

# Saint Paul Regional Water Services



**Annual Report  
2003-2004**



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# Our Vision, Our Mission, Our Values

## Our Vision

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

## Our Mission

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

## Our Values

*Maintain a focus on our customers. Show respect for all. Encourage teamwork. Accommodate open, honest communications. Deliver responsive service. Optimize efficiency in all of our endeavors.*

## 2003 Board of Water Commissioners

President	James Reiter
Vice President	Steve Haselmann
Commissioner	Matt Anfang
Commissioner	Kenneth Collins
Commissioner	Pat Harris
Commissioner	John Zanmiller

## 2004 Board of Water Commissioners

President	Pat Harris
Vice President	John Zanmiller
Commissioner	Matt Anfang
Commissioner	Dave Thune
Commissioner	Debbie Montgomery
Commissioner	Bob Cardinal
Commissioner	Gregory Kleindel

## 2003

General Manager	Bernie Bullert
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## Division Managers

Engineering	Dave Schuler
Production	Jim Graupmann
Distribution	Steve Gleason
Business	Barb Woolsey

## 2004

General Manager	Steve Schneider
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## Division Managers

Engineering	Dave Schuler
Production	Jim Graupmann
Distribution	Steve Gleason
Business	Dave Wagner

# From the General Manager



**STEVE SCHNEIDER**  
**GENERAL MANAGER**

The years covered in this annual report, 2003—2004, saw many changes at Saint Paul Regional Water Services, including moving most of our operations to our treatment facility site and the appointment of a new general manager.

In keeping with our strategic goals for 2002-2005, we continued to focus on improving the **quality of water** delivered to utility customers. We restored the Lambert Creek Wetlands and began planning a granular activated carbon filtration system. We continued to meet the Partnership for Safe Water goals by finishing the Environmental Protection Agency's Phase III requirements while continuing to work on the Phase IV requirements. We also remain in compliance with updated federal Safe Drinking Water Act regulations.

Our customer service survey showed an average customer satisfaction rate of 89 percent, evidencing our successful efforts to **strengthen customer service**. We continued our WaterWorks program, which provides financial assistance for water and sewer bills to needy families. To reach out to the community at large, we held open houses and made informational presentations to schools and other local organizations.

We added three new buildings at our treatment plant site and moved nearly all of our staff to that

location. We also remodeled our treatment plant and added security measures as part of our goal to **promote stewardship of SPRWS resources and assets**. In addition, we continued our uni-directional flushing efforts, replaced nearly 600 lead services, and installed more than 14 miles of main to replace our aging infrastructure.

In keeping with our goal to **increase effectiveness and resourcefulness**, we identified cost-saving projects and began implementing plans to reduce operating expenses by \$1.8 million by 2005. We also launched a new Computerized Maintenance Management System for a better way to track our assets, expanded the use of fiber optic cabling, and digitized our distribution assets into a Geographic Information System.

And finally, after 35 years of dedicated service to the utility, 11 of them as the general manager, Bernie Bullert retired. In December of 2003, I took on the role of general manager. I began my work with the utility in 1990 as a project manager. In 1996, I became assistant superintendent of the Distribution Division and then moved to the role of assistant to the general manager in 2002. In early 2003, I took an assignment to the Engineering Division to assist with the increased demand on engineering projects before taking over as general manager later that year.

My goal is to continue in the tradition of the utility's history of excellence in water quality, customer service, and fiscal management, and to do so in new and innovative ways that will use the talents of our dedicated and well-trained employees.

A handwritten signature in blue ink that reads "Steve Schneider".

# Financial Report

## Select Financial Information from 2003-2004

### Condensed Statement of Net Assets

	Fiscal Year 2004	Fiscal Year 2003
Assets		
Current Assets	\$26,648,400	\$38,764,461
Noncurrent Assets		
Restricted Assets	\$4,498,889	\$4,717,165
Other Assets	\$246,684	\$335,956
Capital Assets	<u>\$208,622,075</u>	<u>\$194,017,224</u>
Total Noncurrent Assets	\$213,367,648	\$199,070,345
Total Assets	<u>\$240,016,048</u>	<u>\$237,834,806</u>
Liabilities		
Current Liabilities (Payable from Current Assets)	\$9,277,649	\$8,708,587
Current Liabilities (Payable from Restricted Assets)	\$1,000,623	\$1,393,040
Noncurrent Liabilities	<u>\$35,970,528</u>	<u>\$37,622,953</u>
Total Liabilities	\$46,248,800	\$47,724,580
Net Assets		
Invested in Capital Assets Net of Related Debt	\$173,351,365	\$163,412,399
Restricted for Debt Service	\$6,225,110	\$6,891,814
Unrestricted	<u>\$14,190,773</u>	<u>\$19,806,013</u>
Total Net Assets	<u>\$193,767,248</u>	<u>\$190,110,226</u>

*The notes to the financial statements are an integral part of this statement.*

# Select Financial Information from 2003-2004

## Condensed Statement of Revenues, Expenses, and Changes in Net Assets

	Fiscal Year 2004	Fiscal Year 2003
Operating Revenues	\$32,963,718	\$33,759,925
Operating Expenses	<u>\$30,005,388</u>	<u>\$28,668,687</u>
Operating Income	\$2,958,330	\$5,091,238
Non-Operating Expenses	<u>(\$911,691)</u>	<u>(\$962,783)</u>
Income Before Capital Contributions	\$2,046,639	\$4,128,455
Capital Contributions	<u>\$1,610,383</u>	<u>\$2,015,824</u>
Change in Net Assets	\$3,657,022	\$6,144,279
Net Assets, January 1	<u>\$190,110,226</u>	<u>\$183,965,947</u>
Net Assets, December 31	<u><u>\$193,767,248</u></u>	<u><u>\$190,110,226</u></u>

*The notes to the financial statements are an integral part of this statement.*

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### Get the Complete Financial Reports for 2003 and 2004

Complete financial reports for 2003 and 2004 are available at Saint Paul Regional Water Services.

To obtain a copy, contact the Financial Services Department at:

Saint Paul Regional Water Services  
1900 Rice Street  
Saint Paul, MN 55113

# Water Quality



SHEET PILING MAKE UP THE WEIR ON LAMBERT CREEK

We restored the Lambert Lake Wetland to improve the quality of the source water in Vadnais Lake.

To improve overall water quality, we installed new ferric chloride storage tanks and a feed system at the Fridley intake facility.

To help control periodic taste and odor episodes in our drinking water, we began to design a new granular activated carbon filtration system in 2003, largely completing the design in 2004.

We easily passed all lead tests, with an all-time low of eight parts per billion for 90 percent of the homes tested and reported in 2004, evidencing our continuing success in minimizing lead content in our drinking water.

When compared to previous years, in 2004 we decreased the number of customer complaints related to unpleasant taste or odor.



THE TASTE AND ODOR PANEL TESTS RAW WATER



#### PHOTOS THIS PAGE

Above, the Rice Creek Chain of Lakes Park Reserve, which acquired 607 acres from the Board of Water Commissioners. Several metropolitan agencies worked together to make the addition to the reserve possible, including the Metropolitan Council, the Anoka County Board, the Rice Creek Watershed District, the Lino Lakes City Council, the Columbus Township Board, and the Board.

Top right, the first in a series of wells drawing water from the Prairie du Chien-Jordan aquifer being drilled in Little Canada in the summer of 2004.

Bottom right, grasses and trees harbor native wildlife in the Rice Creek Chain of Lakes Regional Park Reserve .

### Board of Water Commissioners sells 607 acres

The Board of Water Commissioners made possible the sale of 607 acres of land in the Rice Creek chain of lakes to Anoka County in 2003. The sale will help preserve the wetland and wildlife area from future development. It is now part of the 4,600 acre Rice Creek Chain of Lakes Regional Park Reserve.

### Well additions begin in 2004

The utility began drilling the first of an additional 10 wells to the system's well field capacity in 2004. The wells, when finished, will add 30 million gallons of water a day (MGD) to reach about 50 MGD well capacity-- the current SPRWS average daily production rate.

#### **Lambert Creek restoration project selected for Governor's Clean Water Initiative**

The Lambert Creek restoration project was selected as one of two metro area Clean Water Initiative's by Governor Tim Pawlenty. The project returned the wetlands in the Lambert Creek Watershed to its natural landscape, prior to being dredged and ditched in the early 1900s. The end result will reduce the phosphorus load from Lambert Creek into Lambert Lake, which will then contain less phosphorus and nutrients. Reducing these loads will reduce algae growth, a main source of taste and odor, in Lambert Lake, which is the last stop in our supply chain before entering the treatment plant.

# Customer Service



A CUSTOMER SERVICE REP IS READY TO SERVE

Our Call Center exceeded its performance goals for 2003 and 2004, including fewer than two percent of abandoned calls and more than 80 percent of calls answered within 20 seconds.

A 2003 customer satisfaction survey mailed to 1,200 randomly selected customers yielded an average customer satisfaction rate of 89 percent.

The WaterWorks program, instituted by the Board in 2002, provides financial assistance for water and sewer bills to needy families. Through this program, we assisted 134 families during 2003 and 2004, with the contributions from customers and other donors totaling \$26,199.

## Strengthen Customer Service



### PHOTOS

Left, visitors to the Highland Tower open house look over free information booklets and brochures at the base of the tower.

Center, an SPRWS employee gives blood during a city of Saint Paul blood drive at the courthouse.

Right, the utility produces a variety of brochures, booklets, and inserts to help keep our customers informed on their water quality, how to keep their water bills down, and other pertinent topics.

## Outreach to customers and community at large

Water quality staff made numerous presentations to schools and community groups about SPRWS and drinking water resources, treatment, and quality.

We held two weekend open houses each year at our historic Highland Water Tower averaging about 2,500 visitors per weekend.

We produced a variety of publications to help keep our customers informed about their drinking water, SPRWS operations, and other water-related issues, including:

- Annual Water Quality Report, which was mailed to all our customers
- Up to three issues annually of the *Customer Service Connections* newsletter, also mailed to our customers
- A booklet titled *Beyond the Faucet*, which provides in-depth information about our water sources and treatment, the water distribution system, and the history of the utility
- Pamphlets and fact sheets on a variety of issues, including water conservation tips, leak detection and correction, and lead contamination in drinking water

# Stewardship



REMODEL OF FILTRATION PLANT COMPLETED IN 2003

The utility issued \$10,650,000 of water revenue bonds in 2003 to provide funding for supply improvements, generators, and campus construction.

## New construction and remodeling of current facilities

We completed construction and remodeling areas of the treatment plant. The project successfully took old, unused areas of the treatment plant and created new, modern spaces for our employees. The filtration plant offices and conference rooms were renovated from previous railway housing. We also constructed a data center for Information Services, a storage room, an exercise room, and a conference room.



NEW ADMINISTRATION BUILDING COMPLETED IN 2004

New construction began in 2003 on a project to move nearly all of our operations to one location on the McCarrons water treatment plant site. The construction project consisted of three new buildings, including a warehouse, a garage, and an office building. Previously located at two other sites, all employees in Administration and the Distribution, Engineering, and Business Divisions moved to join the Production Division at the new McCarrons Center by the end of 2004.

## Promote stewardship of Saint Paul Regional Water Services resources and assets



### PHOTOS THIS PAGE

### Utility breaks ground

Ground breaking ceremonies for the new McCarrons Center took place on Sept. 4, 2003. From left are John Zanmiller, Board of Water Commissioners; Kathleen Jueneman, Maplewood city council; Ken Collins and Pat Harris, Board of Water Commissioners; Bernie Bullert, general manager, Saint Paul Regional Water Services; Bob Cardinal, mayor of Maplewood; and Richard Fursman, Maplewood city manager.

SPRWS broke ground on a \$12 million campus project on September 4, 2003, at the McCarrons Water Treatment plant in Maplewood.

Award winning architectural firm Hamel, Green, and Abrahamson, Inc. (HGA) was selected to design the buildings.

SPRWS hired a construction management firm, Cost, Planning, & Management International, Inc. (CMPI) to handle the bidding process, marking the first time the utility used such a service. Using the management firm, the utility was able to save nearly \$2 million off initial construction cost estimates.

Above right, support beams for the new vehicle maintenance building go up in 2004.

Right bottom, the skeletal stage of the new administration building .

### Move to McCarrons Center historic

The move to the McCarrons Center on Rice Street in the fall of 2004 marked the first time in the utility's more than 100 -year history that nearly all of the staff have been at the same site. In 1914, the yards were built on Hamline Avenue, which housed the Distribution Division until the consolidation. Today's plant was built in 1922-23 and has been added onto over the years, including remodeling in 2003. The administration building now stands on the site of the original McCarrons plant, built in the 1880s. All but a handful of employees located at the Vadnais and Highland facilities are now at McCarrons Center.



## Distribution infrastructure

### *2003-04 Capital projects*

The Distribution Division focused much of its efforts in 2003 and 2004 on capital projects. SPRWS continued to replace aging infrastructure, especially unlined cast iron water main, hydrants, and lead water services. More than 14 miles of new and replacement water main were installed primarily in coordination with city street reconstruction projects in our service area.

Each year, we replaced approximately 600 lead services with copper both inside and outside these project areas and installed approximately 200 new, 1-inch service connections.

One major project requiring significant effort was the relocation and reconstruction of approximately one-mile of a 30-inch large transmission main that serves downtown Saint Paul, the West Side, and the cities of West Saint

Paul and Mendota Heights. The relocation project was required to accommodate the Phalen Corridor Roadway project.

We are proud of our main break response and expertise; on average, we repair 170 main breaks per year. In addition to repair work in our water service area, we responded to main breaks and other maintenance needs in three other communities—the cities of Oakdale and Woodbury and White Bear Township.

We also continued our uni-directional flushing efforts. The goal of this work is two-fold: to improve water quality through flushing and scouring and to confirm the distribution system is in proper working order by exercising valves, inspecting hydrants, and making sure valves are in the proper position. This is an on-going maintenance demand of the distribution system.



**PHOTOS OPPOSITE PAGE**

Left, distribution crews replace the water mains under the existing sewer pipes at the intersection of Westminster Avenue and Whitall in conjunction with the construction of the new Phalen Boulevard.

Center, an employee applies repair grout on a crack inside an 80-year-old pipe as part of overall repairs on the 60" conduit from Fridley to Charley Lake.

Right, utility workers rake hot asphalt over the street as part of a restoration project at the corner of Ames and Echo.

**Security**

A Vulnerability Assessment was conducted on SPRWS assets under an EPA directive. The assessment was funded by an EPA grant and included an Emergency Response update and security enhancement designs.

As part of the campus project, we also installed state-of-the-art security enhancements, including expansion of the access control system for the new buildings and grounds, new cameras and other detection systems at the treatment plant. Work also involved physical site improvements for McCarrons Campus as well as procedural changes for staff operation.

We also installed new cameras and other detection systems at our Highland facilities.

**PHOTOS THIS PAGE**

Left, boulders, security arms, fences, and security badge-operated doors make up some of the new security measures built into the new facilities.

Above top, security cameras keep an electronic eye on various locations inside the facility as well as throughout the grounds.

Above bottom, a display monitor in Station One gives the views of four different security cameras to employees that operate the station 24 hours a day.

# Effectiveness



**BUILDING THE REDWOOD BAFFLES**



**BACKUP GENERATORS**

The co-location of SPRWS consolidated some of our operations and created a working environment more conducive to cooperation and joint projects between sections and divisions.

We continued to explore opportunities to expand the scope of our services, including signing an agreement with the city of Oakdale in 2004 to perform maintenance work on Oakdale's water system.

To conserve resources and staff needs, we negotiated an agreement to have RiverPrint, the city and county print shop, assume the utility's bill printing and mailing function.

We designed and installed two generators, which supply electricity to the campus buildings and supply sufficient power to run the treatment plant at average daily production rates.

We constructed baffles in our recarbonation basin, eliminating the need for running electrically powered mixers.

A joint interconnect study with the city of Minneapolis was initiated to review alternatives and cost allocation recommendations for water supply between Saint Paul and Minneapolis. A draft was completed in 2003, which included estimated construction costs and cost-split methods between the two cities. Discussions and negotiations between the two cities and various state agencies continued in 2004.

# Increase Effectiveness and Resourcefulness



## PHOTOS

Far left, the electronic crew board displays all of the crew assignments in one convenient area for distribution crews as they come to work for the day.

Center, fiber optics improve the telecommunications network used to support our computer operations.

Right, members of all divisions had a representative on the Computerized Maintenance Management System Core team that was instrumental in planning, implementing, and teaching the new system.

## Technology

To keep pace with continuing advances in technology, we:

- continued to follow the five-year strategic plan developed in 2001 for information technology improvements. As part of this, we:
  - acquired and implemented a Computer Maintenance Management System, including documenting basic maintenance information for all utility assets
  - digitized mains, valves, and hydrants to a Geographic Information System (GIS)
  - geocoded the utility's assets so that they can be presented visually on a map
  - expanded the use of fiber optic cabling to improve the telecommunications network used to support our computer operations
  - selected a document management system to be implemented in 2005
- made ongoing improvements in our information technology through regular system upgrade and employee training in current technology
- implemented an electronic solution for communicating daily distribution crew information



## Employees

We held annual celebrations to recognize and reward employees who used a minimal number of hours in sick leave.

We continued an aggressive training, education, and development program for employees by offering access to numerous training opportunities. The program includes an annual all-day conference for all employees that addresses a variety of organizational and job-related subject matters.

We created a computer training center for utility employees.

### PHOTOS THIS PAGE

Left, employees attending the 2003 annual employee conference look over an informational display between class sessions.

Above top, staff attend one of several sessions during the annual employee conference. Topics range from information on the water industry to practical life skills and health and wellness issues.

Above bottom, employees receive attendance certificates for using less than 24 hours of sick leave in the calendar year during a pizza party in their honor.





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