

BOARD OF WATER COMMISSIONERS
RESOLUTION

PRESENTED BY
COMMISSIONER _____

No. 26-246
DATE February 10, 2026

Resolution Requesting the City of Saint Paul, Minnesota to Issue and Sell Water Revenue Bonds in an Aggregate Principal Amount Not to Exceed \$7,500,000 for the WTP Modernization Project and up to \$55,000,000 for Various Lead Pipe Replacement Projects; Expressing the Intent of the Board of Water Commissioners to Reimburse Itself from the Proceeds of Such Tax-Exempt Bonds; and Authorizing Board of Water Commissioners Staff to Take Certain Actions with Respect to the Sale of Such Tax-Exempt Bonds

WHEREAS, Saint Paul Regional Water Services (the "Utility") provides safe drinking water to the residents of the City of Saint Paul, Minnesota (the "City") and the surrounding municipalities; and

WHEREAS, the Board of Water Commissioners of the City of Saint Paul, the governing body of the Utility (the "Board"), has identified certain water improvement and rehabilitation projects as set forth in the Water Capital Improvement Plan for the years 2020 through 2026 generally described as McCarron's Treatment Plant Improvements, including but not limited to financing the construction and equipping of new softening and settling facilities, new chemical handling facilities, new recarbonation facilities, new ozone facilities, and a new laboratory and operations space (the "WTP Modernization Project") that will require the incurrence of a tax-exempt bonds or other debt obligation for funding of such WTP Modernization Project; and

WHEREAS, the Utility and the City are also working on a lead pipe replacement program that will require the incurrence of a tax-exempt note, a taxable note or other debt obligation for funding of a portion of such lead pipe replacement projects (the "Lead Pipe Replacement Projects"), including the planning, design, inspection, project implementation, and construction costs; and

WHEREAS, it is proposed that the Council adopt resolutions at a later date authorizing the issuance of one or more series of revenue notes in an aggregate principal amount not to exceed **\$62,500,000** (the "Series 2026 Notes"), of which (i) approximately **\$7,500,000** is anticipated to be sold in a direct placement to the Minnesota Public Facilities Authority (the "PFA") in 2026 to provide additional funding, in addition to the more than **\$225,000,000 previously issued**, for the Water Treatment Plant Modernization Project (the "WTP Notes"), and (ii) up to **\$55,000,000** is anticipated to be sold in a direct placement to the PFA in 2026 to provide funding for a portion of the Lead Pipe Replacement Projects (the "Lead Pipe Replacement Notes"); and

WHEREAS, the PFA will provide a grant to the City and SPRWS (the "2026 LSLR Grant") at the time of issuance of the 2026 LSLR GAN that will be sufficient to repay the full amount of the 2026 LSLR GAN if SPRWS and the City comply with the requirements of the 2026 LSLR Grant; and

WHEREAS, the Series 2026 Notes will be special, limited obligations of the City payable solely from revenues of the Utility and each series of the Series 2026 Notes will (i) fund the WTP Modernization Project or the Lead Pipe Replacement Projects, (ii) fund necessary reserves, if any, and (iii) pay costs of issuance; and

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Water Commissioners

Yea

Adopted by the Board of Water Commissioners

Nay

February 10, 2026

In favor

Opposed

ORIGINAL

Secretary

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WHEREAS, the Series 2026 Notes will be issued and payable on a parity with other outstanding revenue bonds of the City that are payable from the net revenues of the Utility, and the Utility staff and City staff will work with Ballard Spahr LLP as bond counsel to the City and Ehlers & Associates, Inc., as municipal advisor, to sell the Series 2026 Notes in the future when appropriate; and

WHEREAS, the Council will also authorize execution and delivery of a Bond Purchase Agreement or Bid Form as necessary for the Series 2026 Notes after such sale; and

WHEREAS, the Board will be required to concur in the issuance and sale of the Series 2026 Notes at a later date after such sale of the Series 2026 Notes but prior to their issuance by the City.

BE IT RESOLVED by the Board of Water Commissioners of the Saint Paul, Minnesota, as follows:

- 1) **Request and Recommendation.** The Board hereby requests and recommends that the City authorize the issuance of the Series 2026 Notes in an estimated amount not to exceed \$7,500,000 in order to fund the WTP Modernization Project and an amount up to \$55,000,000 for the Lead Pipe Replacement Projects and work with Utility staff, PFA staff, City staff, Ballard Spahr LLP and Ehlers & Associates, Inc. on the issuance and sale of the Series 2026 Notes upon the terms and conditions deemed appropriate by Utility staff and City staff with advice from Ehlers & Associates, Inc. and Ballard Spahr LLP. The Board will review and take concurring action at its next meeting following Council action authorizing issuance and sale of each series of the Series 2026 Notes. The staff of the Utility and the City are also able to take all necessary actions to apply to the PFA for a loan for all or a portion of the Series 2026 Notes.
- 2) **Reimbursement.** The Board intends to make expenditures for the capital projects financed by the Series 2026 Notes (the WTP Modernization Project and the Lead Pipe Replacement Projects) and reimburse such expenditures from the proceeds of tax-exempt bonds or obligations. This resolution is intended to constitute a declaration of the Board's official intent, for purposes of Section 1.150-2 of the Treasury Regulations, with respect to certain original expenditures made from any sources other than the proceeds of the obligations, in conjunction with the capital projects and equipment financed thereby (the WTP Modernization Project and the Lead Pipe Replacement Projects).

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Water Commissioners

Yeas

Adopted by the Board of Water Commissioners

Nays

February 10, 2026

Secretary

In favor

Opposed

ORIGINAL