



I would like to start this month's newsletter by saying that I have received some very helpful comments concerning the tone of some recent newsletters and I want to apologize for what was perceived as scolding or condescending language aimed at our ratepayers. I certainly did not intend that. I do read and respond to every email I receive and I truly appreciate constructive criticism and suggestions for improving communications with all of our customers. Unfortunately, effective, meaningful communication from the Utility with regard to its financial position and system needs has been sorely lacking in the past and I hope to not only reverse that trend but also improve my own communication skills. So, thank you to all of you who take the time to read these newsletters and provide feedback so that we can improve communications.

As you may know by now, the Utility Services Board has passed Resolution 2017-02, recommending to the City Council that they approve a water rate increase in order to adequately fund the water utility. This document, including the financial report and new rate recommendations are available for viewing on the utility page of the City's website at [www.cityoflawrence.org](http://www.cityoflawrence.org). In addition, you may also view the Preliminary Engineering report, which is also on the website in the Water and Sewer Information section of the Utility page on the City's website at: <http://www.cityoflawrence.org/utilities/water-sewer>. This increase means that for a residential customer using 4,000 gallons per month, the increase will add \$0.65 per day to your water bill for 2017 and 2018, with an additional \$0.08 added in 2019 for a total increase of \$0.73 per day. The current cost for an average residential customer using 4,000 gallons is \$22.41, or \$0.75 per day. The Utility is proposing to add an additional \$0.73 per day with both phases of this proposed increase. That is roughly the cost of a bottle of water or a soda pop at the convenience store. The main difference is that a bottle of water at the store will give you about 12-16 ounces of water, whereas the utility provides about 133 gallons per day for the same cost.

The proposed rate increase will correct the water utility's operating deficit condition, pay back the \$1.5M loan from the sewer utility, adequately fund our debt reserves under our bond requirements and provide for needed capital funds in order to replace aging and failing equipment. In addition, the new rates will enable us to move forward with funding of the many projects needed in order to replace and rehabilitate vital components of the water utility's infrastructure such as: the Richardt Water Treatment Plant, the Oaklandon Road Water Tower, Fort Harrison Water Treatment Plant and numerous water main replacements. The additional funding will also provide for the installation of emergency generators at various key facilities in order to ensure that we are able to continue to provide an adequate supply of water for both domestic and firefighting needs during emergencies.

The Utility management understands that past management practices and political considerations are the primary causes of the condition we find ourselves in. After the highly contentious and controversial 2001 rate increase passed when the former Lawrence Utilities, LLC entered into the Operations & Maintenance contract with the City of Lawrence, each subsequent administration and council have deferred addressing the issue of adequate water rates. But it should be pointed out that the 2001 increase came after 12 years of no rate adjustments at all. Compounding the problem in 2008 was a 12% water rate decrease, which also played no small part in creating our present circumstances. Since 2008, there have been no water rate adjustments. If small, annual incremental increases to the water rate had been implemented since 2001 and the 2008 decrease had not been done, our customers would have experienced an approximate 3-6 cent increase per day per year in their water bill and this increase would not be necessary. So we are now, in 2017, in a situation where the Water Utility has had no rate adjustment since 2004 (the 2001 increase was phased in over three years starting January 1, 2002) other than the 2008 rate decrease. Meanwhile, our water infrastructure continues to decline and our operating costs rise, making for an unsustainable financial condition.

I would like to assure you that the Utility Management is being very proactive in working with our City Controller to take the necessary steps to properly manage the Utility's finances, including: creating annual operating budgets, developing and implementing an asset management program, researching and seeking ways to economize and build more efficiency into our operations, providing timely and accurate financial reports for the Utility Services Board and our ratepayers, which reports are made available on the City's website. It is our pledge to our ratepayers that we will do all we possibly can to continue to provide a safe, adequate and reliable water supply for the City and its residents, businesses and visitors.

I believe that our team of Wessler Engineering and Umbaugh & Associates has done an excellent job of laying out the needs of the utility, both in terms of physical and financial condition. Their reports are posted on the website and we encourage everyone to take the time to look through them. Speaking for the Utility management and all our employees, I would like to say that we take great pride in what we do to operate and maintain the City's water and sanitary sewer systems and will continue to strive to provide a high level of service and water quality around the clock each and every day of the year. We would like to encourage all our ratepayers to contact their Council representatives in support of this much-needed rate increase to enable us to make the improvements to our water infrastructure.

**You may contact your City Council representatives by email via the City's website at:  
<http://www.cityoflawrence.org/common-council>**

As always, if you have any questions about any of these issues, please feel free to contact me at:  
(317) 524-6305 or [ssalsbery@cityoflawrence.org](mailto:ssalsbery@cityoflawrence.org)

**NOTICE:** Lawrence Utilities will be commencing its Spring Water Main Flushing program on or about April 23, 2017. This routine preventive maintenance activity can result in temporary water discoloration. If that should occur, customers are advised to run a steady stream of **cold** water to help clear it up. Each year the Utility flushes millions of gallons of finished water in order to control iron buildup in the water mains. Our goal is to begin performing routine water main replacement projects in the older parts of the city where the mains are in the worst condition with regard to iron buildup and low flow volumes due to undersized mains. While main flushing is a recommended practice and should be done at least annually, we believe that a robust water main replacement program, as provided for in our proposed water rate increase, will result in less water usage to perform this task as well as steady improvement in water quality as old mains are replaced.

**Spring is coming and many of our customers will be activating their irrigation systems. Please note that these systems are required to have BACKFLOW devices installed and the devices are required under State and local laws and regulations to be tested annually. Typically the tests are performed at the beginning of the watering season to ensure proper function. Copies of test reports may be submitted electronically (pdf files) to: [backflow@cityoflawrence.org](mailto:backflow@cityoflawrence.org).**

***For any water or sanitary sewer billing inquiries, please call 317-542-0511***

**ATTENTION PROPERTY OWNERS! IF YOU ARE HAVING WORK PERFORMED ON YOUR PROPERTY, HOME OR OTHER STRUCTURE THAT REQUIRES A PERMIT, YOU MUST ENSURE THAT THE CONTRACTOR YOU SELECT IS DULY LICENSED, BONDED AND INSURED TO PERFORM WORK IN THE CITY OF LAWRENCE. IF YOU ARE UNSURE ABOUT WHETHER OR NOT A PERMIT IS REQUIRED, NEED TO KNOW PERMITTING REQUIREMENTS AND/OR CONTRACTOR LICENSING REQUIREMENTS, PLEASE CONTACT THE CITY OF LAWRENCE DPW OFFICE AT (317) 545-5566.**