



FEB
2018



UTILITIES

THE LAWRENCE LIFT NEWSLETTER

SPRING WATER MAIN FLUSHING

The Water Utility will be flushing water mains during normal business hours starting Monday, April 2 through Friday, May 4, 2018.

As a result of this activity, some customers may experience a temporary discoloration of their water and/or a low pressure condition. Color can range from light yellow to orange-red. If this occurs, the customer should run a stream of COLD water until the water clears. If a customer is experiencing this problem, they should not run hot water or wash clothes until the water clears up. The City does not reimburse customers for water used to flush their service lines due to discoloration. Main flushing is necessary in order to properly maintain the water distribution system and helps to improve water quality and maintain adequate disinfectant levels per regulatory requirements.

If you have any questions, please feel free to contact the City of Lawrence Utilities at (317) 542-0511, press 0 to speak with a Customer Service representative.

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Utilities Superintendent
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ISSUE

24





LAWRENCE UTILITIES NEGOTIATING SEWER TREATMENT COSTS

Dear Lawrence Utility Customer,

In 2008 the City was notified by the US Environmental Protection Agency (“USEPA”) of their intention to issue an Agreed Order due to the number of Sanitary Sewer Overflow’s (“SSO”) the city’s sewer system was experiencing. After negotiation, the final order was issued in 2010, which essentially requires the City to cease and desist the SSO’s starting with a comprehensive sanitary sewer system evaluation that resulted in a 10-year, \$20 million capital improvements program designed to address the structural and other issues at the root of the SSO problem.

A sewer rate increase was passed in 2009 to provide funding for capital improvements projects under this order. Presently, the sewer utility is behind on projects due to the financial condition of the water utility, which was corrected with the 2017 rate adjustment. Sewer utility funds were used to pay water utility expenses, which was formalized as a loan in the amount of \$1.5 million in 2016. The

water utility has repaid over \$600,000 on this loan and is scheduled to have it fully repaid in 2018. As a result, we were able to get two sanitary sewer system improvement projects on the books for 2017 with one project actually started in December and the other awarded in December and started in January 2018. But we will need to do a lot more in the coming years, not only to meet our obligations under the EPA Order, but to achieve our operational goal of providing safe and reliable sanitary sewer services to our customers.

Although there are many things the utility can do to manage costs, one thing that is outside our control is rate increases passed along to us from Citizens Energy Group (“CEG”) with regard to treatment costs. Typically, we receive a slight adjustment based on the Consumer Price Index-All Urban Consumer number. This increase is normally applied to the sewer rate via the Sewer Rate Tracking Factor, which was adopted in 2009 by ordinance as a way to pass this cost along without having to do a rate in-

crease ordinance each year. In 2018 we will be adjusting the tracking factor for 2017 and 2018 based upon the increases passed on to us in those years, which will amount to an additional \$.03 per thousand gallons after the first 4,300 gallons.

In the March 2016 newsletter, I made mention of the fact that CEG was seeking to adjust our sewage treatment costs and that we were negotiating with them. Although we do not yet have a signed agreement on the outcome of these negotiations, we anticipate that we will have one this year. The law firm representing us in the case has negotiated what we believe is a very good outcome for our customers, spreading the increase over several years, which will serve to minimize the immediate effect on our customers.

Thank you,



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