



2024 Green Bonds Report for the City of Saint Paul



SAINT PAUL
MINNESOTA

Series 2020D Sewer Revenue Bonds
Series 2021F Sewer Revenue Bonds
Series 2022B Sewer Revenue Bonds
Series 2023E Sewer Revenue Bonds

Office of Financial Service
Treasury

August 2024

700 City Hall, 15 W Kellogg Blvd
Saint Paul, MN 55102

Contents

A Note from the Treasurer.....	2
Annual Reporting Commitment.....	3
Use of Proceeds	3
Project Selection.....	4
2020 Sewer Utility Projects	5
2021 Sewer Utility Projects.....	5
2022 Sewer Utility Projects	6
2023 Sewer Utility Projects	7
Project Spending and Environmental Impacts	8
Major Sewer Repairs	9
Stormwater Quality Improvements	10
Sewer Tunnel Rehabilitation	11
Sewer Rehabilitation	11
Additional Resources	13
Contacts.....	13

A Note from the Treasurer

Mayor Melvin Carter and the Saint Paul City Council recognize that climate change is a serious threat to the health, safety and quality of life for all residents. The City of Saint Paul, in partnership with the Great Plains Institute, developed a Climate Action & Resilience Plan adopted by the City Council in December 2019. The plan focuses on achieving carbon neutrality in city operations by 2030 and citywide by 2050. This work includes compiling data on energy use, transportation emissions, solid waste, and water treatment and distribution. Strategies to lessen the impacts of climate change will focus on what residents can do in their daily lives, as well as policy and regulatory actions the City can take, to dramatically reduce greenhouse gas emissions, adapt to the changing climate, and improve quality of life in the city.

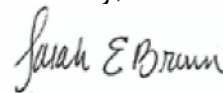
One way the City is putting this plan into action is by viewing rain as a resource, not a waste product sent to the Mississippi River through stormwater drains and pipes. By looking at stormwater treatment in innovative ways at development sites, such as CHS Field, the Snelling-Midway redevelopment surrounding Allianz Field and the Ford site redevelopment, the City looks to create vibrant community-building amenities such as green space and water features for all residents and visitors to enjoy.

Since 2015, the City's Office of Financial Services Treasury Division has contributed to the City's efforts on sustainability by giving investors the opportunity to invest directly in environmentally-oriented capital investments through the purchase of "Green Bonds". The City's \$8,700,000 Sewer Revenue Green Bonds, Series 2015B were the first sold in the State of Minnesota, as well as one of the first Green Bond issuances under \$10,000,000. The City has continued to issue Sewer Revenue Green Bonds subsequently every year. This innovative financing tool helps to accomplish the goal of securing the lowest possible cost financing for these important projects, while also advancing the City's goals around sustainability.

To provide investors with ongoing information regarding the projects financed by the City's Green Bonds, the Treasury Division is providing this report including details and spending data on projects that have been funded by the City's Green Bonds, and the environmental impact the projects have made.

We hope that you find this report helpful and informative. Thank you for your interest and investment in the City's Green Bond program and sustainability in Saint Paul.

Sincerely,



Sarah Brown
Treasurer, Office of Financial Services

Annual Reporting Commitment

The City of Saint Paul (the “City”) intends to report on its Green Bond program at least annually, or until the proceeds of a series have been spent. The City’s Sewer Revenue Bonds, Series 2020D; Sewer Revenue Bonds, Series 2021F; Sewer Revenue Bonds, Series 2022B; and Sewer Revenue Bonds, Series 2023E will be referred to herein as the “Green Bonds”.

In the process of issuing the Green Bonds, the City worked with its municipal advisor, Baker Tilly, LLP, to ensure that the program complies with the Green Bond Principles (the “Principles”) as outlined by the International Capital Market Association. The Principles are voluntary guidelines that recommend transparency and disclosure and promote integrity in the development of the Green Bond market. The Principles include the following four components:

1. Use of proceeds
2. Project Evaluation and Selection
3. Management of Proceeds
4. Reporting

This report shows spending and revenue data for projects financed in 2020, 2021 and 2022, unless noted otherwise.

Use of Proceeds

The City’s annual capital improvement and maintenance plan places a priority on sanitary and storm sewer improvement projects for aging infrastructure that are most likely to allow for exfiltration of untreated wastewater from the infrastructure, inflow and infiltration of clean water into the system, and untreated storm water into the environment.

The City has determined that the projects funded by the Green Bonds meet two categories:

1. **Sustainable Waste Management** (e.g. reducing the exfiltration of contaminated wastewater into the ground or reducing the risk of sewage back-up into the environment)
2. **Sustainable Water Management** (e.g. reducing the amount of clean water entering sewer systems or improving/adding new water treatment systems)

The Green Bonds are secured solely by revenues of the City’s Sewer Utility. The table below gives an overview of the proceeds deposited and actual spending for the Green Bonds. Net Proceeds Deposited is the amount of the bond series deposited into the construction account. Actuals is the total amount of bond proceeds spent on expenses for the designated construction projects.

Bond Issuance	Net Proceeds Deposited	Actuals	Ending Balance*
Sewer Revenue Bonds, Series 2020D	\$8,000,000	\$7,786,334	\$213,666
Sewer Revenue Bonds, Series 2021F	\$8,000,000	\$7,121,644	\$878,356
Sewer Revenue Bonds, Series 2022B	\$8,000,000	\$6,722,142	\$1,277,858
Sewer Revenue Bonds, Series 2023E	\$8,000,000	\$449,282	\$7,550,718

*Bonds will be drawn down to a de minimis amount.

The City has established processes and procedures to ensure the segregation of all bond proceeds from other city funds. In accordance with the Green Bond resolutions and IRS regulations, the proceeds from the Green Bonds have been deposited into segregated project accounts to be drawn upon to finance the costs of the individual projects.

Project Selection

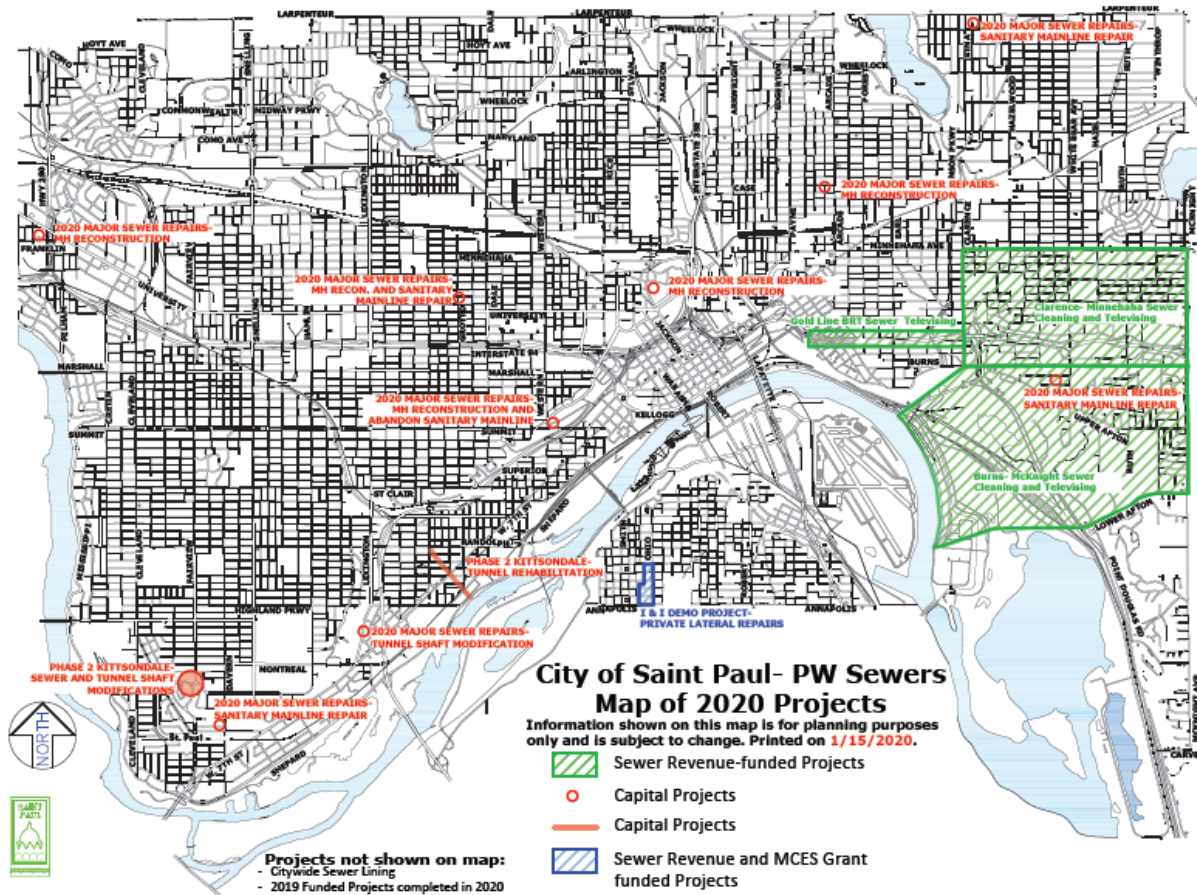
The City owns and maintains approximately 808 miles of sanitary sewer and 455 miles of storm sewer, located in public streets, alleys, or easements. Also included in the sewer system are 31 lift stations, 97 outfalls, and 36 detention ponds. Most of the sanitary sewer system was constructed during the period 1887 to 1958, meaning that most of the system is at least 50 years old and nearly half of it is 75-125 years old.

Projects are identified via a variety of annual inspection and condition assessment programs. For example, the sewer cleaning and televising program has a goal to clean and inspect approximately 80 miles of sanitary sewers (including structures) each year. Each programmed project also includes the video inspection of all storm sewers. The program helps to evaluate pipes so that any necessary maintenance, repair or replacement can be scheduled to minimize unexpected problems and emergency repairs.

The projects financed include major sanitary sewer repairs and rehabilitation work as well as storm water tunnel rehabilitation and treatment improvements. The objectives of these projects include the proper segregation of wastewater from the environment, reduction of clean water entering the sanitary sewer system and the reduction of polluted storm water entering the environment, especially local bodies of water.

The projects selected are located in many areas across the City, as shown on the project area maps that follow.

2020 Sewer Utility Projects

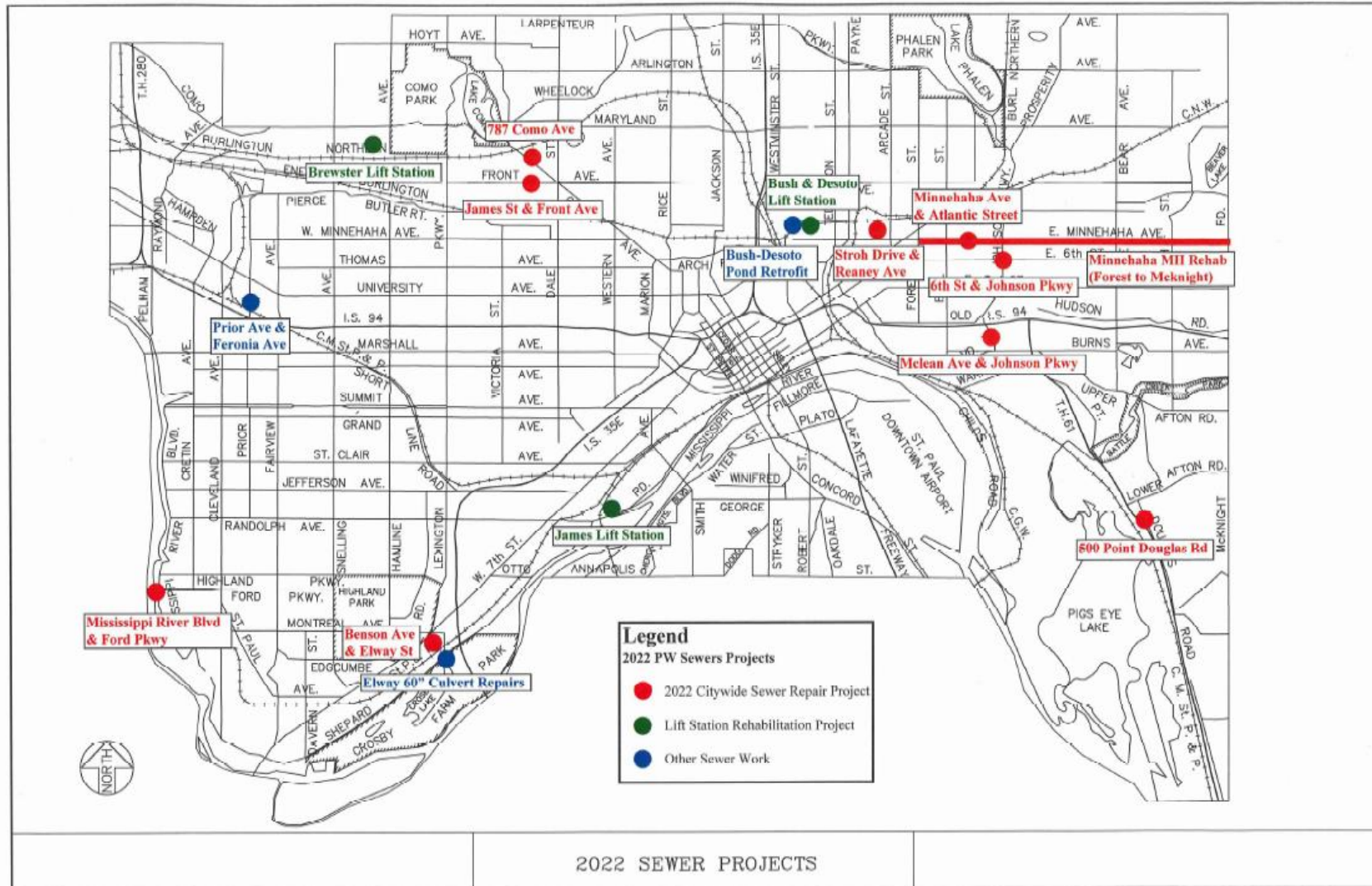


2021 Sewer Utility Projects

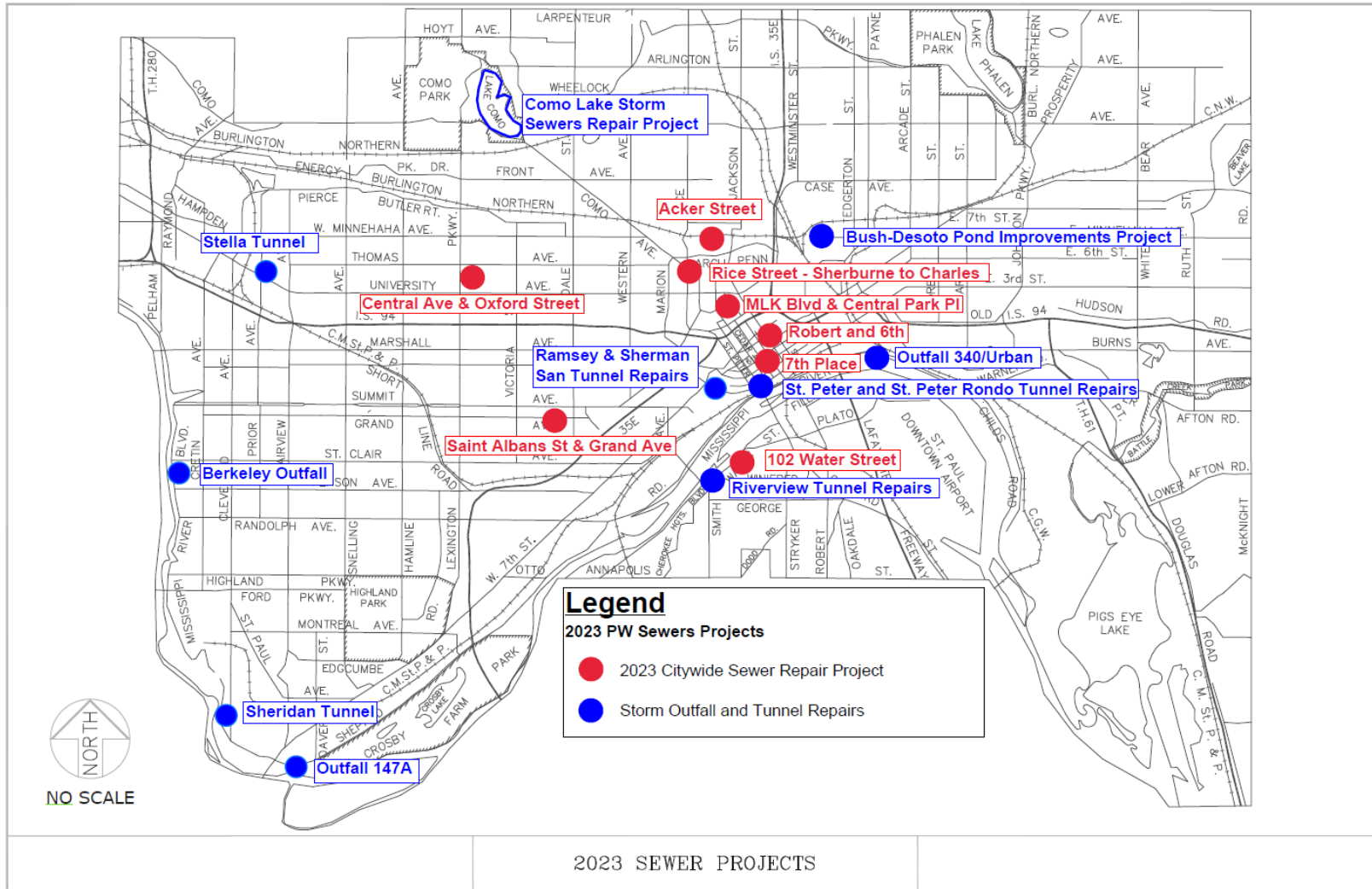
A map of the 2021 Sewer Utility Projects can be found here:

<https://stpaul.maps.arcgis.com/apps/webappviewer/index.html?id=55b963a97919474fb2b9b8940bffe5cf&find=pw2021etnaidahosewer>.

2022 Sewer Utility Projects

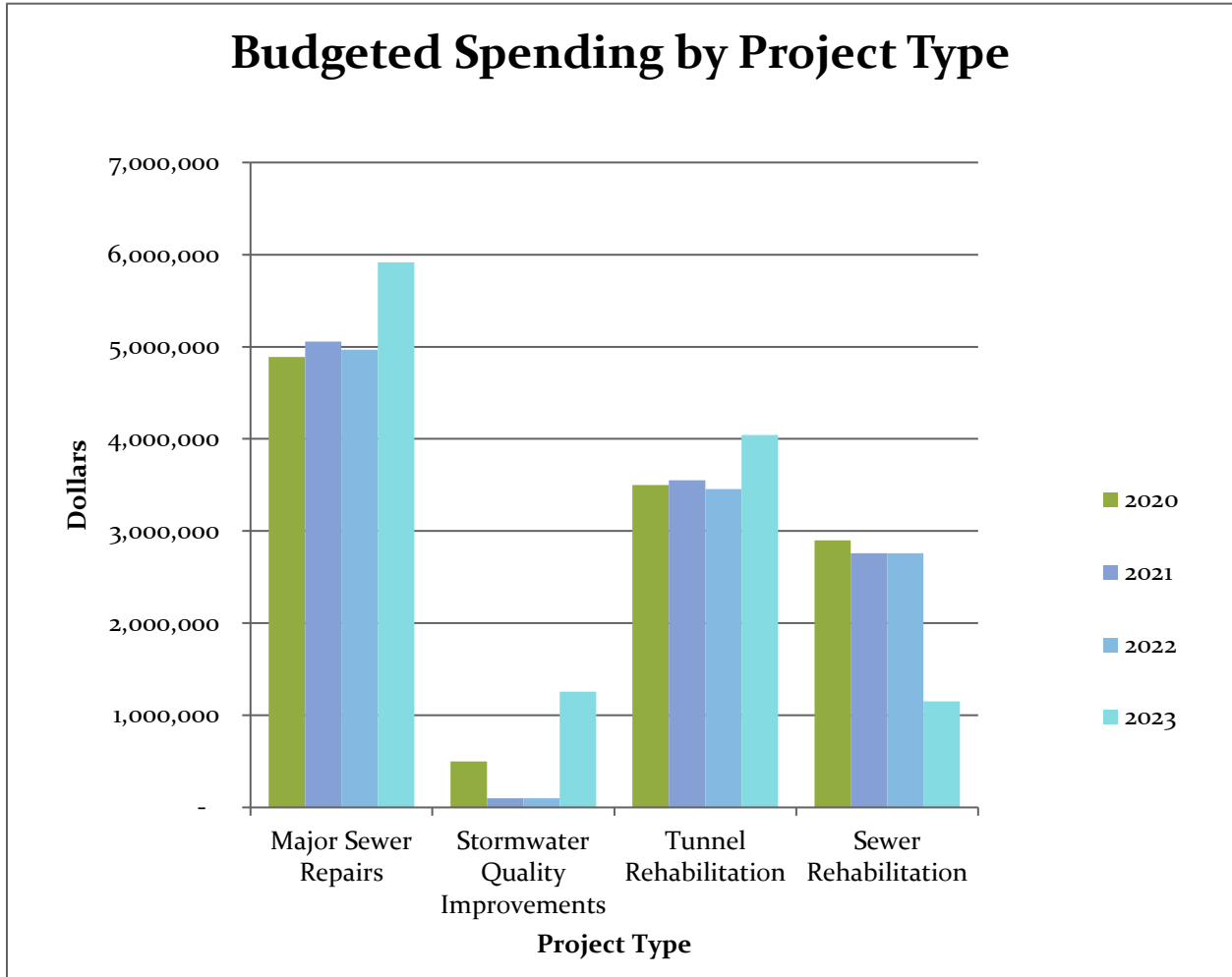


2023 Sewer Utility Projects



Project Spending and Environmental Impacts

The Green Bonds were anticipated to be spent on the project categories shown on the chart below.



Actual project spending and environmental impacts are shown in the tables below.

Major Sewer Repairs

Bond Issue	Project	Actuals	Project Status	Project Description & Environmental Impact
2020D	City, County, and Other Agencies Road Reconstruction Projects.	\$2,733,574	Completed	Replace and rehabilitate sewers facilities and replace private sanitary sewer services within public right-of-way to preserve street pavement life, reduce amount of clear water entering sanitary sewer systems, reduce sewage back-up risks, reduce street flooding risks, and to reduce sewage exfiltration into the ground.
2020D	Citywide Sewer Repairs	\$1,172,182	Completed	
2021F	City, County, and Other Agencies Road Reconstruction Projects.	\$2,068,264	Completed	Replace and rehabilitate sewers facilities and replace private sanitary sewer services within public right-of-way to preserve street pavement life, reduce amount of clear water entering sanitary sewer systems, reduce sewage back-up risks, reduce street flooding risks, and to reduce sewage exfiltration into the ground.
2021F	Citywide Sewer Repairs	\$1,030,944	Completed	
2022B	City, County, and Other Agencies Road Reconstruction Projects.	\$710,009	Completed	Replace and rehabilitate sewers facilities and replace private sanitary sewer services within public right-of-way to preserve street pavement life, reduce amount of clear water entering sanitary sewer systems, reduce sewage back-up risks, reduce street flooding risks, and to reduce sewage exfiltration into the ground.
2022B	Citywide Sewer Repairs	\$1,419,356	Completed	
2022B	Brewster San LS Rehab Project	\$813,357	Completed	
2022B	James Avenue San LS Rehab Project	\$586,550	Completed	Rehabilitate pump stations. Replace and update electrical, mechanical, and safety components. This will reduce sewage back-up risks and increase pump station reliability resiliency.
2023E	2023 Major Sewer Repairs Projects	\$151,067	In Progress	Replace and rehabilitate sewers facilities and replace private sanitary sewer services within public right-of-way to preserve street pavement life, reduce

Bond Issue	Project	Actuals	Project Status	Project Description & Environmental Impact
2023E	2023 Citywide Sewer Repairs Project	\$7,960	In Progress	amount of clear water entering sanitary sewer systems, reduce sewage back-up risks, reduce street flooding risks, and to reduce sewage exfiltration into the ground. Rehabilitate pump stations. Replace and update electrical, mechanical, and safety components. This will reduce sewage back-up risks and increase pump station reliability resiliency.
2023E	Como Lake Storm Outfall	\$16,887	In Progress	

Stormwater Quality Improvements

Bond Issue	Project	Actuals	Project Status	Project Description & Environmental Impact
2020D	2020 Stormwater Quality Improvement	\$302,340	Completed	Planning and preliminary engineering activities to improve existing city storm water management/treatment facilities, piping systems, ponds, through cleaning, inspection and assessment, and repair or rehabilitation to improve performance.
2022B	2022 Stormwater Quality Improvement	\$6,128	Completed	
2023E	2023 Stormwater Quality Improvement Bush Desoto Stormwater Pond Improvements Project	\$54,156	In Progress	

Sewer Tunnel Rehabilitation

Bond Issue	Project	Actuals	Project Status	Project Description & Environmental Impact
2020D	Phase 2 Kittsondale Storm Tunnel and Edgcombe Sanitary Repairs Project	\$2,169,818	Completed	Repair and stabilize storm tunnels, sewer outfalls to the Mississippi River; including tunnel void grouting, concrete patching, and crack sealing; reduce risk of tunnel collapse, reduce sediment erosion from tunnels into Mississippi River, and reduce occurrences of sewer back-ups. Replace portions of sanitary sewers and construct new access structures and reduce the amount of clear water entering the public sanitary system. All efforts focused on extending storm sewer and sanitary sewer service life, improving inspection and maintenance of the sewer systems.
2021F	2021-2022 Tunnel Rehab Project (formerly known as storm tunnel outfall repair project)	\$3,475,091	Completed	
2022B	2022-2023 Storm Outfall, Shaft, and Tunnel Repair Project	\$2,693,179	Completed	
2022B	Prior Ave - Sewer Repairs Project	\$476,529	Completed	
2023E	2023-2024 Storm Outfall, Tunnel, Shaft Repairs Project	\$159,346	In Progress	

Sewer Rehabilitation

Bond Issue	Project	Actuals	Project Status	Project Description & Environmental Impact
2020D	2020 Citywide Sewer Lining Project	\$ 1,408,420	In Progress	Lining of aging and defective Sewer pipes with cured in place pipe lining. Extend sewer service life, reduce amount of sewage exfiltration into ground, reduce risk of sewer back-ups, reduce amount of clear water (rain & ground water) entering the sanitary sewer system that does not need to be treated by
2021F	2021 Citywide Sewer Lining Project	\$547,345	In Progress	
2022B	2022 Citywide Sewer Lining Project	\$17,035	In Progress	

Bond Issue	Project	Actuals	Project Status	Project Description & Environmental Impact
2023E	2023 Sewer Rehabilitation	\$59,866	In Progress	wastewater treatment plant (thereby reduces treatment costs).

Additional Resources

- City of Saint Paul Investor Relations website: <https://www.stpaulbonds.com/>
- City of Saint Paul Climate Action and Resilience Plan: <https://www.stpaul.gov/departments/mayors-office/climate-action-planning/climate-action-resilience-plan>
- The City of Saint Paul was recognized as one of 95 cities worldwide on the 2021 CDP Cities A List. Additional information can be found on the CDP website at <https://www.cdp.net/en/cities/cities-scores>.

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The material provided in this report is intended to be informational reporting of project spending of the City of Saint Paul's Green Bonds and is not intended to provide investment advice or professional assessment of project impacts.