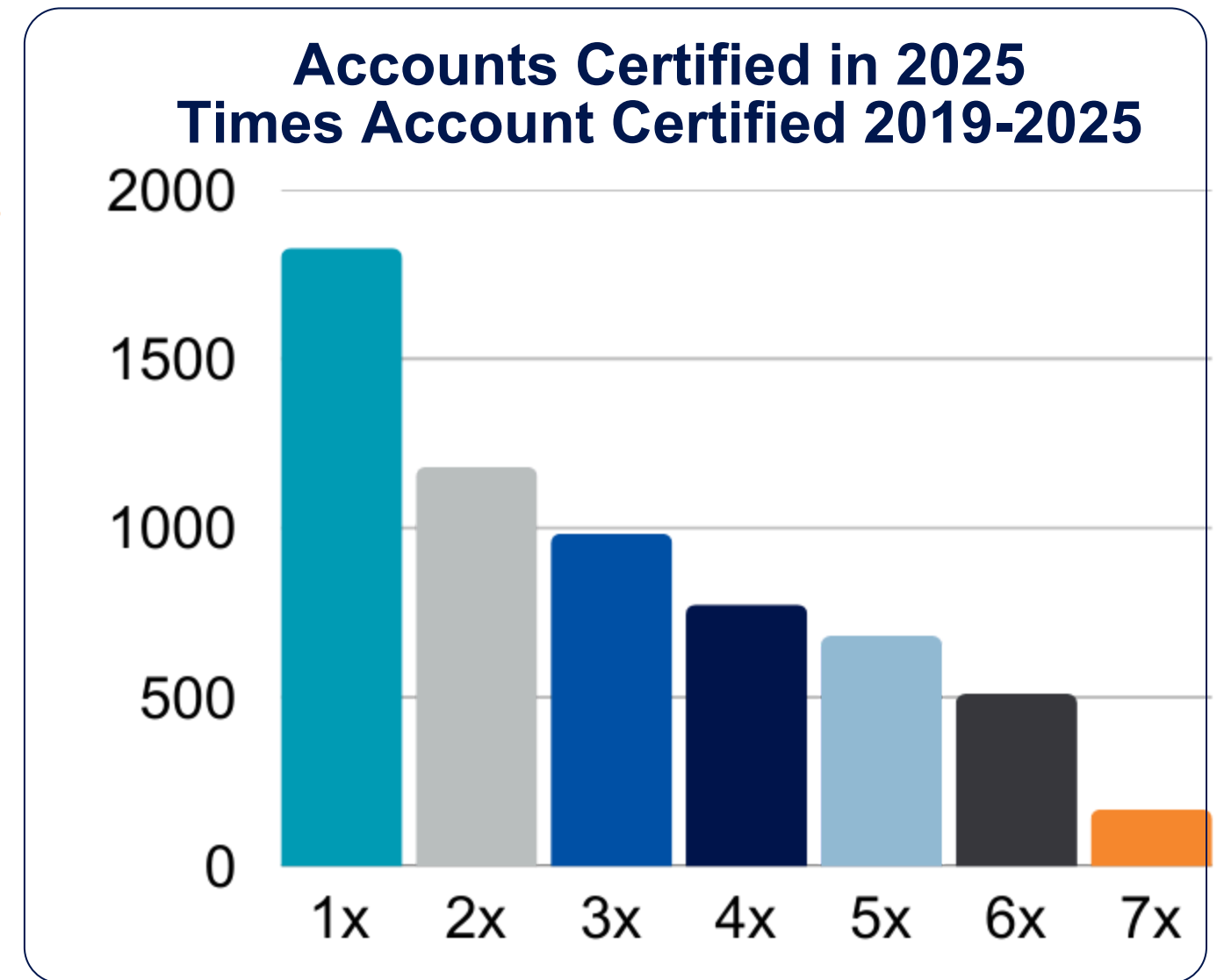
“Of accounts certified, how many were first time certifications versus “repeat offenders”?”

Each year, we consistently see approximately 2,000 accounts being certified for the first time. However, the total number of certified accounts continues to rise because the number of repeat certifications has steadily increased. This pattern suggests that once an account is certified, it is more likely to be certified again in subsequent years.

While year-over-year growth in certified accounts was significant earlier in the years after the decision to stop shutoffs was made, certification growth **in 2025 was at just 3.2%**.

This recent stabilization is encouraging and may reflect early impacts of targeted outreach and policy changes.

It also leads to the next key question: whether customers who are being certified, are accessing and benefiting from available assistance programs.





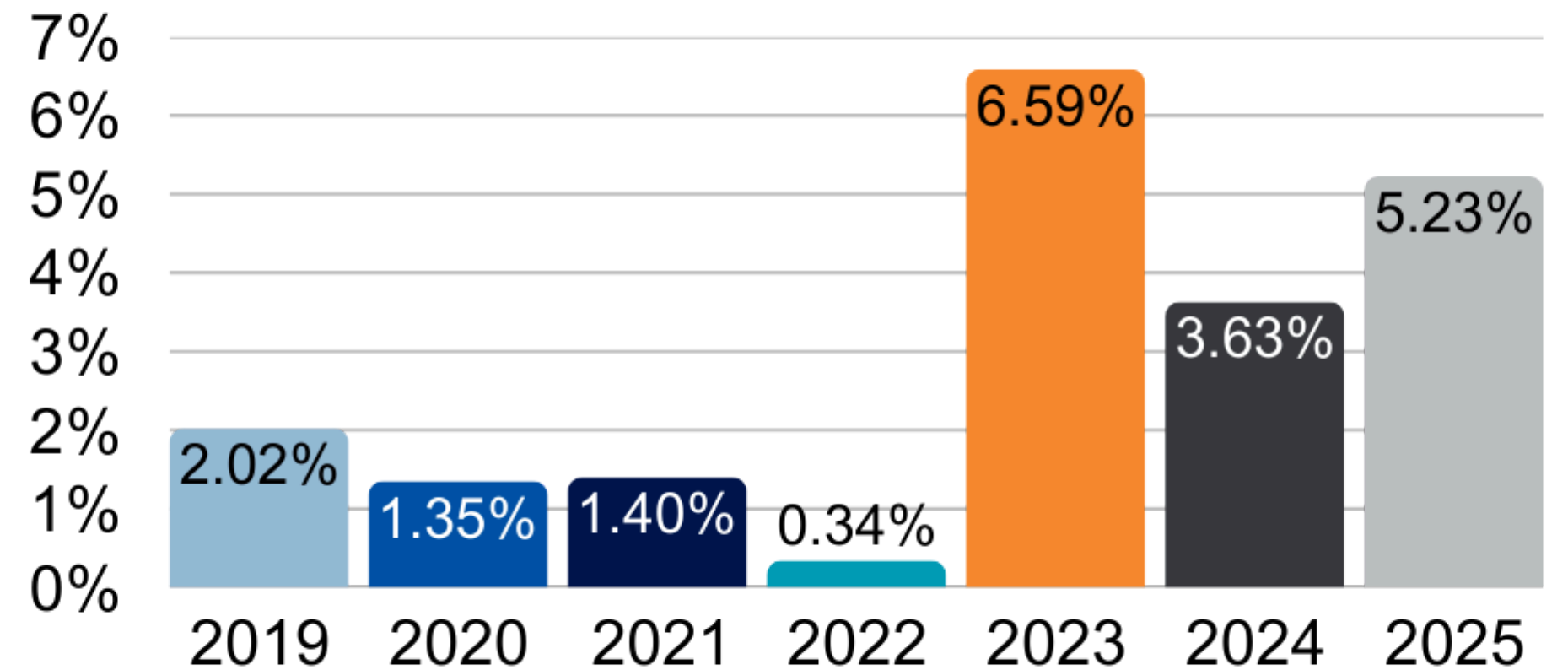
“Of accounts certified, what percentage received assistance (WaterWorks or LIHWAP) in the same year”?

Areas of Improvement:

Only a small percentage (**up to 6.5%**) of accounts that were certified in a given year also received assistance through WaterWorks or LIHWAP. This indicates that many customers who reach certification may not be accessing available support programs. This could reflect gaps in awareness or participation, or it may suggest that some certified accounts do not meet eligibility criteria and are experiencing non-payment for reasons other than affordability.

At the same time, there is an encouraging signal that in 2025, only 320 accounts that received WaterWorks assistance were still certified, while 562 other assisted accounts were able to remain current on their bills following support. This suggests that when customers do access assistance, it is often effective in helping them avoid ongoing delinquency and certification.

These findings reinforce the importance of understanding who is being certified, increasing awareness and uptake of assistance programs among eligible customers, and ensuring that support is reaching those most likely to benefit.





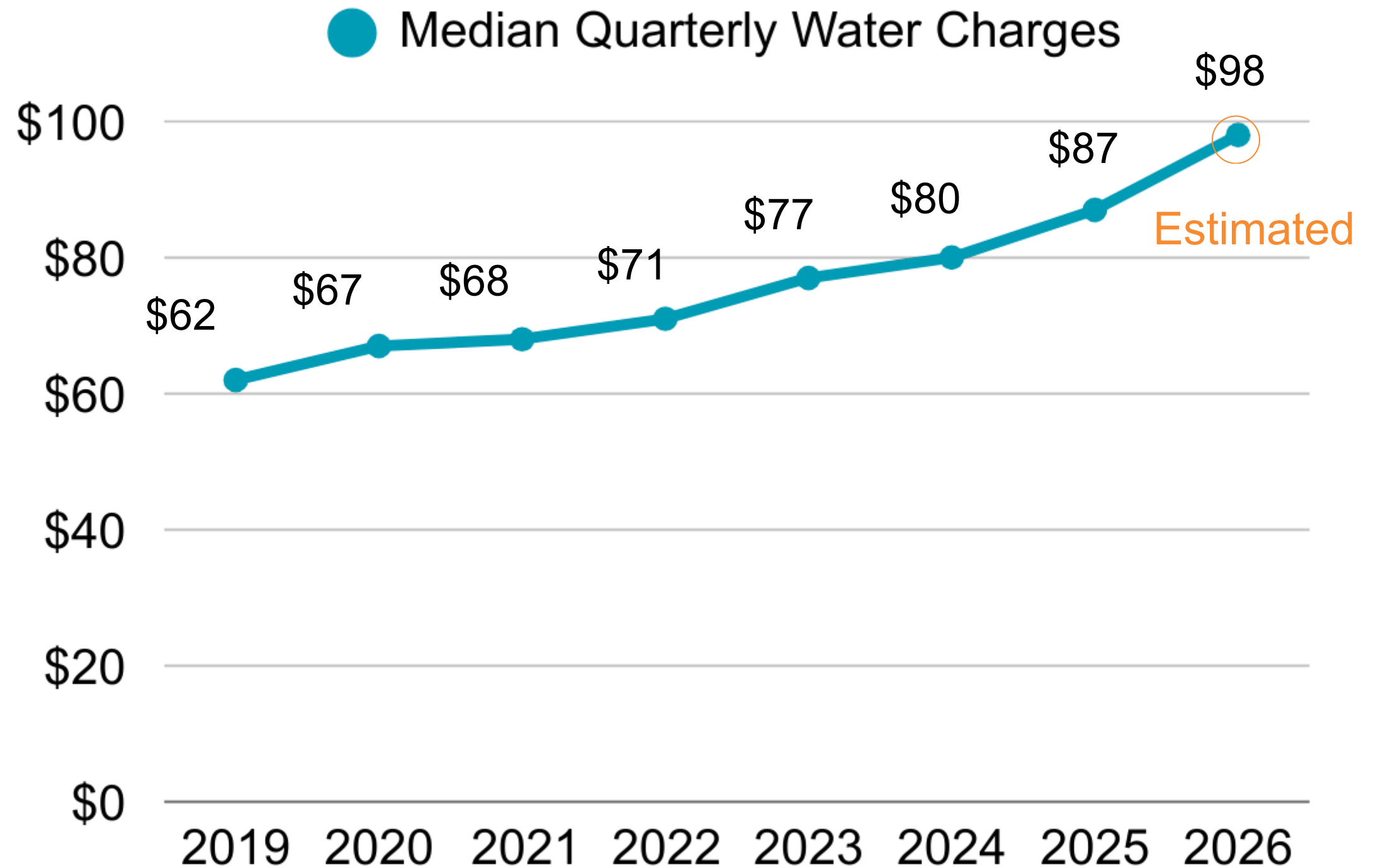
Are water rates expected to continue to rise and if so, how do you think this will impact the number of customers needing support and ultimately the number being certified to taxes?

Yes, water rates are expected to continue to rise in order to address the needs of aging infrastructure and maintain reliable service. In 2026, customers can expect to pay approximately \$11 more per quarter.

While higher rates may increase affordability pressure for some households, we are working to mitigate potential impacts through expanded funding for the WaterWorks assistance program, combined with increased outreach and education to ensure eligible customers are aware of and able to access support.

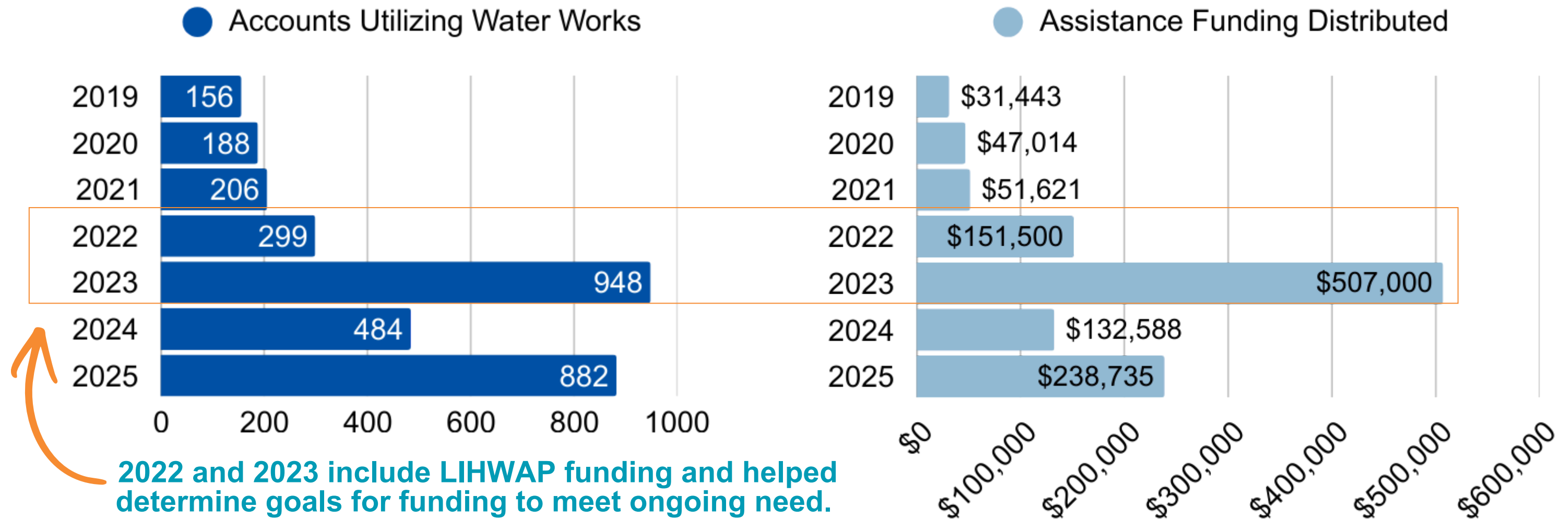
We will continue to closely monitor trends in customer assistance utilization and tax certifications to better understand how rising rates, the continuation of no water shutoffs, and the amount and structure of our support programs interact.

At this time, the data suggest we are seeing progress, and sufficient funding is available.





Are we seeing increased participation in the WaterWorks program, and does the funding increase implemented in 2025 appear sufficient at this time?



Yes, we saw a significant increase in participation in the WaterWorks program from 2024 to 2025, with an **82% increase in the number of accounts utilizing assistance**. We hope to continue building on this momentum in 2026 through continued outreach and education.

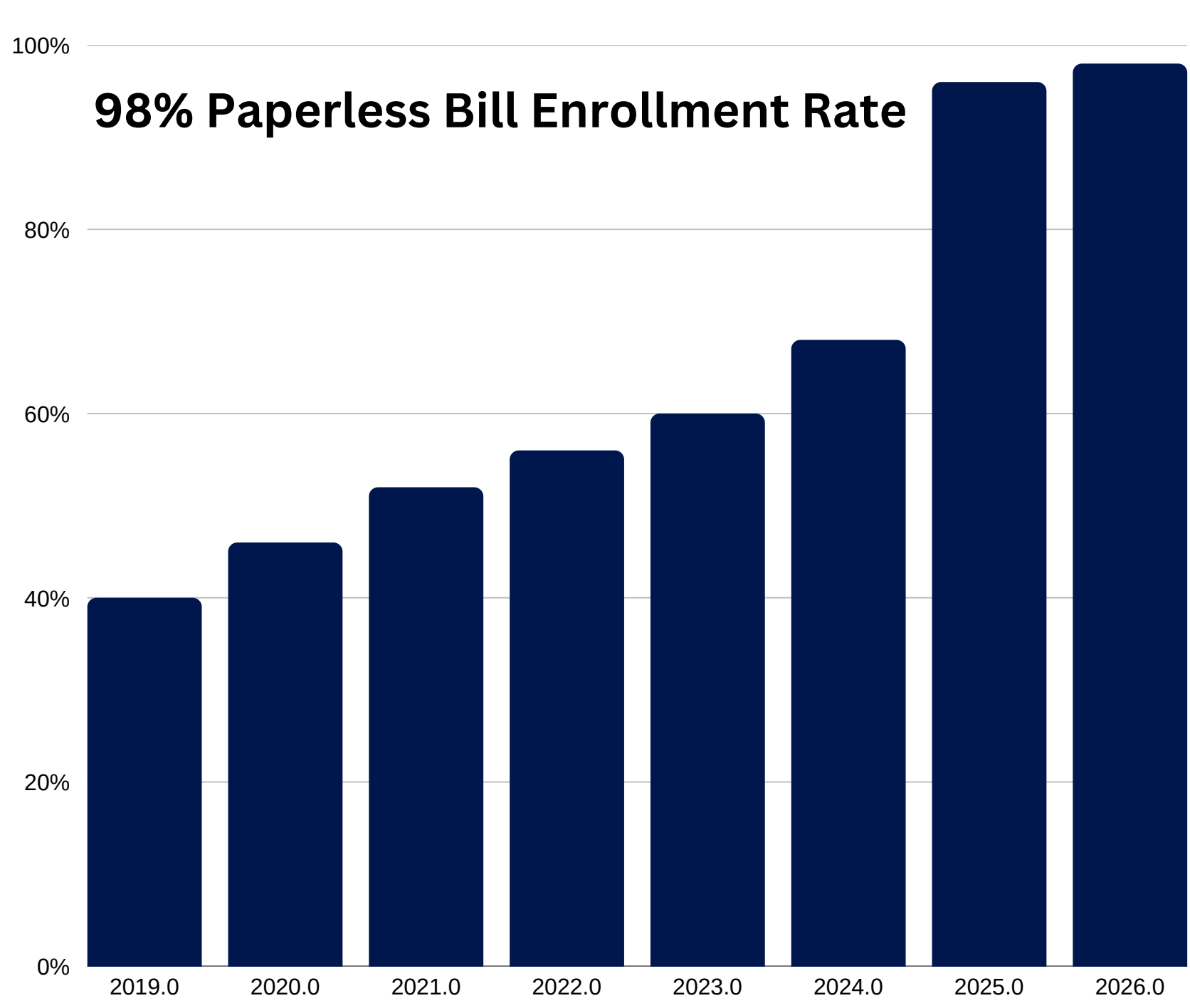
Despite this substantial increase in participation, overall program spending remained below budget. Of the \$369,000 allocated in 2025, \$238,735 was expended. The remaining funds will roll over into 2026, resulting in more than \$500,000 available to support customers in the coming year. This additional capacity is especially important given the financial instability many households are experiencing as a result of recent ICE enforcement activity in the metro area.

Based on current utilization trends and available funding, staff are confident that the existing funding level is sufficient for 2026. We will continue to closely monitor program usage leading into the next budget cycle and will bring forward recommendations should an increase be warranted for the 2027 budget.

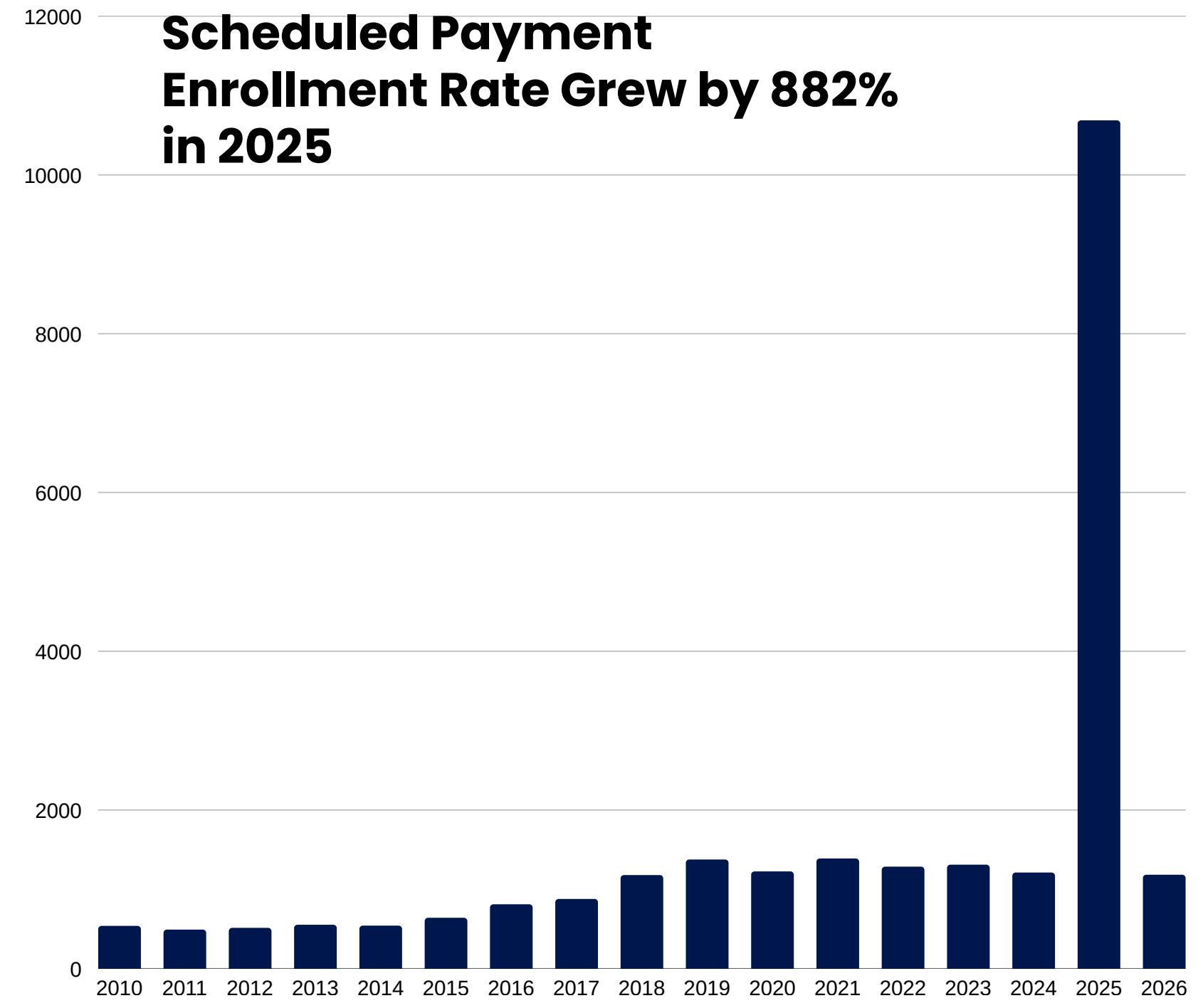


Are we seeing increased participation in the NEW customer portal (launched in January 2025) including the use of e-billing and autopay?

Paperless Bill Enrollment Rate for New Accounts



Annual Scheduled Payment Enrollment



TOTAL SCHEDULED PAYMENT ENROLLMENT

Not on Scheduled Payment

71%

67,708 Accounts

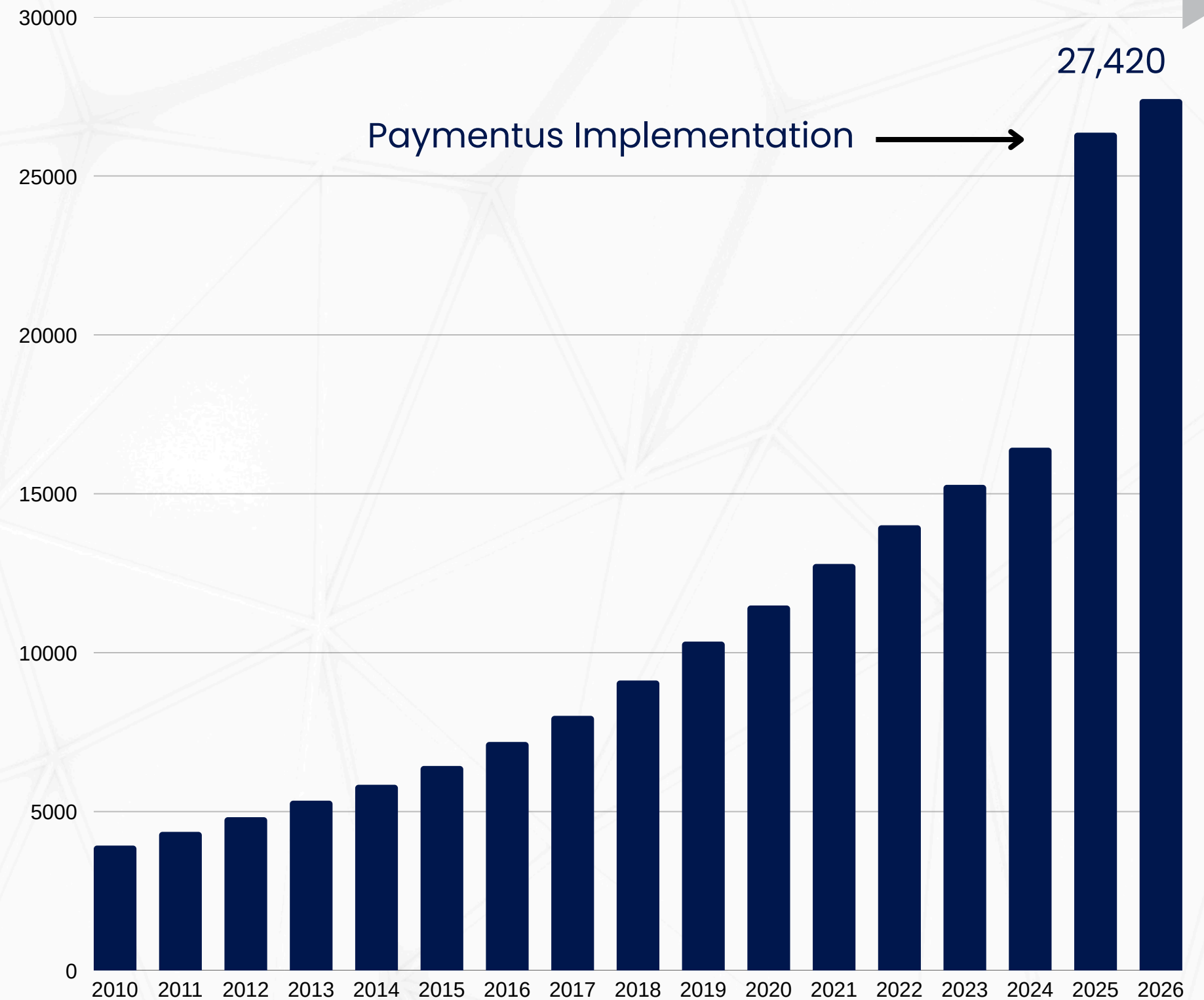
Scheduled Payment

29%

27,420 Accounts

Scheduled Payment 25,554 Accounts

Equalized Payment Plan 1,866 Accounts



TRANSACTION FEES

PREVIOUS FEES

Average **\$2.97/** transaction

PAYMENTUS FEES 2025

Average **\$0.29/** transaction

Year	# of Transactions	Volume	Absorbed Fee
2023	163,760	\$40,835,578.91	\$455,215.25
2024	156,760	\$43,943,843.23	\$497,020.18
2025	163,547	\$51,704,437.70	\$47,199.55
Average	160,051	\$42,389,711.07	

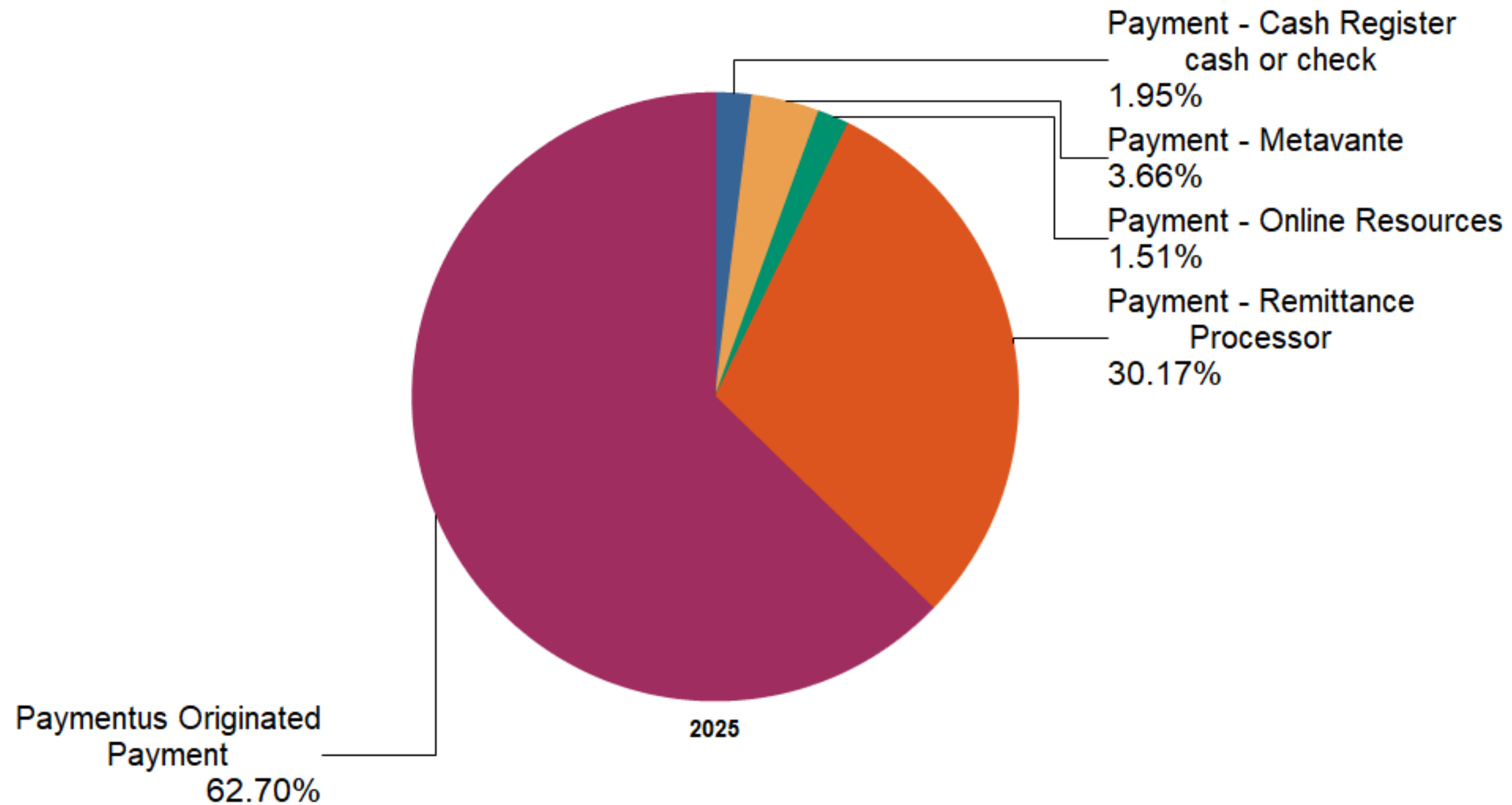
Fee per Transaction	# of Transactions	Absorbed Fee
\$0.00	83,772	\$0.00
\$0.40	78,174	\$31,269.60
\$9.95	1,601	\$15,929.95
Grand Total	16,875	\$47,199.55

Over \$400,000 Saved

PAYMENTUS VS OTHER PAYMENTS

Percent of Number of Payments

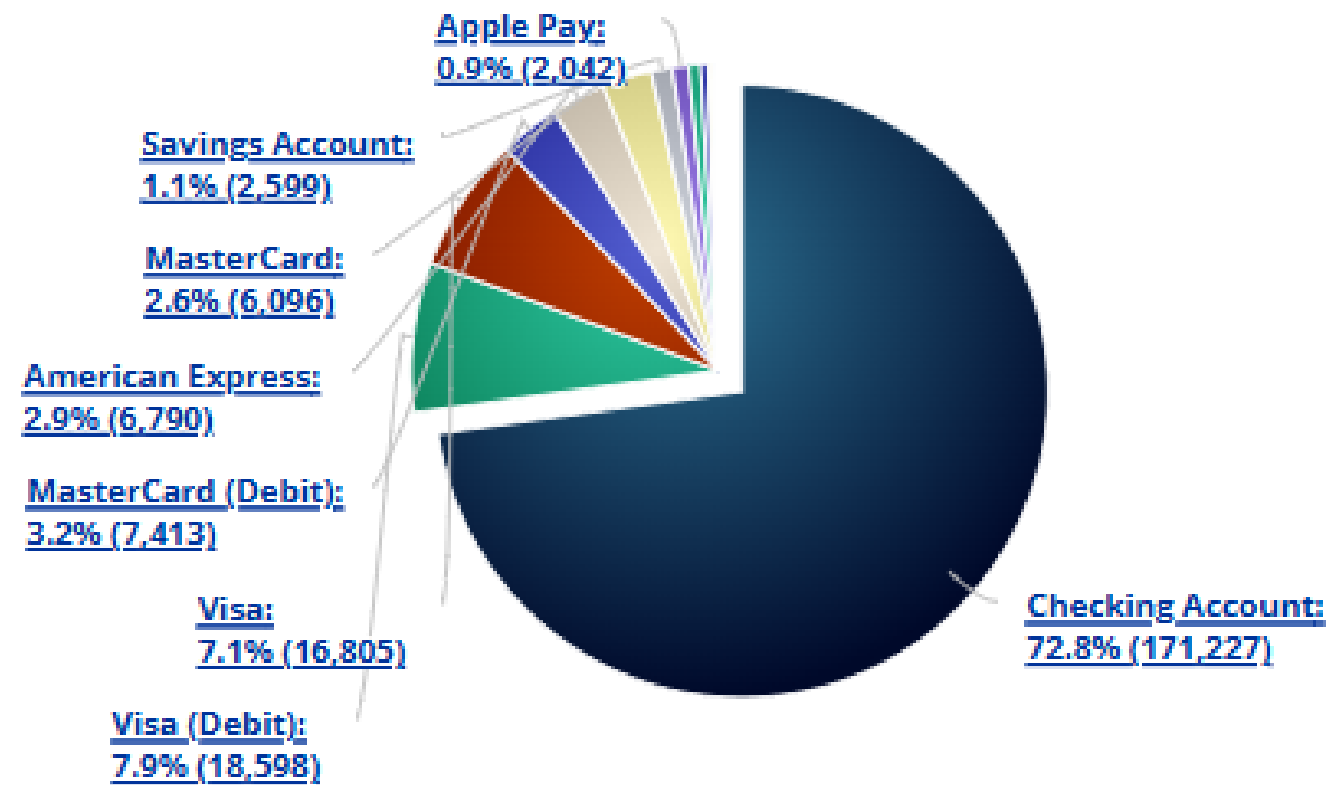
Paymentus vs other payments



PAYMENTUS TRANSACTIONS

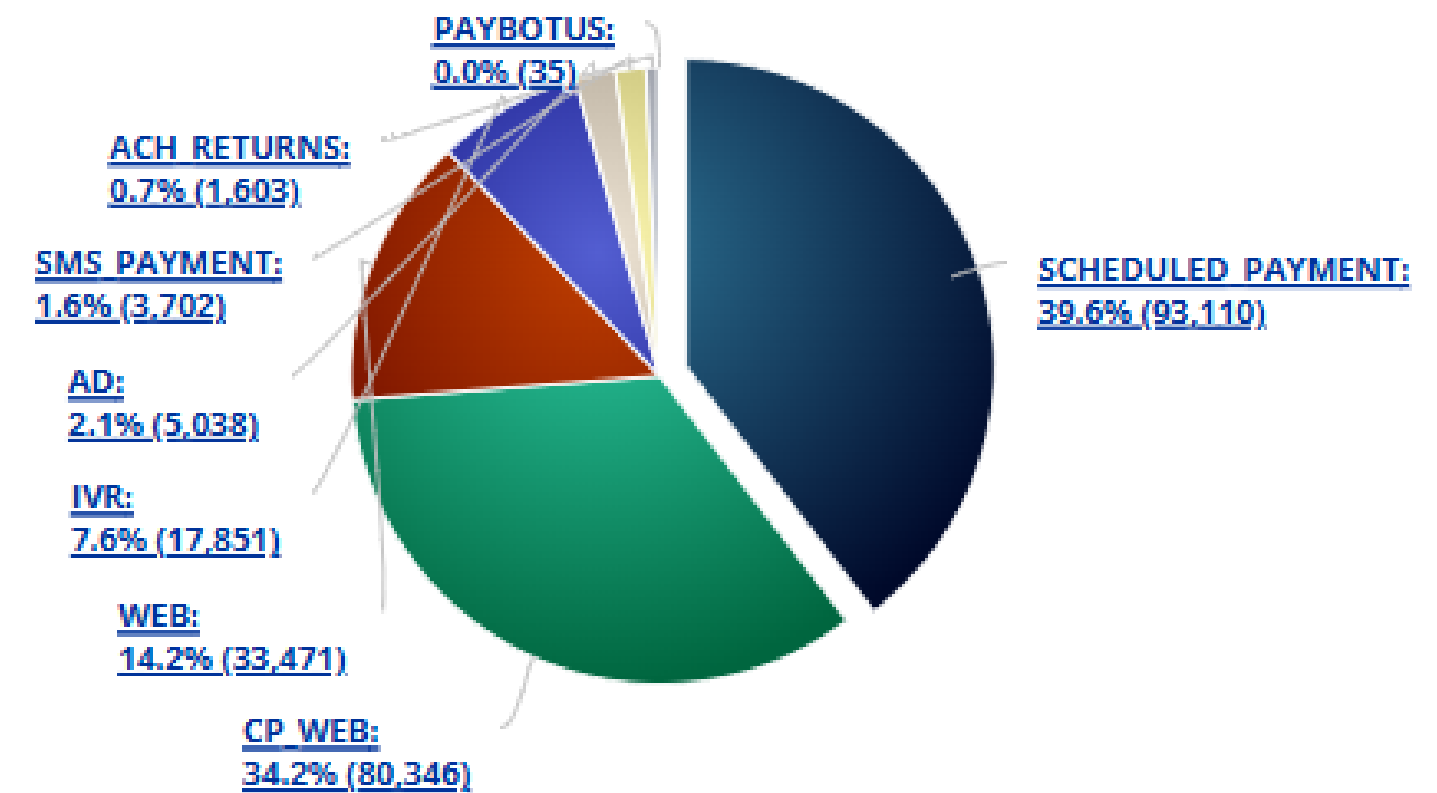
Payments by Method

Click on each portion to view the details



Payments by Channel

Click on each portion to view the details



PAYMENTS BY METHOD

PAYMENTS BY CHANNEL



DAYS CASH ON HAND

Definition: This measure represents the number of days a company can continue to pay its operating expenses with the current cash it has available.

$$= \frac{\text{Undesignated Cash and Cash Equivalents}}{\text{Operating Expenses Excluding Depreciation} / 365 \text{ Days}}$$

Utility should report directly from utility's Annual Comprehensive Financial Report (ACFR), Annual Information Statement (AIS) or approved financial documents.

Saint Paul Regional Water Services
Days Cash on Hand (2024 ACFR):
262 Days

SPRWS has budgeted to spend down cash to finance the McCarron's Project and other CIP needs. Days cash on hand will stabilize in FY 2026. (200 Days)



	75th Percentile	Median	25th Percentile	Sample Size
Water Utilities	505	357	184	38
Combined Utilities - Water Operations	786	461	218	32

Meter System Refresher



Meter Body

A meter is a mechanical device installed in a customer's home that measures how much water is used.



Meter Register

Sitting on top of the meter is the register, which records the usage and transmits the information. The register contains a battery and a radio transmitter.



Collector + Antennae

A collector is a receiver that gathers the register data.

Prior to this project, the collectors have been in vehicles. A Meter Reader drives the full system each quarter, collecting data as they drive by each location.

With this upgrade, collector technology is now installed on high elevation locations (such as water towers) and can pick up data from many nearby registers and send it back to SPRWS. This information is collected as frequently as every few minutes opposed to the 90-day intervals the collections had been occurring with drive-bys.



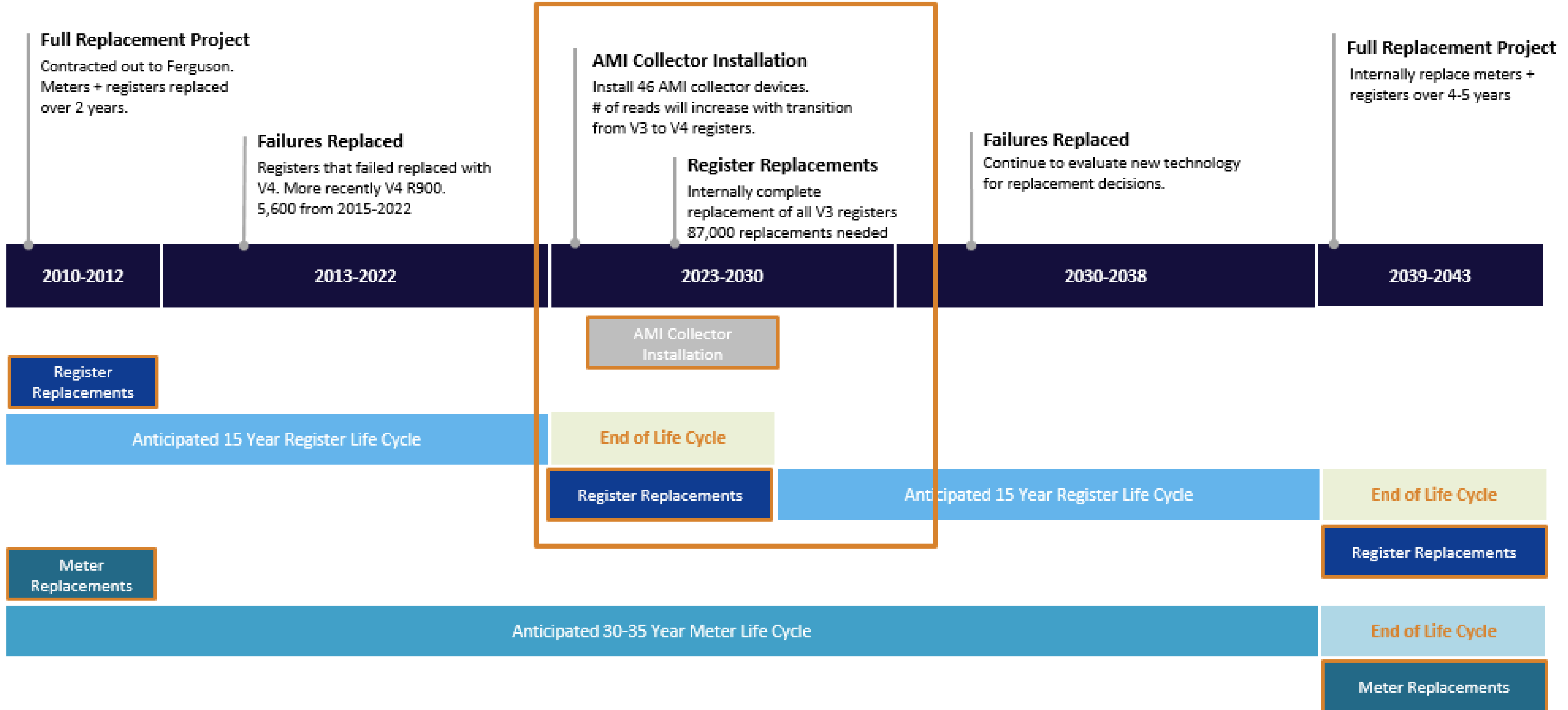
R900 Endpoint

Mounted inside or outside the building, the endpoint transmits data collected by the register.



Meter Operations Capital Investments

Registers, Meters, and AMI Collectors



Project Goals

Get Entire System on AMI

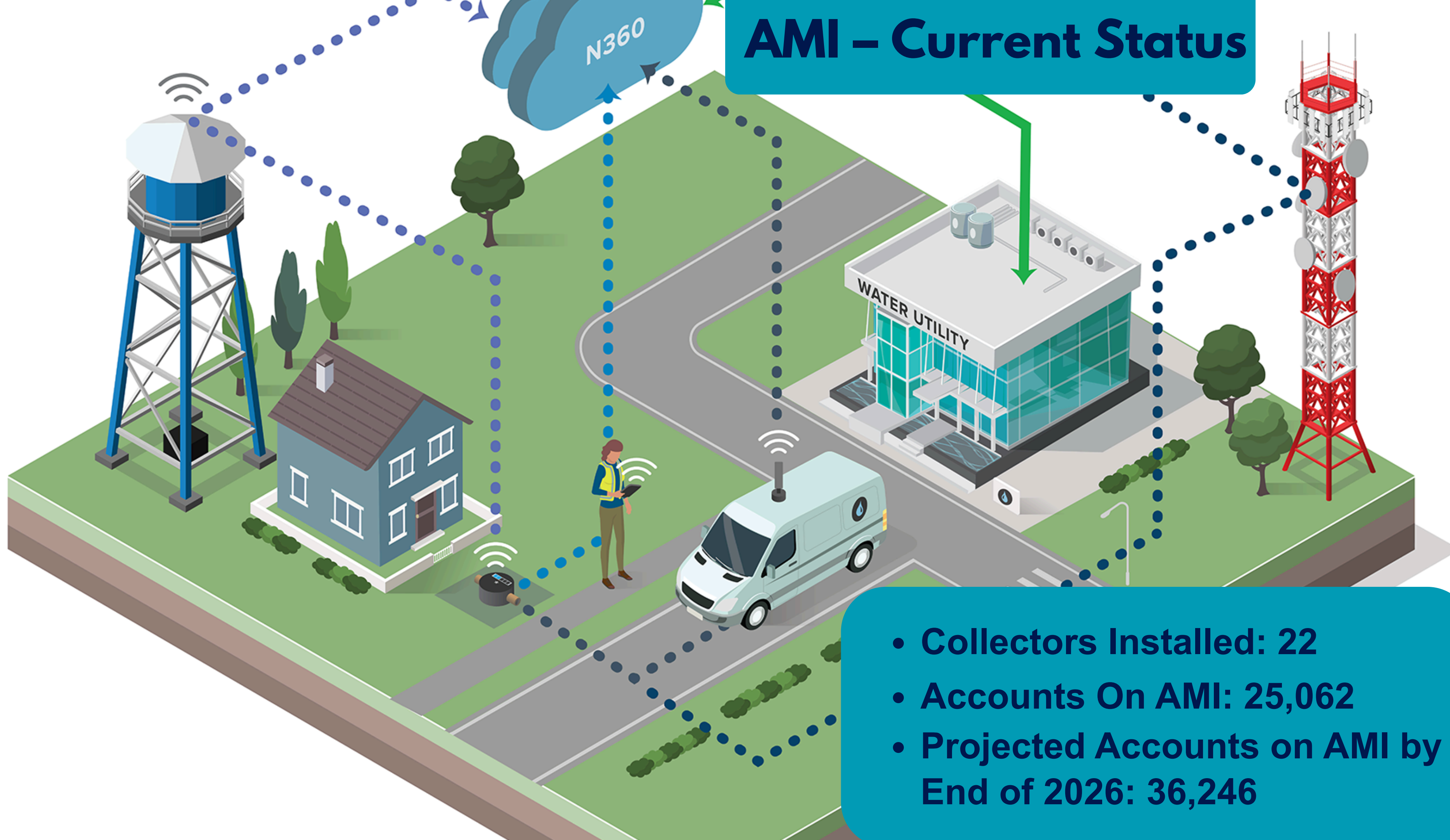
Benefits:

- Leak Detection/Audit Program
- Reduced Operational Costs
- Support Transition to Monthly Billing
- Water Resource Management

Replace Aging Registers

- Current Registers Nearing the End of Their Lifespan
- Replacement Ensures Accurate Billing
- New Registers have increased data transmission strength – supports AMI

AMI – Current Status



- **Collectors Installed: 22**
- **Accounts On AMI: 25,062**
- **Projected Accounts on AMI by End of 2026: 36,246**

AMI TIMELINE



2023

Project Launch

Neptune Prop
Study

Installation of 12
Collectors



2024

Installation of
10 Collectors



2025

Neptune Performs
Updated Total Cost of
Ownership study

- Used actual data from previous installations
- Optimized number of collectors
- Optimized inside vs. Outside mount locations



2026

6 Collectors to
be Installed

28 Total
Collectors

Register Project— Current Status

- Total Number of Replacements: 14,584
- Number of Replacements in 2025: 9,103
- Number of Replacements planned in 2026: 13,000



Looking Ahead - Register Replacement



2026

Replace
13,000
Registers

Accounts on AMI:
36,246



2027

Replace
14,000
Registers

Negotiate
New
Contract

Accounts on AMI:
44,246



2028

Replace
14,000
Registers

Accounts on AMI:
58,246



2029

Replace
14,000
Registers

Accounts on AMI:
72,246



2030

Replace
14,000
Registers

Accounts on AMI:
86,246