

## **RESOLUTION NO. 4, 2026**

### **A RESOLUTION RECOMMENDING THE APPROVAL OF NEW RATES AND CHARGES FOR THE SANITARY SEWER UTILITY TO THE LAWRENCE COMMON COUNCIL**

WHEREAS, the Utility Service Board of the City of Lawrence, Indiana (the “Board” and the “City”, respectively) is charged with certain powers and duties under Ind. Code § 8-1.5-3-4(7) and Ind. Code § 36-9-23-7 related to oversight of the operation of the Lawrence Municipal Utilities (“Utility”), including recommending to the legislative body reasonable rates and charges associated with the cost of operating the utility; and

WHEREAS, the Board has engaged Baker Tilly LLC (“Baker Tilly”) to perform a financial study of the Utility’s sanitary sewer revenues and expenses, a copy of which is attached hereto as **Exhibit A** (the “Sewer Financial Report”); and

WHEREAS, CWA Authority, Inc. (“Citizens”) provides wholesale sewage treatment services to the Utility, and Citizens charges the Utility rates for such service as approved by the Indiana Utility Regulatory Commission (“IURC”); and

WHEREAS, as approved by the IURC, Citizens’ sewage treatment rates charged to the Utility have increased multiple times in the last five years, and additional treatment rate increases are currently scheduled to occur in 2027, 2028, and 2029; and

WHEREAS, in addition, on November 29, 2021, the City and the United States Environmental Protection Agency (“EPA”) entered into an Administrative Order on Consent (“Agreed Order”), requiring the Utility and City to take action to perform and pay for sewage projects to mitigate chronic sanitary sewer overflows and sanitary sewer backups within the City in order to protect the public health and environment and to maintain compliance with applicable law; and

WHEREAS, the projects and activities required by the Agreed Order will require substantial expenditures by the Utility, including capital expenditures, debt service, operation and maintenance expenses, engineering and professional services, monitoring, and other related costs; and

WHEREAS, in light of all this, the Sewer Financial Study indicates that the current monthly sanitary sewer user rates do not produce sufficient income to maintain the Utility in a sound financial and physical condition to render adequate and sufficient service, including consideration for the increased wholesale treatment costs, the costs associated with projects and obligations required by the EPA Agreed Order, and the overall increase in the cost of providing reasonably adequate sanitary sewer service; and

WHEREAS, therefore, based on a recommendation from Baker Tilly, the Board recommends that Common Council for the City (“Council”) amend and adopt sewage rates and charges sufficient to support the Utility’s ongoing revenue requirements and obligations under Ind.

Code § 8-1.5-3-8 and Ind. Code § 36-9-23 et. seq., including but not limited to, cover the principal and interest of a revenue bond issuance (“Bond Issuance”), the Utility’s operation and maintenance expenses, certain improvement and extension projects of the Utility, debt service, and all other costs and expenses of the Utility.

NOW, THEREFORE, be it resolved by the Lawrence Utility Service Board that:

1. The above recitals are incorporated herein by reference as though fully set forth herein.
2. The Board recommends and requests that the Council adopt and approve an Ordinance amending the Utility’s rates and charges consistent with First Scenario more particularly set forth on page 16 of **Exhibit A**, which includes a four (4) phase adjustment in an effort gradually implement the rate adjustment over a period of time. The Board also recommends that the Council approve debt issuances as set forth in **Exhibit A** to finance certain projects of the Utility to comply with the EPA Agreed Order and to improve the Utility’s sanitary sewer system.
3. This resolution is effective as of the date of its adoption.

ADOPTED by the Utility Service Board for the City of Lawrence, Indiana, this \_\_\_\_ day of August, 2026.

LAWRENCE UTILITY SERVICE BOARD

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Steven Hall, Chair

ATTEST

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Tina Whitcomb, Recording Secretary

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**EXHIBIT A**

*Sewer Rate Study*