



The Most Livable  
City in America

# City of Saint Paul, Minnesota

## Series 2015B Sewer Revenue Green Bond Report

Office of Financial Services  
Treasury Division, Debt Management  
May 2, 2016



## Sustainable Saint Paul

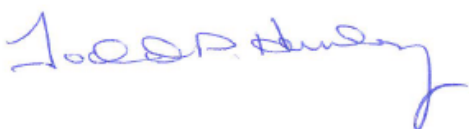
Mayor Chris Coleman and the Saint Paul City Council are committed to making Saint Paul “The Most Livable City in America” and a leader in sustainable urban living. The city is taking proactive steps to protect our city’s air, water, and urban landscape by focusing on Carbon Dioxide (CO<sub>2</sub>) reduction activities in the areas of energy efficiency and conservation, clean energy supply, alternative fuels and transportation options, recycling and waste reduction, urban reforestation and natural resources management, and water resources management. More information on the City’s Sustainability and Green initiatives is available at the following link: <https://www.stpaul.gov/departments/mayors-office/mayors-priorities/sustainable-saint-paul>.

In April of 2015, the City’s Office of Financial Services Treasury Division 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 Series 2015B \$8,700,000 Sewer Revenue Green Bonds were the first sold in the State of Minnesota as well as one of the first Green Bond issuances under \$10,000,000. This innovative financing tool accomplished the annual goal of securing the lowest possible cost financing for these important projects while also advancing the City’s goals around sustainability and environmental initiatives.

In order to provide investors in the City’s Green Bonds with ongoing information regarding the Projects financed and their environmental impact the Treasury Division of the Office of Financial Services is providing the following details and spending data on projects that the City’s Green Bonds have funded in the first year since their issuance. It is anticipated the City will produce new reports annually that will detail the additional capital investments made to improve the environment in the City that were funded by Green Bond issuance.

We hope that you find this report helpful and informative and welcome feedback on how we might improve this reporting. Thank you for your interest and investment in the City’s Green Bond program and sustainability in Saint Paul.

Sincerely,



Todd P. Hurley,  
Director, Office of Financial Services and Treasurer



## Project Categories and Criteria

The Series 2015B Green Bonds are secured solely by revenues of the City's Sewer Utility and were issued to finance a portion of the Utility's annual capital improvement and maintenance plan. For the Series 2015B Bonds the City has determined that the projects meet two uses in the categories of sustainable waste management and sustainable water management (including clean and/or drinking water). The capital improvement and maintenance plan places a priority on Sanitary and storm sewer improvement projects for aging infrastructure that is 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. Criteria for this prioritization are in line with the goal of maximizing the environmental impact of the projects financed.

The projects were identified via a variety of testing processes and procedures, including smoke testing, video monitoring and manual inspections, portions of which were also financed by the bonds. 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 were located in many areas across the City, as shown on the project area map below, creating environmental impacts Citywide.

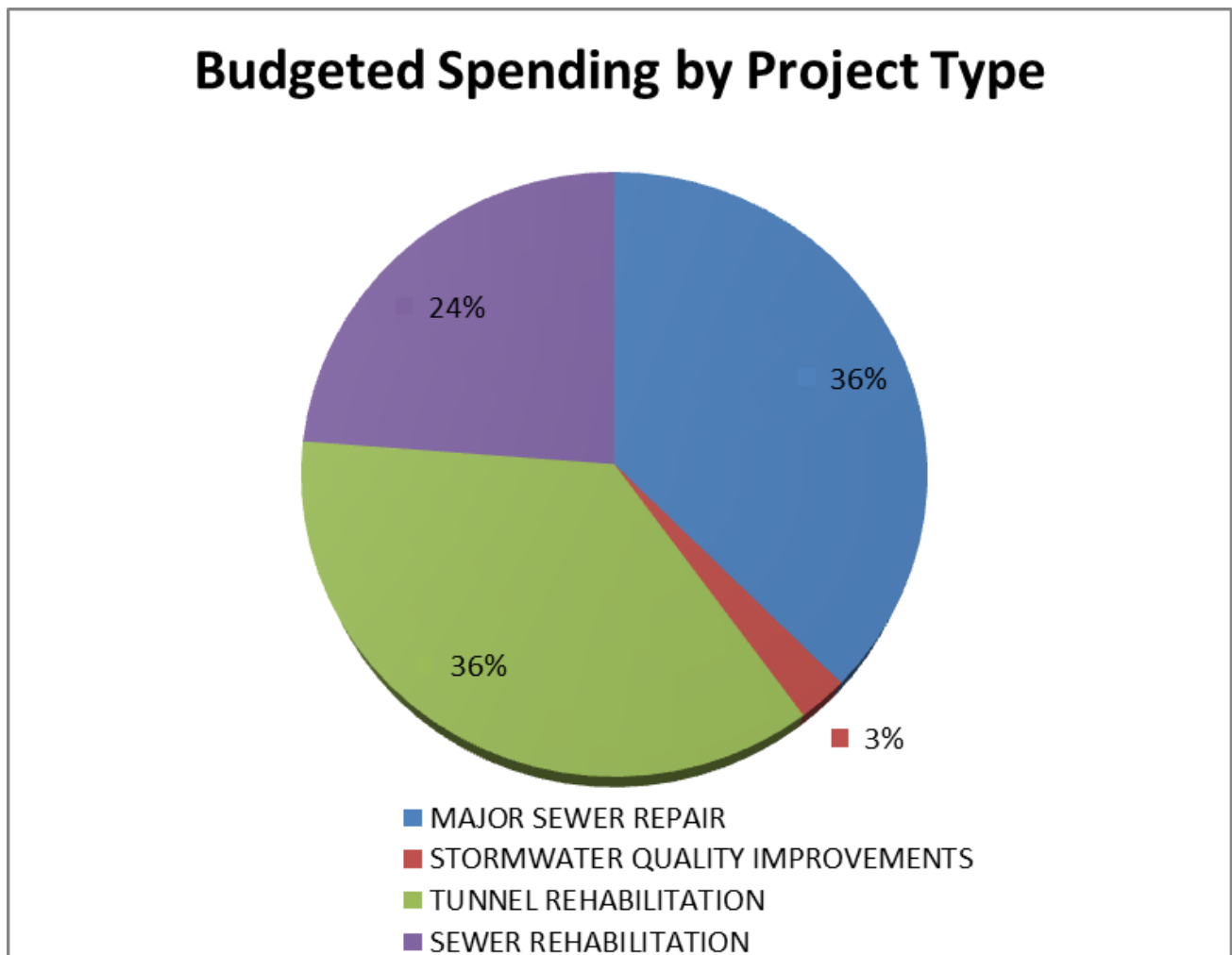


## Management of Proceeds

The City of Saint Paul has established processes and procedures to ensure the segregation of all bond proceeds from other funds of the City. In accordance with the Bond resolution and IRS regulations, the Series 2015B Green Bond Proceeds have been deposited in a separate and segregated project account to be drawn upon to finance the costs of the individual projects as described below.

## Project Spending and Environmental Impacts

In the process of issuing the City's first Green Bonds the City worked with its financial advisor, Springsted, Inc. to ensure that the program complies with the ICMA Green Bond Principles. The Principles include proper categorization and use of proceeds, project evaluation and selection, & reporting. The City intends to report on its Green Bond program at least annually or until the proceeds of designated bonds are spent. The Series 2015B Green Bonds were anticipated to be spent on the project categories shown on the chart below.





Actual project spending and environmental impact is shown as of March 1, 2016.

### Major Sewer Repairs

<b>Project</b>	<b>Actual Spending</b>	<b>Project Description &amp; Environmental Impact</b>
Raymond Ave Sewer	\$752,172	Reconstruction of failed Sanitary Sewer and deep sanitary manhole in order to reduce exfiltration of contaminated wastewater into the ground in addition to the risk of sewage back-up into the environment.
Robie Lift Station Improvements	\$42,634	Replace and rehabilitate 50-75 year old sewer force mains, modify dry wall piping, and install back-up power generator to reduce sewage back up risk and maintain service in the case of a power outage with the goal of keeping contaminated wastewater from entering the outside environment.
Coordination with Street Improvement Projects	\$433,178	Replace brick sanitary sewer manholes with new precast concrete, broken sewer piping, and high maintenance systems in coordination with City and County street improvement projects to reduce the amount of clean water entering the sewer system and reducing the risk of sewer backup.
<b>Totals</b>	<b>\$1,277,984</b>	

### Sewer Pipe Rehabilitation

<b>Project</b>	<b>Actual Spending</b>	<b>Project Description &amp; Environmental Impact</b>
Baker/Brown Sewer Lining	\$658,728	Lining of aging and defective sewer pipes with cured in place pipe lining in order to extend service life, reduce sewage exfiltration into the ground, reduce risk of sewer back-ups, and reduce infiltration of clean water into the sanitary sewer system.
<b>Totals</b>	<b>\$658,728</b>	

### Sewer Tunnel Rehabilitation

<b>Project</b>	<b>Actual Spending</b>	<b>Project Description &amp; Environmental Impact</b>
Sherman Tunnel	\$673,895	Repair and improvements to storm sewer tunnel, including new access shaft and replacement of more than 70 year old sanitary sewer force main with two new force main pipes to extend service life and improve access for inspections and maintenance with the goal of reducing the risk of sewer backups and entrance of contaminated water into the environment.
Superior Tunnel	\$329,222	Replace failed sand rock sanitary sewer tunnel including new access shaft, removal of old brick lining and stabilization of the tunnel to extend service life and improve access for inspections and maintenance with the goal of reducing the risk of sewer backups and entrance of contaminated water into the environment.
<b>Totals</b>	<b>\$1,003,117</b>	

### Stormwater Quality Improvements

<b>Project</b>	<b>Actual Spending</b>	<b>Project Description &amp; Environmental Impact</b>
Como Area	\$200,000	Construct localized storm water treatment including a sand filtration system to reduce the amount of pollutants entering Lake Como.
<b>Totals</b>	<b>\$200,000</b>	

## Contacts

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City of Saint Paul Investor Relations website:  
<https://www.stpaul.gov/departments/financial-services/investor-relations>

*The material provided in this report is intended to be informational reporting of project spending of the City of Saint Paul's Series 2015B Sewer Revenue Green Bonds and is not intended to provide investment advice or professional assessment of project impacts.*

