



2016 Budget Summary

Highlights for Saint Paul Regional Water Services (SPRWS)

Saint Paul Regional Water Services provides water services to the city of Saint Paul and nine surrounding communities. For four of the surrounding cities, the water system is owned and operated by SPRWS. In the case of three communities, SPRWS supplies water on a retail basis and then has agreements to operate these systems. The last two communities are provided water through wholesale agreements. Saint Paul Regional Water Services was created in 1865.

In addition to supplying water to communities, SPRWS offers consumer billing services. The billing services are customized so each community can select the optional charges to include in the bills provided to their consumers. Examples of optional charges would be sanitary and storm sewer fees.

Water System

SPRWS produces an average of 43 million gallons of drinking water per day and distributes it through more than 1,200 miles of water main. The system serves approximately 425,000 people.

SPRWS obtains its water from four major sources: (i) the Mississippi River, (ii) the Rice Creek chain of lakes north of Saint Paul, (iii) the Vadnais Lake area watershed, and (iv) a series of wells. The treatment plant was constructed in 1920-22 and has been enlarged and modernized over the years.

Board of Water Commissioners

SPRWS is governed by a seven member Board of Water Commissioners. The Saint Paul officials are appointed by the Mayor, subject to approval by the City Council. The suburban members are appointed by their respective city councils.

Saint Paul City Council Members

Amy Brendmoen, Vice President
Russ Stark
Chris Tolbert

Saint Paul Citizens

Matt Anfang, President
Mara Humphrey

Suburban Council Members

David Meisinger
Will Rossbach

The water board meets monthly on the second Tuesday of the month. The meetings are open to the public.

General Manager

Daily operation of SPRWS is under the direction of General Manager Steve Schneider. He was appointed general manager in 2003 and has been with SPRWS since 1990.

Published by the
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The 2016 proposed annual budget will provide the resources necessary for us to continue our mission to provide reliable, quality water and services at a reasonable cost. This budget includes the following financing and spending plans:

Financing Plan

(In Millions)	2016	2015	Change
Water Fees	\$56.5	\$54.7	\$1.8
Misc. and Non-Operating	\$5.3	\$5.2	\$0.1
Right-of-Way Recovery Fee	\$1.9	\$1.9	\$0.0
Issuance of Debt	\$7.6	\$2.2	\$5.4
Total Financing	\$71.3	\$64.0	\$7.3

Spending Plan

(In Millions)	2016	2015	Change
Salaries and Fringes	\$21.8	\$20.7	\$1.1
Services	\$11.5	\$12.0	(\$0.5)
Supplies and Misc.	\$8.9	\$8.5	\$0.4
Operating Expenses	\$42.2	\$41.2	\$1.0
Revenue Funded Capital	\$16.0	\$14.8	\$1.2
Debt Funded Capital	\$7.6	\$2.2	\$5.4
Debt Service and Misc.	\$5.5	\$5.8	(\$0.3)
Total Spending	\$71.3	\$64.0	\$7.3

Water Service Base Fee

There is a \$1 per month increase proposed, bringing the monthly fee to \$5 per month for typical residential customers. This fee is based on the size of the meter. The fee increases as the meter size increases to reflect the added cost of providing peak volume capacity.

Meter Size	Monthly Amount
5/8 & 3/4 Inch	\$5.00
1.0 Inch	\$12.50
1.5 Inch	\$25.00
2.0 Inch	\$40.00
3.0 Inch	\$80.00
4.0 Inch	\$125.00
6.0 Inch	\$250.00
8.0 Inch	\$400.00
10.0 Inch	\$575.00

Sale of Water

There is no change in the projected volume of water to be sold in 2016. Total consumption remains at 1.790 billion cubic feet. There is no change proposed in the consumption based rates: The rates per 100 cubic feet are as follows:

	2015	2016
Winter rate	\$2.52	\$2.52
Summer rate	\$2.62	\$2.62
Ave. \$2.57		

Water Main Surcharge

There is no change in the water main surcharge. The rate is \$0.20/100 cubic feet.

Impact of Rate Adjustments on Typical Residential Customer in Saint Paul

Assuming an average annual consumption of 88 units (65,824 gallons), the impact on the average family is an increase of \$12.00 per year for a total cost of \$321.76. This consists of the following:

	2015	2016	Change
Consumption Based	\$226.16	\$226.16	\$ -
Water Service Base Fee	\$48.00	\$60.00	\$12.00
Water Main Surcharge	\$17.60	\$17.60	\$ -
Right-of-Way Recovery Fee	\$18.00	\$18.00	\$ -
Total Annual Cost	\$309.76	\$321.76	\$12.00
3.87% increase			

Spending Plan

Operations and Maintenance Costs

Operations and maintenance includes all expenses we incur to operate and maintain the water system. This includes salaries and fringes, services, and miscellaneous costs.

Revenue and Debt Funded Capital Investments

Revenue funded capital projects include buried infrastructure replacement, water tower and routine pumping station improvements, and other small capital and equipment.

Debt funded capital projects include the replacement of the electrical switchgear at the treatment plant and improvements to the pumping stations.

Debt Service and Miscellaneous Costs

On December 31, 2014, SPRWS had total outstanding debt of \$45.7 million. Other miscellaneous costs include financing lead service replacements.

