Board of Water Commissioners

May 13, 2025

Consent Agenda

Min 25-23 - Approving the minutes of the April 8, 2025 meeting

RES 25-746 - Approving the Financial Statements for the month of March 2025

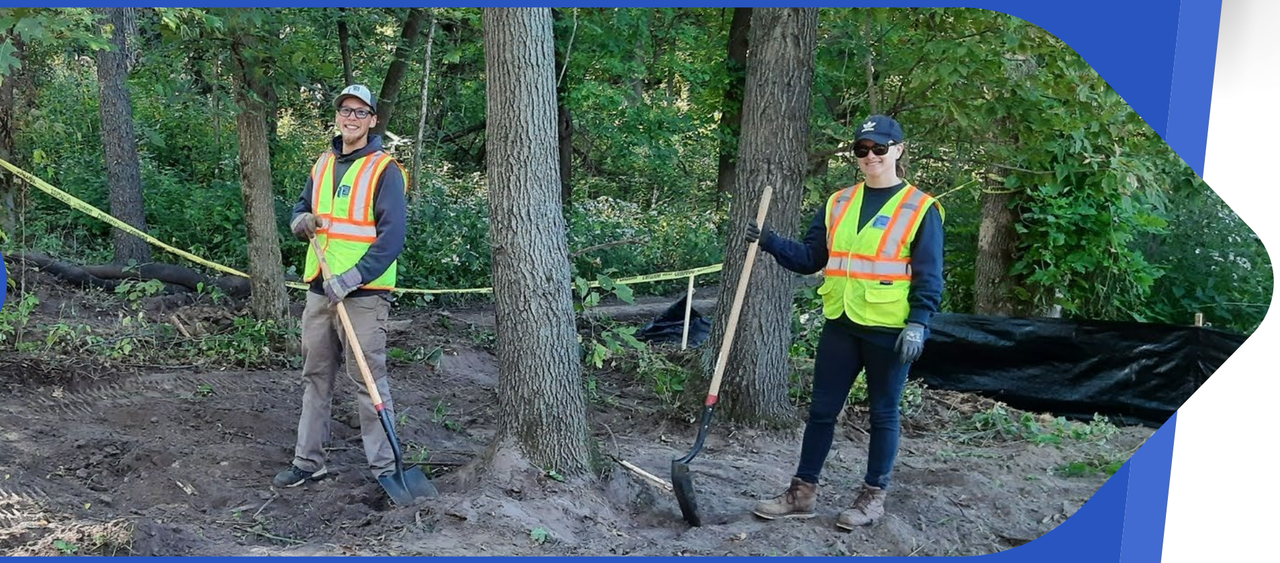
RES 25-747 - Pertaining to a Cooperative Agreement between the Board and Ramsey County to share the cost for the reconstruction of a portion of Eustis Street in Saint Paul

RES 25-748 - Pertaining to a Private Water Main Agreement with That Property Place, LLC., to supply water to 1985-11th Avenue East in the city of Maplewood

RES 25-749 - Pertaining to master service agreement with Advanced Utility Systems to implement software upgrades, add-ons, and enhancements to the Board's customer information and billing system

Action Item

RES 25-750 - Pertaining to the Board of Water Commissioners Policy: Land Ownership, Surplus Designation, and Disposition.



Background Information
The Board of Water Commissioners (“Board”) owns land within Anoka, Dakota, and Ramsey County for the purpose of current and future water utility operations. Over the past fifty years, the Board has deemed land surplus and sold the land based on staff recommendations that the land did not serve a current or future purpose for the utility.

A policy regarding land and surplus land sales was proposed and followed by the Board in 1996, but this policy had not been officially adopted by the Board by resolution. Staff has updated this previous policy based on input from the current Board resulting in a written policy before the Board for consideration and/or adoption by resolution.

PROPOSED POLICY

Board of Water Commissioners Policy: Land Ownership, Surplus Designation, and Disposition

I. Land Ownership Records and Titling

II. Surplus Land Identification and Designation

- Not Surplus
- Surplus – Available for Sale
- Surplus – Unavailable for Sale

III. Revenue Generation for Non-Sale Properties

IV. Surplus Land Sale Process

V. Oversight and Amendments

Discussion Item
Strategic Plan

NEW

Mission Statement

To provide high-quality water and exceptional service to all in our communities.

To provide reliable, quality water and services at a reasonable cost.

NEW

Vision Statement

To make water accessible and affordable for all in our communities by strengthening infrastructure resilience, implementing sustainable practices, and adapting to evolving challenges—ensuring a lasting legacy of water for generations to come.

To be a regional and national water industry leader emphasizing quality product, services and cost containment.

EXTERNAL ANALYSIS OF

INDUSTRY TRENDS

Aging Infrastructure

Water system infrastructure across the country is outdated and in need of replacement or repair. Delays in addressing these needs increase the risk of failures and service disruptions. Ongoing investment in infrastructure renewal is critical to maintaining reliability and safety.

Regulatory Pressures

Regulations around water quality, safety, and reporting continue to expand, often without funding which creates financial and operational strain. Engagement in State and Federal rulemaking is essential to help shape effective regulations.

Financial Challenges

Water use is declining, but infrastructure and service costs are rising. This mismatch creates pressure to raise rates, which must be justified through transparent decision-making, cost control, and efficient operations. Accessing outside funding sources will also be key.

Evolving Customer Expectations

Today's customers expect more than just reliable water - they want clear communication, fast service, and transparency around quality and environmental impact. Meeting these expectations requires better customer service tools and more responsive engagement.

Workforce Changes

Many experienced water industry employees have already or will be retiring soon. Replacing them is difficult due to competition for talent and changing career expectations. Utilities must attract and train the next generation of professionals to ensure continuity and innovation.

Technology and Innovation

New technologies are helping utilities monitor systems, treat water more effectively, and extend infrastructure life. Embracing innovation supports better service and cost savings - but also requires investment and skilled staff to implement.

Energy Costs and Environmental Demands

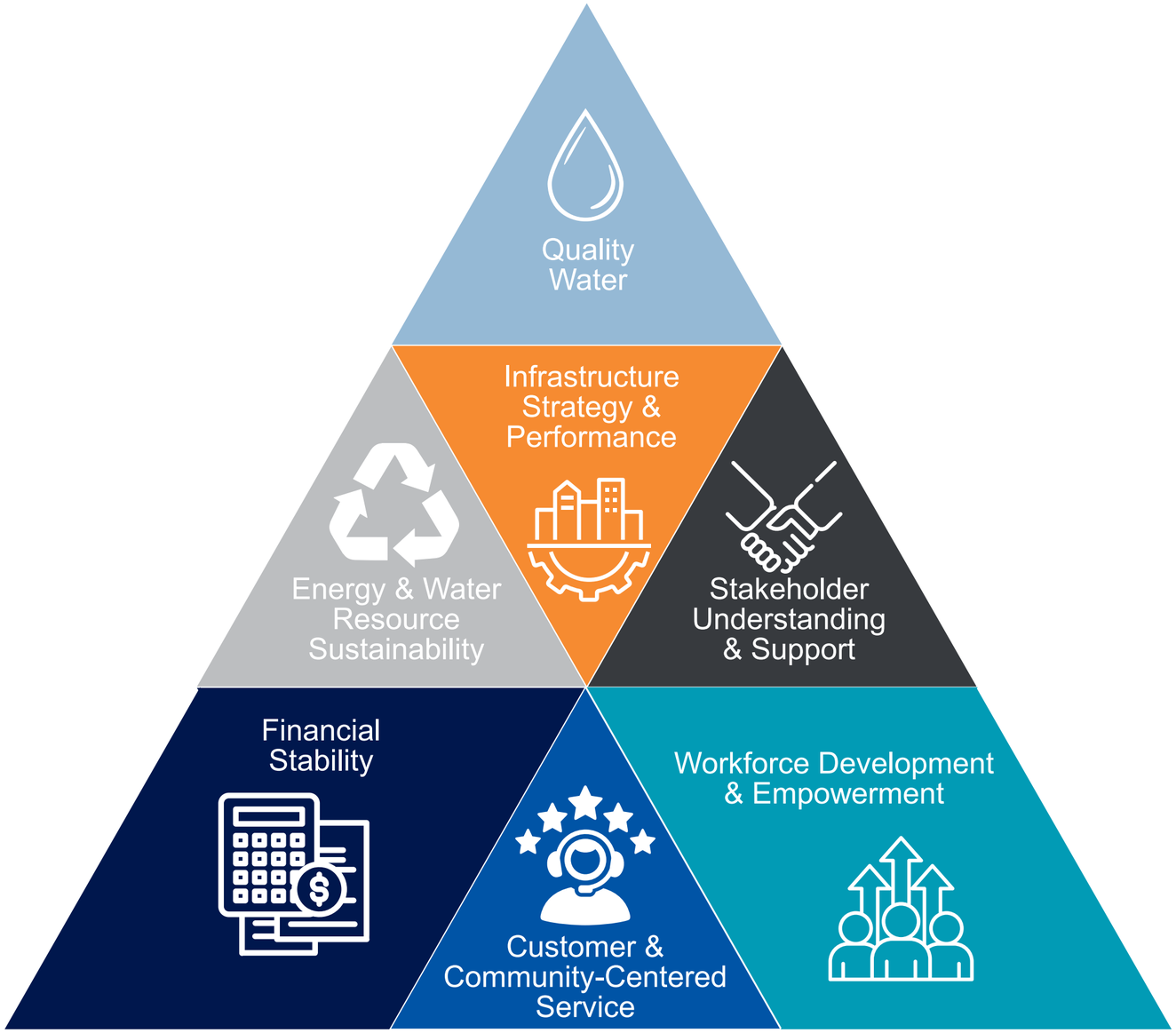
Energy is a major utility expense, and prices continue to fluctuate. At the same time, utilities are under pressure to reduce emissions and use energy more efficiently. Improving energy performance is essential for both cost control and sustainability.

Resilience and Security

Utilities face increasing risks from climate change, public health emergencies, and cyber threats. As systems become more digital and interconnected, protecting against digital disruptions is critical. Strengthening emergency preparedness, cybersecurity, infrastructure resilience, and staff training helps ensure safe, reliable service and protects both employees and customers.

GUIDING PRINCIPLES TO ACHIEVING OUR MISSION

SPRWS PYRAMID OF SUCCESS



SAINT PAUL REGIONAL WATER SERVICES

VALUES

Equity
Innovation
Resilience

Surrounding and supporting these guiding principles are the core values that define how we approach our work. These values shape our culture and decision-making, ensuring that we lead with purpose and integrity:

- **Equity** ensures that all communities - especially those historically underserved - have fair and inclusive access to safe, clean drinking water.
- **Innovation** drives us to embrace new technologies, modernize our systems, and develop smarter solutions for a changing world.
- **Resilience** empowers us to anticipate and adapt to environmental, operational, and economic challenges, maintaining reliable service through uncertainty.

Customer and Community - Centered Service

We are committed to understanding and meeting the diverse needs of our customers. People differ in how they communicate, manage payments, and navigate affordability challenges. By fostering inclusive engagement, offering accessible service options, and prioritizing clear, two-way communication, we aim to build trust and ensure equitable access to essential water services for all.

Beyond customer service, we recognize our broader role as a community partner. Our role includes supporting the region's long-term economic, social, and environmental well-being. By investing in local hiring and prioritizing spending with local and diverse suppliers, we help keep resources in the community and support inclusive growth.

Implement New Methods for **Customer Feedback** and Input

Develop and Utilize a **Customer Experience Guide** to Elevate Service at all Customer Touch Points

Launch a **Customer Contact Campaign** to Improve the Availability and Accuracy of Customer Contact Information to Assist in Better Communication

Roll Out **Automated Metering Infrastructure (AMI)** to Catch and Minimize Leaks on Customer Infrastructure

Expand Awareness and Use of the New **Customer Portal** including **Auto Pay** & **E-Billing** Services

Automated Metering Infrastructure Allows for **Leak Forgiveness and Monthly Billing** in the Future

Continue to Advocate for and Fund Low-Income Assistance Program: **Water Works**

Increase Program Awareness, Usability, and Participation

Workforce Development and Employee Empowerment

We believe in fostering a workplace where all employees can thrive and contribute meaningfully to SPRWS's mission. Over the past decade, we have experienced a significant loss of institutional knowledge due to retirements. About 40% of our current staff have worked at SPRWS for less than five years. While this presents challenges as we rebuild knowledge, this shift presents a unique opportunity to thoroughly review and evaluate the ways in which we operate to ensure our practices and processes align with current and future needs. By creating a supportive and inclusive work environment that values diversity, promotes collaboration, and encourages work-life balance, we aim to attract, retain, and develop a talented workforce capable of meeting the needs of the water industry now and into the future.

Continue to Prioritize and Build a **Welcoming & Inclusive Culture**

Build Upon Efforts Aimed at **Local and Diverse Recruitment** to Ensure Workforce Reflects Our Communities

Enhance **Evaluation and Feedback Structures** to Support Continuous Growth for All Employees

Invest in **Development Opportunities** including Skill Building, Cross Training, Mentorship, and Succession Planning

SAINT PAUL REGIONAL WATER SERVICES

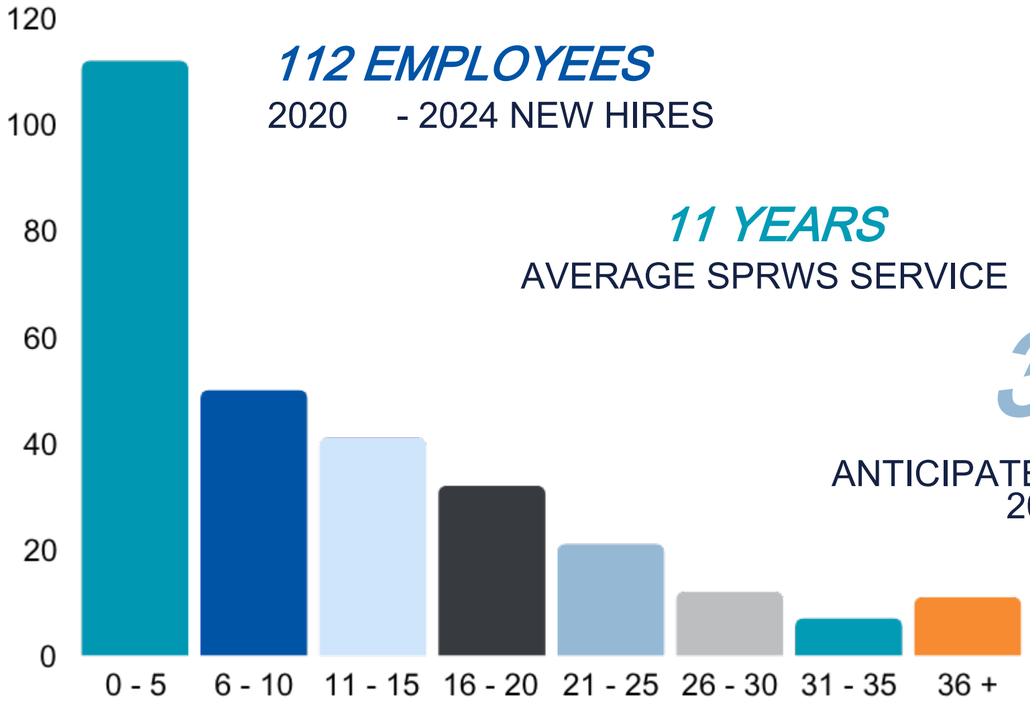
EMPLOYEES BY THE #s

20 %

FEMALE EMPLOYEES

32 %

LIVE IN SERVICE AREA



112 EMPLOYEES

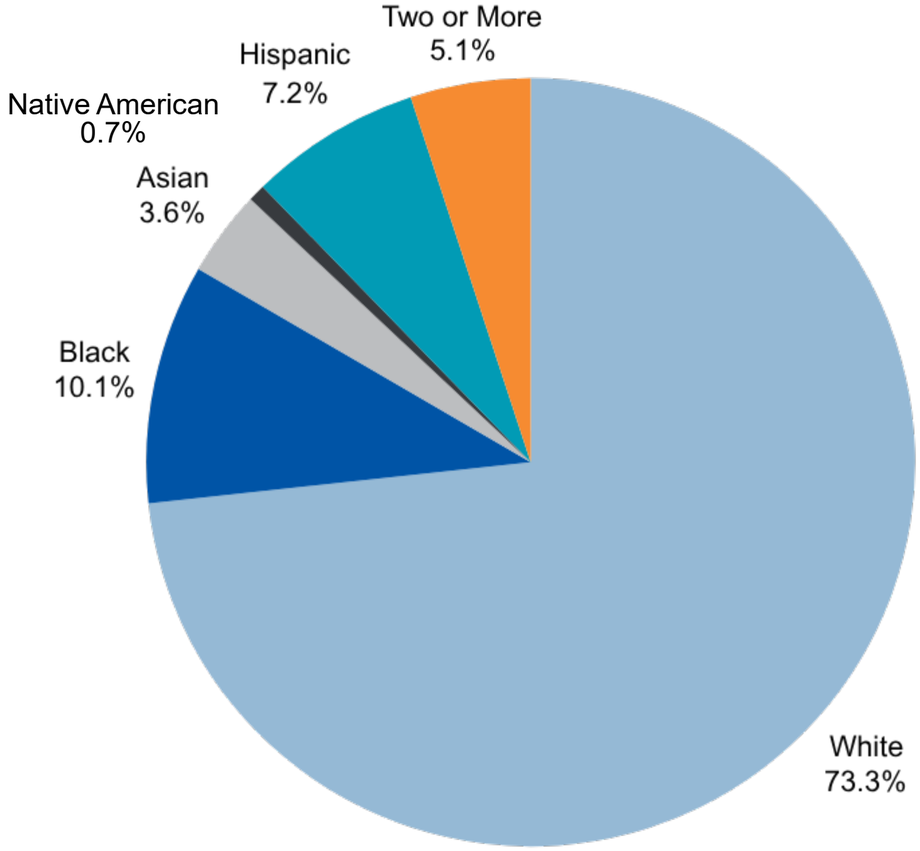
2020 - 2024 NEW HIRES

11 YEARS

AVERAGE SPRWS SERVICE

30+

ANTICIPATED RETIREMENTS
2025 - 2029



Financial Stability

SPRWS is committed to leveraging technology and data-driven insights to optimize operational efficiency and financial sustainability. By integrating solutions like Automated Metering Infrastructure (AMI) and advanced asset management systems, we will enhance service reliability, reduce water loss, and modernize infrastructure. Data will guide us in making informed investment decisions, ensuring resources are allocated effectively for maximum impact. As part of our financial strategy, we are committed to maintaining our Triple-A bond rating by closely monitoring key industry financial indicators tied to utility stability, debt management, and long-term solvency. Through strategic planning and smart investments, we will deliver high-quality water services while maintaining affordability, fiscal strength, and long-term sustainability.

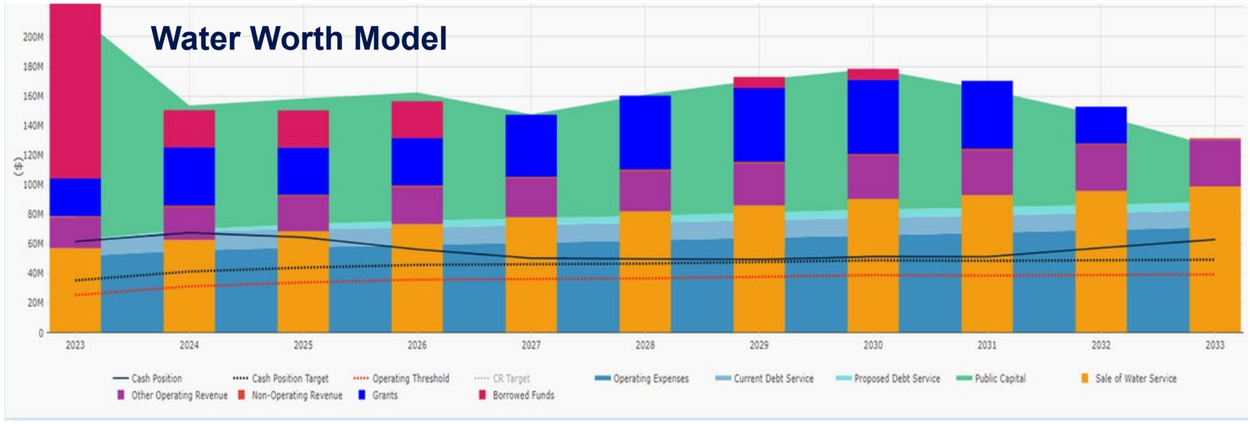
Focus on Stronger **Asset Management** to Support Data Driven Investments. This Includes a New System, New Role, and Formalized Asset Management Plan

AAA RATING

Continue to Enhance and Roll Out Long-Term Financial Plans Utilizing **Water Worth Modeling** to Make Strategic Financial Decisions

Build Additional Transparency and Involvement in the **Budgeting Process**

Research and Advocate for **External Funding Sources** to Minimize Reliance on Rate Increases



Infrastructure Strategy and Performance

SPRWS is committed to maintaining a resilient and efficient water system through strategic infrastructure planning, investment, and performance management. Central to this commitment is the annual update of the 10-Year Capital Improvement Plan (CIP), which serves as a comprehensive roadmap for maintaining, upgrading, and replacing the utility's infrastructure assets.

Future updates will increasingly emphasize lifecycle cost analysis, risk-based decision-making, and the integration of new technologies to improve operational efficiency and service reliability. We will also place greater emphasis on identifying the long-term financial impacts of capital projects and aligning them with broader strategic goals. By proactively investing in data-driven planning and asset management, SPRWS is building a stronger foundation to support a sustainable, adaptive, and high-performing water utility for decades to come.

Clearly Communicate and Gain Support for **Necessary Rate Impacts** to Address Aging Infrastructure

Align Infrastructure Projects with **Key Performance Indicators (KPIs)**

Further Refine Capital Spending **Prioritization Model** to Invest Limited Funding Strategically

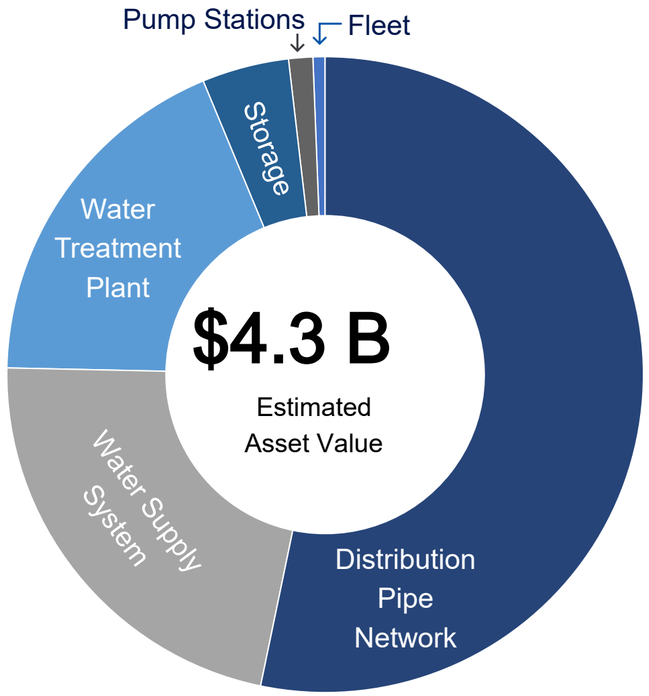
Continue to Build Out a Further Informed **10-Year Capital Investment Plan (CIP)**

Enhance Water Audit Methods to **Identify and Address Increases in Non-Revenue Water (NRW)**

Successfully Increase Capital Spending and Deliver a variety of Projects Including:

McCarrons Treatment Plant Upgrade
Lead Free SPRWS
Meter System Renewal

CAPITAL ASSET SUMMARY



Energy and Water Resource Sustainability

In the water industry, sustainability is more than a goal - it is a guiding principle that shapes every aspect of responsible utility management. As the impacts of climate change intensify, infrastructure ages, and natural resources face increasing pressure, utilities must act with foresight and environmental responsibility. For Saint Paul Regional Water Services, this means embedding sustainability into every operational and planning decision we make.

From protecting our source water and reducing system losses to improving energy efficiency and exploring renewable energy options, SPRWS is committed to managing resources in a way that safeguards the environment, strengthens system resilience, and ensures long-term reliability for the communities we serve. By applying an environmental lens to our daily work and strategic direction, we aim to lead with innovation, protect future water supply needs, and support regional efforts to preserve Minnesota's water resources for generations to come.

Protect Water Appropriations for Existing and Future SPRWS Customers

Further Expand the Use of **Renewal Energy Sources**

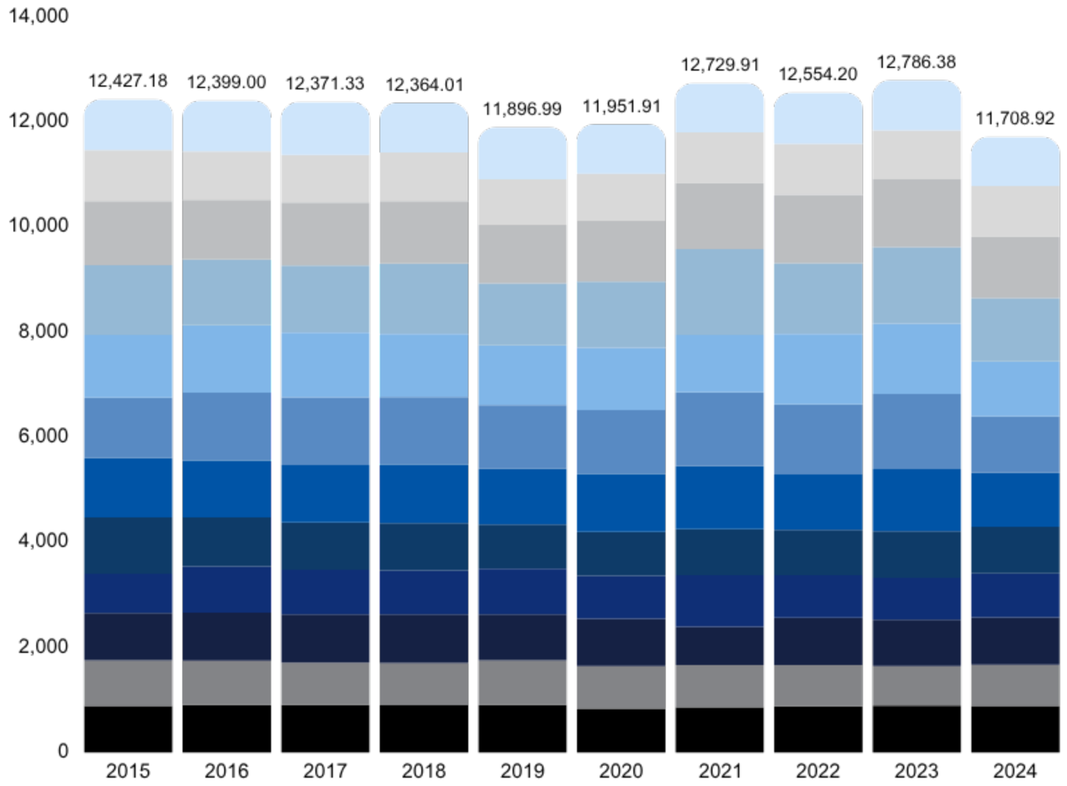
Utilize **Energy Audits and Pump Studies** to Make Informed Operational Decisions Aimed at Greater Efficiency

Build Upon Relationships with Local Organizations to **Enhance Watershed Protection**

Utilize Emerging Technology to **Reduce Water Loss**

SAINT PAUL REGIONAL WATER SERVICES

WATER CONSUMPTION HISTORY



10 YEAR AVERAGES

PUMPING

14,745

MILLION GALLONS PER YEAR

40

MILLION GALLONS PER DAY

16%

NON-REVENUE WATER

CONSUMPTION

12,345

MILLION GALLONS PER YEAR

76.3

GALLONS PER CAPITA PER DAY

Building a 5th Clarifier Could Increase Capacity by 28 MGD

Mississippi River Appropriations Permit: Up to 109 MGD

INITIAL EXPANSION CONSIDERATIONS

112 PLANT CAPACTY (MGD) → *84* REDUNDANT PLANT CAPACITY (MGD) − *70* PEAK PUMPING DEMAND (MGD) − *7* DEMAND GROWTH AND BUFFER (MGD) = *7* INITIAL EXPANSION CAPACTY (MGD)

Stakeholder Engagement and Support

Saint Paul Regional Water Services is committed to being more than a utility provider - we strive to serve as a pillar of the community, contributing to the social, economic, and environmental health of the region. As we look toward 2030, our ability to deliver safe, reliable water will depend not only on technical skills but also on the strength of our relationships with the public, our partners, and the institutions we work alongside. Building stakeholder understanding and support is critical as we address aging infrastructure, respond to evolving regulatory requirements, and navigate growing public attention on drinking water quality. To earn and sustain trust, SPRWS must be transparent in our decision-making, clear in our communication, and visible in our commitment to community service.
We will continue to invest in outreach, education, and engagement - sharing updates on major projects, highlighting the essential work of our employees, and creating meaningful opportunities for feedback.

Continue to **Build Social Media Following and Development of Engaging Content** to Keep Variety of Stakeholders Informed

Strengthen **Collaboration with Peer Utilities** to Share Knowledge and Drive Innovation

Renovate the McCarron's Room in the Treatment Plant to Serve as an **Interactive Learning Space** in Addition to Expanded Tour Options

Enhance Partnership with the City of Saint Paul to **Improve the Effectiveness of Shared Workflows and Programs**

Build Upon Momentum Around **Branding and Engagement Efforts** to Increase Awareness Across All Customer Cities

Partner with Local Agencies and Cities in the North East Metro to **Evaluate Regional Water Needs** and Potential for an Expanded SPRWS Service Area

Increase Involvement in **Political Advocacy** to Ensure Utility Needs Are Clearly Understood By Decision Makers

Regulatory Compliance and Quality Water

At SPRWS, ensuring the delivery of clean, safe drinking water is at the heart of our mission. We are dedicated to maintaining the highest standards of water quality while meeting or exceeding all regulatory requirements. Our commitment to regulatory compliance is unwavering, as we continuously monitor and adapt our water quality practices to address emerging challenges such as new contaminants, aging infrastructure, and evolving federal, state, and local regulations. By focusing on reliability, proactive monitoring, and best practices, we aim to provide a consistent and dependable drinking water that serves the needs of our communities today and for generations to come.

Successfully **Transition to the Upgraded Water Treatment Plant** and Ensure Continued Regulatory Compliance

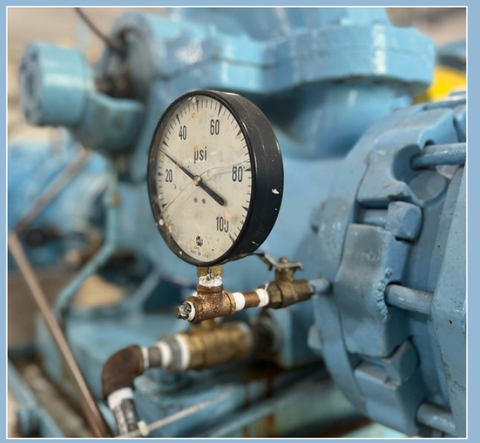
Monitor and Address **Emerging Contaminants** Including PFAs

Achieve and Maintain Full Compliance with the **Lead and Copper Rule** as we Work to Remove Lead Service Lines

Enhance **Emergency Preparedness and Response** to Ensure Resiliency

Achieve and Maintain **Phase IV Partnership for Safe Water** in both the Production and Distribution Divisions

Adopt Advanced Technologies for Enhanced **Water Quality Monitoring** in the Distribution System



KEY INITIATIVES

Project Overview

CUSTOMER PORTAL

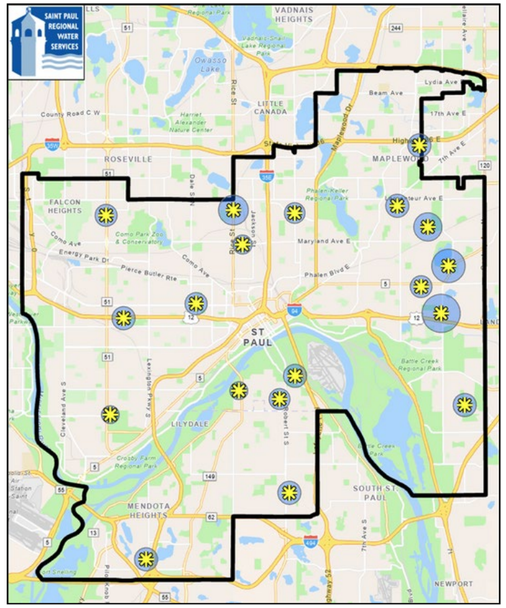
SPRWS is focused on the following areas for growth during this strategic cycle to truly make this project successful:

- **Increase Customer Enrollment on the Portal**
- **Increase Use of Automated Payments**
- **Increase Utilization of Paperless Billing**
- **Further Development of Chatbot Functionality**

These enhancements will help us better engage with our customers, make interactions more efficient, and ensure the portal continues to evolve as a valuable tool for delivering exceptional service.

Project Overview

METER SYSTEM RENEWAL



Project Overview

LEAD FREE SPRWS

~26,000

LEAD SERVICE LINES

ESTIMATED PROJECT COST

$400

LEAD FREE SPRWS

Project Overview

ENTERPRISE ASSET MANAGEMENT SYSTEM

This initiative marks a strategic shift toward a more comprehensive use of asset management across SPRWS. As adoption expands organization-wide, asset data will play a critical role in shaping the 10-Year Capital Improvement Plan, tying together KPIs, maintenance schedules, risk assessments, and lifecycle cost analysis.

Project Overview

MCCARRONS TREATMENT PLANT

McCarrons Plant Project SPRWS

BWC FY26 Budget Timeline

July, 15, 2025

BWC Budget Workshop

August 21, 2025

Budget presentation & proposal/questions

September 9, 2025

BWC approves the budget.

October 21, 2025

Additional date if needed for the BWC to approve the budget