

# LAWRENCE UTILITIES

## 2021 PROPOSED BUDGET

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Prepared For the Utility Service Board  
Issued: November 10, 2020



Mayor **Steve Collier**  
CFO **Jason Fenwick**  
Utility Superintendent **Scott Salsbery**

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*Preserving The Future*



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# A Word from our Superintendent



Dear Mayor Collier and Board Members,

I am happy to present the 2021 Water and Sanitary Sewer Utility budgets. With respect to capital improvements, 2020 saw the final completion of our \$8.5M Phase I Water System Improvements and the beginning of the Phase II Water System Improvements. In addition, we are continuing our water main replacement program and also finishing up a sanitary sewer main and manhole rehabilitation project.

The initial Phase II projects, at roughly \$7.9M, includes the following work:

- Fort Harrison Water Treatment Plant
- Indian Lake Water Treatment Plant
- Winding Ridge Water Storage Tank
- SCADA and wellfield improvements

The remaining portion of the Phase II projects, which are still in design, will address water main replacements primarily in the older parts of the City west of

Post Road and one project in the Indian Lake area where main break activity warrants replacement.

Estimated costs are roughly \$4.2M and the targeted areas are:

- 46th Street from Franklin to Shadeland
- Richardt Street from 48th to 56th
- Franklin Road from 47th to 56th
- Hermosa Drive from Indian Lake to the dead-end of Fall Creek Road

Additional water system improvements currently in planning or ready to bid are:

- Maple Ln/Zoeller St/Wallingwood Dr water main replacement
- 52nd Street elevated storage tank improvements
- 5400 Carroll Road water main extension
- Fort Harrison raw water main replacement
- Lee Road water main extension between 63rd & Trilobi Drive

We are also actively engaged in discussions with Indiana DNR with respect to developing new production wells in the Fort Harrison wellfield. At least two of the existing wells in this wellfield date to the later 1960's and one to the early 2000's. With the increased capacity being provided with our Fort Harrison water treatment plant improvements, these new wells will be important to optimizing plant production. With our new plant at Richardt and the improvements to the Fort and Indian Lake plants, our water system will be able to produce about 7.6 million gallons per day, which will meet our current and future needs, including peak demands during summer months.

Our payment options for customers are being expanded with the addition of two new payment kiosks located at the Lawrence Government Center at 9001 East 59th Street. These new kiosks will take cash, check or credit card payments and one will be located outside as a drive-up unit available 24 hours a day year-round. After going through the COVID-related closing of the billing office between March and June, we have determined that shuttering the walk-in lobby can be done without adversely impacting this aspect of our operations and will eliminate the risk to customers and office staff with respect to the virus. We will continue to provide a high level of service to our customers via phone and email communications with respect to account-related issues and customer service work orders. Just recently we have altered policies to allow for the electronic submittal of Resume Service Forms and are also processing Payment Extension Plans over the phone, eliminating the need for customers to come to the office in person. We have also provided for longer payment extension plans for our customers adversely impacted by COVID and will continue to work with them to help get them caught up and to minimize non-payment disconnection actions.

I wish I could paint as rosy a picture for the sewer utility but unfortunately, this is not the case. Our sewer rates have not been adjusted since 2009, and our renegotiated contract with Citizens Energy Group contains sewage treatment rate increases each year until 2029. As a result, we find ourselves unable to adequately meet ongoing operational costs as well as invest in sorely needed sanitary sewer improvement projects. The COVID pandemic struck and we opted to delay a study of sewer rates due to the economic impacts and financial hardships caused by the pandemic. We will have to address sewer

rates in early 2021 regardless. We have been able to absorb the first two increases related to the CEG increase, but moving forward additional sewer revenues will be required to continue operating as we are required. It is also important that we have adequate sewer funding in order to continue to address system performance and reliability issues related to Inflow and Infiltration impacts. We must also move forward with locking in a plan to address the Indian Creek Interceptor pipe beneath Indian Lake. Working with our CFO and his staff, who are already compiling and analyzing the relevant financial data, and preparing the rate study, our goal is to take a phased approach with respect to a sewer rate increase, while generating adequate capital project and operational funding, while providing low-volume user tiers as we did with the water rates.

This will be especially important in light of the continued interest of developers seeking to build new homes and businesses in Lawrence, which is a testament to how well the city is perceived in the business community. We have taken steps to ensure an adequate, safe and reliable water supply, now we need to focus attention on addressing our sanitary sewer issues.

I would like to take this opportunity to extend my heartfelt thanks to all the outstanding Lawrence Utilities employees in all roles and capacities, who work each and every day to ensure the highest level of service to our customers and residents. Rain, sleet or shine, in hot and cold weather, they provide outstanding water and sanitary sewer services to meet the needs of our customers. They really showed their dedication, adaptability and resilience in meeting the needs of our customers during the recent COVID closing as well as accomplishing our mission with professionalism, dedication and initiative. Thank you,

Scott Salsbery, Supt.  
City of Lawrence Utilities

A handwritten signature in black ink, appearing to read 'Salsbery', written in a cursive style.

# A Message from our CFO



November 5, 2020

Honorable Mayor Steve K. Collier  
Members of the Lawrence Utility Service Board  
9001 E. 59th St.  
Lawrence, IN 46216

Honorable Mayor Steve Collier and Members of the  
Lawrence Utility Service Board:

I am pleased to present the Fiscal Year 2021 budget proposal for the City of Lawrence Utilities. This budget proposal is a sound and responsible fiscal plan that will enable the Utilities to serve the interests of its ratepayers. We have made tremendous progress in the past five years restoring the financial health of the water utility and have made unprecedented investments into the system. I am pleased to report

that this will continue with our 2021 proposed budget. The sanitary sewer system does present some financial challenges that will need to be addressed in the near future.

Our Water utility has maintained its A rating from Standard and Poor's ("S&P") - a dramatic improvement from the junk bond rating of BB+ from a few years ago. The utility launched its Phase II capital projects in 2020, which will include our new Fort Harrison Water Treatment Plant, the Indian Lake Water Treatment Plant, the Winding Ridge ground storage tank, and water main replacements. These important projects will ensure a safe, reliable, and high quality source of water for our ratepayers for years to come. Our 2021 budget proposal also includes an additional \$4 million for capital improvements to the water system – e.g. water main replacements, meter

pit installations, and hydrant and valve replacements. With the 2021 budget, we will have reinvested over \$30 million back into the utility over the past five years!

The sanitary sewer utility has not had a rate adjustment since 2009. The renegotiated sewage treatment contract with Citizens Energy Group, while a favorable outcome for the utility, provides for sewage treatment rate increases each year until 2029. These treatment cost increases are not reflected in our current rate structure and will need to be addressed, as well as additional funding needed to continue to maintain and invest in our vast infrastructure. As with our water utility, it is important that we have adequate sewer funding to continue to address system performance and reliability related to Inflow and Infiltration impacts.

The COVID-19 pandemic that began earlier in the year has disrupted our everyday lives, including the operations of the utility. Our utility billing staff made tremendous efforts working through office closures and managing the hardships of many of our rate-payers. The pandemic has created opportunities for us to become more efficient in our operations. One example of new efficiencies created is the expansion of payment options for customers. We have recently installed self-service payment kiosks in the Lawrence Government Center at 9001 East 59th Street. These new kiosks will take cash, check or credit card pay-

ments and will be located inside the Government Center as well as an outside drive-up unit available 24 hours a day at the same location. With implementation of the self-service payment kiosks, we have determined that shuttering our walk-in lobby can be done without adversely impacting this aspect of our operations and will eliminate the risk to customers and office staff with respect to the virus. We will continue to provide a high level of service to our customers via phone and email communications.

With this budget proposal, we will preserve the future of our utilities with unprecedented investments in our water infrastructure and addressing the rate structure of our sewer utility. We look forward to working with the Utility Service Board as you consider this recommended budget.

Regards,

Jason C. Fenwick  
City of Lawrence Deputy Mayor and Utilities Chief  
Financial Officer



# LAWRENCE UTILITIES

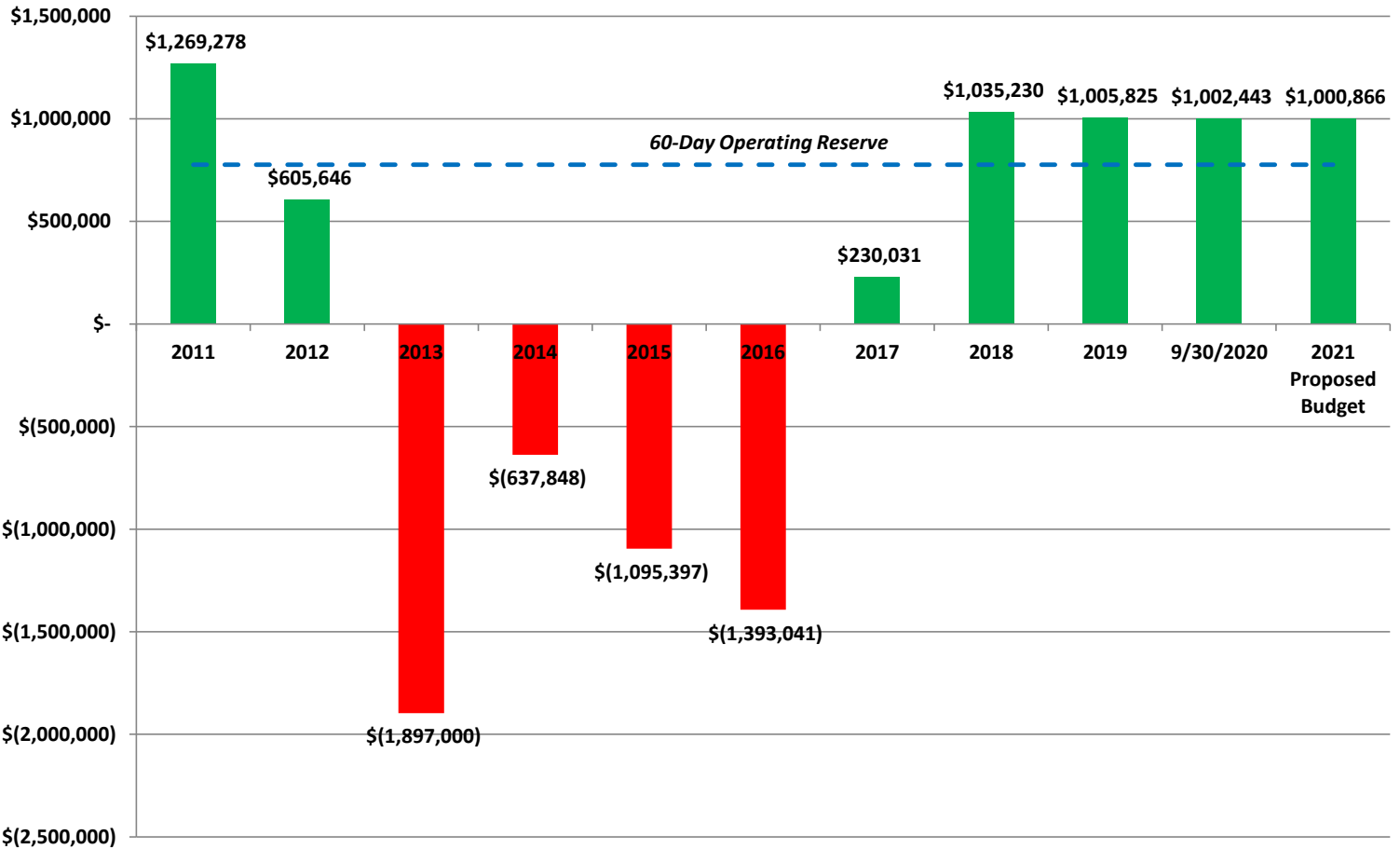


## MUNICIPAL WATER WORKS UTILITY





**Year-End Operating Fund Balance Comparison (Actual)**  
 2011 - September 30, 2020 Actual; 2021 Proposed



Notes:  
 (1) Year-end balances exclude the loan of \$1.5 mm from the Sewage Works Utility made in 2016; loan was repaid in full in March 2018  
 (2) 60-Day operating reserve as required per bond ordinance

**City of Lawrence - Municipal Water Works Utility**  
**601 - Water Utility Operating Fund**

**2021 Proposed Budget**

	12/31/2018 Actual	12/31/2019 Actual	2020 Revised Budget	2021 Proposed Budget
<b>Operating Receipts</b>				
Residential Metered Sales	\$ 6,318,536	\$ 6,668,778	\$ 7,218,906	\$ 7,395,675
Commercial Metered Sales	2,628,648	2,719,794	2,988,476	3,016,252
Private Fire Protection	433,442	485,544	542,644	538,469
Hydrant Fees	251,188	270,301	300,663	299,763
Penalties	234,539	223,224	233,623	247,556
New Meters	64,612	43,001	38,285	47,688
Miscellaneous	78,414	30,702	48,440	34,048
<b>Total Operating Receipts</b>	<b>\$ 10,009,380</b>	<b>\$ 10,441,344</b>	<b>\$ 11,371,037</b>	<b>\$ 11,579,451</b>
<b>Operating Disbursements</b>				
Salaries and Benefits	\$ 1,543,359	\$ 1,572,889	\$ 1,910,217	\$ 1,910,217
Professional and Contractual Services	386,672	497,019	618,544	537,500
Materials and Supplies	385,518	338,589	381,640	282,350
Transportation Expense	76,872	55,910	147,131	98,200
Insurance Expense	72,515	75,232	87,500	87,500
Chemicals	89,138	90,959	105,308	120,000
Rental of Equipment	8,414	10,392	11,000	11,000
Purchased Power	373,338	313,617	337,000	362,000
Miscellaneous Expense	930,144	852,056	1,060,500	1,273,643
Contractual Payment to City <sup>1</sup>	-	-	-	-
<b>Total Operating Disbursements</b>	<b>\$ 3,865,970</b>	<b>\$ 3,806,663</b>	<b>\$ 4,658,840</b>	<b>\$ 4,682,410</b>
<b>Net Operating Receipts/(Disbursements)</b>	<b>\$ 6,143,410</b>	<b>\$ 6,634,681</b>	<b>\$ 6,712,197</b>	<b>\$ 6,897,041</b>
<b>Net Operating Margin</b>	<b>61.4%</b>	<b>63.5%</b>	<b>59.0%</b>	<b>59.6%</b>
<b>Non-Operating Receipts</b>				
EDU Fees	\$ 204,590	\$ 112,540	\$ 179,130	\$ 216,000
Other Receipts	177,254	131,721	152,200	180,298
<b>Total Non-Operating Receipts</b>	<b>\$ 381,844</b>	<b>\$ 244,261</b>	<b>\$ 331,330</b>	<b>\$ 396,298</b>
<b>Non-Operating Disbursements</b>				
Transfers to Water Bond and Interest Fund <sup>2</sup>	\$ 1,174,101	\$ 1,531,821	\$ 1,531,120	\$ 1,902,455
Transfers to Water Debt Service Reserve Fund <sup>3</sup>	45,018	45,018	45,018	45,018
Loan Payment to Sewer Utility <sup>4</sup>	875,259	-	-	-
Principal Payment	-	-	-	-
Interest Expense	71,067	-	-	-
Capital Leases <sup>5</sup>	177,077	-	-	-
Other	(11,949)	(13,492)	-	-
Transfers to Water Capital Improvement Fund	4,264,741	5,345,000	5,473,214	5,345,000
<b>Total Non-Operating Disbursements</b>	<b>\$ 6,595,314</b>	<b>\$ 6,908,348</b>	<b>\$ 7,049,352</b>	<b>\$ 7,292,473</b>
<b>Change in Cash Position - Net Receipts</b>	<b>\$ (70,060)</b>	<b>\$ (29,406)</b>	<b>\$ (5,825)</b>	<b>\$ 866</b>
<b>Beginning Cash Position</b>	<b>1,105,290</b>	<b>1,035,230</b>	<b>1,005,824</b>	<b>1,000,000</b>
<b>Ending Cash Position<sup>6</sup></b>	<b>\$ 1,035,230</b>	<b>\$ 1,005,824</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,866</b>

Source - Controller's Office

**City of Lawrence - Municipal Water Works Utility**  
**Notes to Financial Statements**

***2021 Proposed Budget***

**Notes:**

(1) - Contractual payment to City through June 2017. With the adoption of Amended Ordinance No. 7 2017, a Payment-in-Lieu-of-Taxes ("PILOT") commenced in July of 2017. This payment is made from Fund 617 - Water Capital Improvement Fund.

(2) - Transfers to pay debt service on SRF Series 2017, Series 2017 A & B refunding bonds, and Series 2020

(3) - Reserve fund requirement for SRF Series 2017. Monthly transfers of \$3,751.49 until June 2022

(4) - Temporary loan payments to the Sewer Operating fund from loan made in 2016. Loan was repaid in full in March 2018.

(5) - Capital lease payments included AMR lease payments. Lease was repaid in full in May 2019

(6) - Minimum 60-days operating expenses in cash required per bond ordinance, or approximately \$780,000. Verbally committed to minimum of \$1 million with Standard and Poor's



**City of Lawrence - Municipal Water Works Utility**  
**602 - Water Bond and Interest Fund**

***2021 Proposed Budget***

	FY 2021
<b>Receipts</b>	
Transfer from Water Operating Fund	\$ 1,902,455
Misc.	-
<b>Total Receipts</b>	<b>\$ 1,902,455</b>
<b>Disbursements</b>	
Series 2017A <sup>1</sup>	\$ 558,106
Series 2017B	452,095
SRF Series 2017	519,960
Series 2020 <sup>2</sup>	372,294
<b>Total Disbursements</b>	<b>\$ 1,902,455</b>
<b>Change in Cash Position - Net Receipts</b>	<b>\$ -</b>
<b>Beginning Cash Position</b>	<b>-</b>
<b>Ending Cash Position</b>	<b>\$ -</b>

**Notes:**

- (1) - Includes estimated \$2,000 in annual Bond Trustee fees  
(2) - Includes estimated \$1,500 in annual Bond Trustee fees



**City of Lawrence - Municipal Water Works Utility**  
**602 - Water Bond and Interest Fund**

*Refunding Revenue Bonds, Series 2017A - Amortization Schedule*

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-		85,753	85,753		4,185,000
1/1/2021	385,000	4.00%	85,753	470,753	556,506	3,800,000
7/1/2021	-		78,053	78,053		3,800,000
1/1/2022	400,000	4.00%	78,053	478,053	556,106	3,400,000
7/1/2022	-		70,053	70,053		3,400,000
1/1/2023	415,000	4.00%	70,053	485,053	555,106	2,985,000
7/1/2023	-		61,753	61,753		2,985,000
1/1/2024	435,000	5.00%	61,753	496,753	558,506	2,550,000
7/1/2024	-		50,878	50,878		2,550,000
1/1/2025	450,000	5.00%	50,878	500,878	551,756	2,100,000
7/1/2025	-		39,628	39,628		2,100,000
1/1/2026	475,000	2.38%	39,628	514,628	554,256	1,625,000
7/1/2026	-		33,988	33,988		1,625,000
1/1/2027	485,000	5.00%	33,988	518,988	552,975	1,140,000
7/1/2027	-		21,863	21,863		1,140,000
1/1/2028	515,000	5.00%	21,863	536,863	558,725	625,000
7/1/2028	-		8,988	8,988		625,000
1/1/2029	310,000	2.75%	8,988	318,988	327,975	315,000
7/1/2029	-		4,725	4,725		315,000
1/1/2030	315,000	3.00%	4,725	319,725	324,450	-
<b>Total</b>	<b>\$ 4,185,000</b>		<b>\$ 911,363</b>	<b>\$ 5,096,363</b>	<b>\$ 5,096,363</b>	



**City of Lawrence - Municipal Water Works Utility**  
**602 - Water Bond and Interest Fund**

*Refunding Revenue Bonds, Series 2017B - Amortization Schedule*

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-		45,908	45,908		2,820,000
1/1/2021	360,000	2.70%	45,908	405,908	451,815	2,460,000
7/1/2021	-		41,048	41,048		2,460,000
1/1/2022	370,000	2.70%	41,048	411,048	452,095	2,090,000
7/1/2022	-		36,053	36,053		2,090,000
1/1/2023	380,000	3.45%	36,053	416,053	452,105	1,710,000
7/1/2023	-		29,498	29,498		1,710,000
1/1/2024	390,000	3.45%	29,498	419,498	448,995	1,320,000
7/1/2024	-		22,770	22,770		1,320,000
1/1/2025	405,000	3.45%	22,770	427,770	450,540	915,000
7/1/2025	-		15,784	15,784		915,000
1/1/2026	295,000	3.45%	15,784	310,784	326,568	620,000
7/1/2026	-		10,695	10,695		620,000
1/1/2027	305,000	3.45%	10,695	315,695	326,390	315,000
7/1/2027	-		5,434	5,434		315,000
1/1/2028	315,000	3.45%	5,434	320,434	325,868	-
<b>Total</b>	<b>\$ 2,820,000</b>		<b>\$ 414,375</b>	<b>\$ 3,234,375</b>	<b>\$ 3,234,375</b>	



Source - Controller's Office

**602 - Water Bond and Interest Fund*****State Revolving Fund Loan, Series 2017 - Amortization Schedule***

<b>Date</b>	<b>Principal</b>	<b>Interest Rate</b>	<b>Interest</b>	<b>Period Total</b>	<b>FY Total</b>	<b>Remaining Balance</b>
7/1/2020	-		81,550	81,550		8,155,000
1/1/2021	357,000	2.00%	81,550	438,550	520,100	7,798,000
7/1/2021	-		77,980	77,980		7,798,000
1/1/2022	364,000	2.00%	77,980	441,980	519,960	7,434,000
7/1/2022	-		74,340	74,340		7,434,000
1/1/2023	371,000	2.00%	74,340	445,340	519,680	7,063,000
7/1/2023	-		70,630	70,630		7,063,000
1/1/2024	379,000	2.00%	70,630	449,630	520,260	6,684,000
7/1/2024	-		66,840	66,840		6,684,000
1/1/2025	387,000	2.00%	66,840	453,840	520,680	6,297,000
7/1/2025	-		62,970	62,970		6,297,000
1/1/2026	394,000	2.00%	62,970	456,970	519,940	5,903,000
7/1/2026	-		59,030	59,030		5,903,000
1/1/2027	402,000	2.00%	59,030	461,030	520,060	5,501,000
7/1/2027	-		55,010	55,010		5,501,000
1/1/2028	410,000	2.00%	55,010	465,010	520,020	5,091,000
7/1/2028	-		50,910	50,910		5,091,000
1/1/2029	418,000	2.00%	50,910	468,910	519,820	4,673,000
7/1/2029	-		46,730	46,730		4,673,000
1/1/2030	427,000	2.00%	46,730	473,730	520,460	4,246,000
7/1/2030	-		42,460	42,460		4,246,000
1/1/2031	435,000	2.00%	42,460	477,460	519,920	3,811,000
7/1/2031	-		38,110	38,110		3,811,000
1/1/2032	444,000	2.00%	38,110	482,110	520,220	3,367,000
7/1/2032	-		33,670	33,670		3,367,000
1/1/2033	453,000	2.00%	33,670	486,670	520,340	2,914,000
7/1/2033	-		29,140	29,140		2,914,000
1/1/2034	462,000	2.00%	29,140	491,140	520,280	2,452,000
7/1/2034	-		24,520	24,520		2,452,000
1/1/2035	471,000	2.00%	24,520	495,520	520,040	1,981,000
7/1/2035	-		19,810	19,810		1,981,000
1/1/2036	481,000	2.00%	19,810	500,810	520,620	1,500,000
7/1/2036	-		15,000	15,000		1,500,000
1/1/2037	490,000	2.00%	15,000	505,000	520,000	1,010,000
7/1/2037	-		10,100	10,100		1,010,000
1/1/2038	500,000	2.00%	10,100	510,100	520,200	510,000
7/1/2038	-		5,100	5,100		510,000
1/1/2039	510,000	2.00%	5,100	515,100	520,200	-
<b>Total</b>	<b>\$ 8,155,000</b>		<b>\$ 1,727,800</b>	<b>\$ 9,882,800</b>	<b>\$ 9,882,800</b>	

**City of Lawrence - Municipal Water Works Utility**  
**602 - Water Bond and Interest Fund**

*Revenue Bonds, Series 2020*

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-		-	-		12,395,000
1/1/2021	-		170,977	170,977	170,977	12,395,000
7/1/2021	-		185,397	185,397		12,395,000
1/1/2022	-		185,397	185,397	370,794	12,395,000
7/1/2022	-		185,397	185,397		12,395,000
1/1/2023	-		185,397	185,397	370,794	12,395,000
7/1/2023	-		185,397	185,397		12,395,000
1/1/2024	-		185,397	185,397	370,794	12,395,000
7/1/2024	-		185,397	185,397		12,395,000
1/1/2025	-		185,397	185,397	370,794	12,395,000
7/1/2025	-		185,397	185,397		12,395,000
1/1/2026	-		185,397	185,397	370,794	12,395,000
7/1/2026	-		185,397	185,397		12,395,000
1/1/2027	-		185,397	185,397	370,794	12,395,000
7/1/2027	-		185,397	185,397		12,395,000
1/1/2028	-		185,397	185,397	370,794	12,395,000
7/1/2028	-		185,397	185,397		12,395,000
1/1/2029	-		185,397	185,397	370,794	12,395,000
7/1/2029	-		185,397	185,397		12,395,000
1/1/2030	-		185,397	185,397	370,794	12,395,000
7/1/2030	-		185,397	185,397		12,395,000
1/1/2031	205,000	4.00%	185,397	390,397	575,794	12,190,000
7/1/2031	-		181,297	181,297		12,190,000
1/1/2032	215,000	4.00%	181,297	396,297	577,594	11,975,000
7/1/2032	-		176,997	176,997		11,975,000
1/1/2033	220,000	4.00%	176,997	396,997	573,994	11,755,000
7/1/2033	-		172,597	172,597		11,755,000
1/1/2034	230,000	4.00%	172,597	402,597	575,194	11,525,000
7/1/2034	-		167,997	167,997		11,525,000
1/1/2035	240,000	4.00%	167,997	407,997	575,994	11,285,000
7/1/2035	-		163,197	163,197		11,285,000
1/1/2036	250,000	4.00%	163,197	413,197	576,394	11,035,000
7/1/2036	-		158,197	158,197		11,035,000
1/1/2037	260,000	4.00%	158,197	418,197	576,394	10,775,000
7/1/2037	-		152,997	152,997		10,775,000
1/1/2038	270,000	3.00%	152,997	422,997	575,994	10,505,000
7/1/2038	-		148,947	148,947		10,505,000
1/1/2039	280,000	3.00%	148,947	428,947	577,894	10,225,000
7/1/2039	-		144,747	144,747		10,225,000
1/1/2040	805,000	3.00%	144,747	949,747	1,094,494	9,420,000
7/1/2040	-		132,672	132,672		9,420,000
1/1/2041	830,000	2.75%	132,672	962,672	1,095,344	8,590,000

Source - Controller's Office



**City of Lawrence - Municipal Water Works Utility**  
**602 - Water Bond and Interest Fund**

*Revenue Bonds, Series 2020*

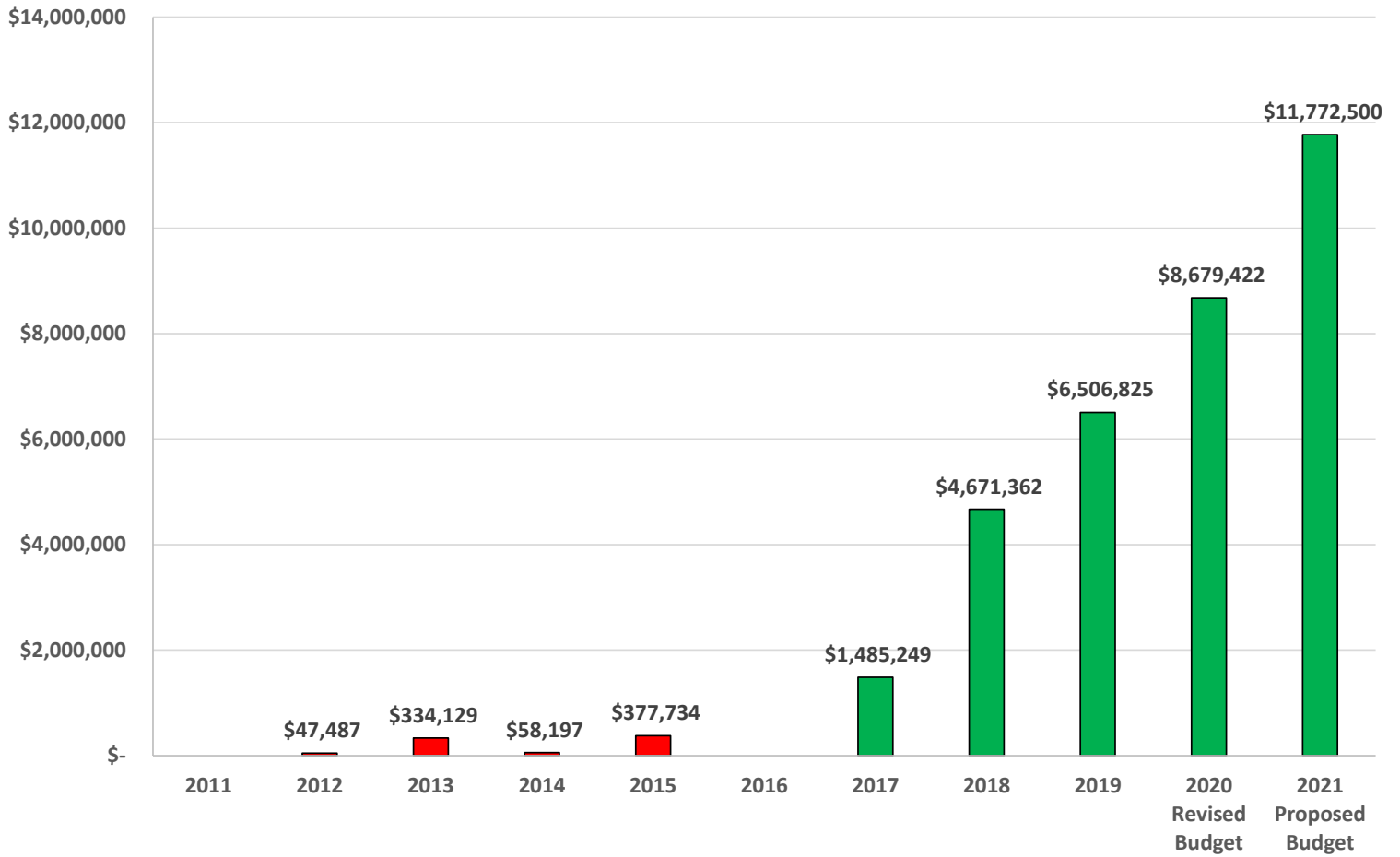
Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2041			121,259	121,259		8,590,000
1/1/2042	855,000	2.75%	121,259	976,259	1,097,519	7,735,000
7/1/2042			109,503	109,503		7,735,000
1/1/2043	875,000	2.75%	109,503	984,503	1,094,006	6,860,000
7/1/2043			97,472	97,472		6,860,000
1/1/2044	900,000	2.75%	97,472	997,472	1,094,944	5,960,000
7/1/2044			85,097	85,097		5,960,000
1/1/2045	925,000	2.75%	85,097	1,010,097	1,095,194	5,035,000
7/1/2045			72,378	72,378		5,035,000
1/1/2046	950,000	2.875%	72,378	1,022,378	1,094,756	4,085,000
7/1/2046			58,722	58,722		4,085,000
1/1/2047	980,000	2.875%	58,722	1,038,722	1,097,444	3,105,000
7/1/2047			44,634	44,634		3,105,000
1/1/2048	1,005,000	2.875%	44,634	1,049,634	1,094,269	2,100,000
7/1/2048			30,188	30,188		2,100,000
1/1/2049	1,035,000	2.875%	30,188	1,065,188	1,095,375	1,065,000
7/1/2049			15,309	15,309		1,065,000
1/1/2050	1,065,000	2.875%	15,309	1,080,309	1,095,619	-
<b>Total</b>	<b>\$ 12,395,000</b>		<b>\$ 8,347,327</b>	<b>\$ 20,742,327</b>	<b>\$ 20,742,327</b>	



Source - Controller's Office

**City of Lawrence Municipal Water Works Utility**

*Capital Improvements Projects Comparison: 2011-2019 Actual; 2020-2021 Budgeted*



**Notes:**

(1) - 2017 - 2019 capital improvements include projects financed with funds from the SRF loan program; 2020 - 2021 includes a portion from Phase II Capital Projects Series 2020 expected to be spent in 2020



Source - Controller's Office

## City of Lawrence Municipal Water Works Utility

### Capital Improvement Accomplishments

Phase I Water System Improvements	Year	Amount
Sumac Lane Water Main Replacement	2017-2018	
Oaklandon Water Tower Rehabilitation	2018	
Richardt Water Treatment Plant Replacement	2017-2019	
Wellfield Improvements	2018-2019	
<b>Total</b>		<b>\$ 8,500,000</b>

Water Main Replacements and Other Projects	Year	Amount
Franklin Road: 45th to 47th	2019-2020	\$ 700,000
Shadeland Way: 56th St to Mardyke Lane	2019	230,000
46th Street Main Extension	2019	66,000
47th Street Main Replacement	2019	1,900,000
Brookhaven - Phase I	2020	2,610,000
Water Meter Replacement Project	2019-2020	48,500
<b>Total</b>		<b>\$ 5,554,500</b>

<b>Water Utility Vehicle Replacements</b>	<b>2018-2021</b>	<b>\$ 1,245,000</b>
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Planned Projects	Year	Amount
Maple/Zoeller/Wallingwood Main Replacements	2021	\$ 1,000,000
52nd St Elevated Tank Rehabilitation	2021	400,000
Fort Raw Water Main Replacement/Lee Road Main Extension	2021	2,700,000
Water Meter Replacement Projects/Meter Upgrades	2021	1,000,000
5400 Carroll Road Main Extension	2021	400,000
Purple Line Infrastructure	2021-2022	840,000
Project Engineering	2021-2022	477,000
<b>Total</b>		<b>\$ 6,817,000</b>

Phase II Water System Improvements	Year	Amount
Fort Harrison Water Treatment Plant Replacement	2022	
Indian Lake Water Treatment Plant	2022	
Wellfield Improvements	2022	
Winding Ridge Ground Water Storage Tank	2022	
Water Main Replacements	2021-2023	
<b>Total</b>		<b>\$ 12,395,000</b>

<b>TOTAL</b>		<b>\$ 34,511,500</b>
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**City of Lawrence - Municipal Water Works Utility**  
**617 - Water Capital Improvement Fund**

***2021 Proposed Budget***

	12/31/2018 Actual	12/31/2019 Actual	2020 Revised Budget	2021 Proposed Budget
<b>Receipts</b>				
Transfers-In from Water Operating Fund	\$ 4,264,741	\$ 5,345,000	\$ 5,473,214	\$ 5,345,000
Miscellaneous	-	21,506	-	-
<b>Total Operating Receipts</b>	<b>\$ 4,264,741</b>	<b>\$ 5,366,506</b>	<b>\$ 5,473,214</b>	<b>\$ 5,345,000</b>
<b>Disbursements</b>				
PILOT	\$ 1,006,349	\$ 1,072,500	\$ 1,072,500	\$ 1,072,500
Available for Capital Projects	-	-	6,990,734	4,272,500
Other	400,622	4,384,061	-	-
<b>Total Operating Disbursements</b>	<b>\$ 1,406,971</b>	<b>\$ 5,456,561</b>	<b>\$ 8,063,234</b>	<b>\$ 5,345,000</b>
<b>Change in Cash Position - Net Receipts</b>	<b>\$ 2,857,770</b>	<b>\$ (90,055)</b>	<b>\$ (2,590,020)</b>	<b>\$ -</b>
<b>Beginning Cash Position</b>	<b>822,304</b>	<b>3,680,074</b>	<b>3,590,020</b>	<b>1,000,000</b>
<b>Ending Cash Position</b>	<b>\$ 3,680,074</b>	<b>\$ 3,590,020</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>

**City of Lawrence - Municipal Water Works Utility**  
**617 - Water Capital Improvement Fund**

***2021 Capital Improvement Project Plan***

Self-Funded Capital Projects	2021 Proposed Projects
Meter Replacements	\$ 250,000
Meter Upgrade Project - Vanguard	750,000
5400 Caroll Road Water Main Extension	375,000
Zoeller Street Water Main Replacement	231,250
Wallingwood Drive Water Main Replacement	545,000
Maple Lane Water Main Replacement	180,000
52nd Street Storage Tank	400,000
Purple Line Infrastructure	840,000
Water Vehicle Replacements	209,000
Engineering	477,000
<b>Total</b>	<b>\$ 4,257,250</b>

# LAWRENCE UTILITIES



## MUNICIPAL SEWAGE WORKS UTILITY

**City of Lawrence - Municipal Sewage Works Utility**  
**606 - Operating Fund**

**2021 Proposed Budget**

	12/31/2018	12/31/2019	2020 Revised	2021 Proposed
	Actual	Actual	Budget	Budget
<b>Operating Receipts</b>				
Residential Flat Rate Sales	\$ 4,398,907	\$ 4,434,575	\$ 4,456,777	\$ 4,561,561
Commercial Metered Sales	2,924,649	2,842,677	2,713,027	2,582,724
Residential Metered Sales	731,102	712,375	799,165	872,306
Penalties	231,930	222,637	227,948	112,735
Miscellaneous Receipts	49,415	35,580	23,047	60,316
<b>Total Operating Receipts</b>	<b>\$ 8,336,004</b>	<b>\$ 8,247,843</b>	<b>\$ 8,219,964</b>	<b>\$ 8,189,642</b>
<b>Operating Disbursements</b>				
Salaries and Benefits	\$ 1,332,893	\$ 1,249,789	\$ 1,549,337	\$ 1,578,823
Treatment Expense	2,041,639	2,233,523	2,777,000	3,125,000
Professional and Contractual Services	174,347	231,598	321,654	360,000
Materials and Supplies	197,813	71,926	116,405	66,000
Transportation Expense	54,908	51,224	97,019	67,250
Insurance Expense	72,515	75,232	92,650	95,000
Rental of Equipment	7,614	10,354	10,000	10,000
Purchased Power	108,317	111,324	124,000	114,000
Contractual Payment to City <sup>1</sup>	-	-	-	-
Miscellaneous Expense	658,260	621,797	820,263	834,420
<b>Total Operating Disbursements</b>	<b>\$ 4,648,307</b>	<b>\$ 4,656,768</b>	<b>\$ 5,908,328</b>	<b>\$ 6,250,493</b>
<b>Net Operating Receipts/(Disbursements)</b>	<b>\$ 3,687,697</b>	<b>\$ 3,591,076</b>	<b>\$ 2,311,636</b>	<b>\$ 1,939,149</b>
<b>Non-Operating Receipts</b>				
EDU Fees	\$ 196,500	\$ 105,800	\$ 350,250	\$ 200,000
Loan Repayment from Water Utility <sup>2</sup>	875,259	-	-	-
Other Receipts	5,968	2,698	158	-
<b>Total Non-Operating Receipts</b>	<b>\$ 1,077,727</b>	<b>\$ 108,498</b>	<b>\$ 350,408</b>	<b>\$ 200,000</b>
<b>Non-Operating Disbursements</b>				
Transfers-Out	\$ 5,531,002	\$ 3,720,476	\$ 537,757	\$ 562,315
Transfer to Capital Improvement Fund	-	-	2,080,954	1,576,834
Loan to Water Utility <sup>2</sup>	-	-	-	-
Interest Expense	4,751	-	-	-
Principal Payment	-	-	-	-
Capital Leases	208,903	(1,957)	49,206	-
Other	457,137	-	-	-
<b>Total Non-Operating Disbursements</b>	<b>\$ 6,201,793</b>	<b>\$ 3,718,519</b>	<b>\$ 2,667,917</b>	<b>\$ 2,139,149</b>
<b>Net Receipts</b>	<b>\$ (1,436,370)</b>	<b>\$ (18,945)</b>	<b>\$ (5,873)</b>	<b>\$ -</b>
<b>Change in Cash Position - Net Receipts</b>	<b>\$ (1,436,370)</b>	<b>\$ (18,945)</b>	<b>\$ (5,873)</b>	<b>\$ -</b>
<b>Beginning Cash Position</b>	<b>2,461,188</b>	<b>1,024,818</b>	<b>1,005,873</b>	<b>1,000,000</b>
<b>Ending Cash Position</b>	<b>\$ 1,024,818</b>	<b>\$ 1,005,873</b>	<b>\$ 1,000,000</b>	<b>\$ 1,000,000</b>

**City of Lawrence - Municipal Sewage Works Utility**  
**Notes to Financial Statements**

**2021 Proposed Budget**

**Notes:**

(1) - Contractual payment to City paid from Sewer Operating Fund through 2017. Payment is now made out of Fund 618 - Sewer Capital Improvement Fund.

(2) - Sewer Operating Fund excludes proceeds from a temporary loan made to the Water Operating Fund in 2016. Original loan amount was \$1,500,000. Loan was repaid in full in March 2018.



**City of Lawrence - Municipal Sewage Works Utility**  
**607 - Sewer Bond and Interest Fund**

***2021 Proposed Budget***

	FY 2021
<b>Receipts</b>	
Transfer from Operating Fund	\$ 562,315
Misc.	-
<b>Total Revenue</b>	<b>\$ 562,315</b>
<b>Disbursements</b>	
Series 2009A	\$ 191,098
Series 2009B	107,711
Series 2009C	45,666
Series 20015	217,840
<b>Total Expenses</b>	<b>\$ 562,315</b>
<b>Change in Cash Position - Net Receipts</b>	<b>\$ -</b>
<b>Beginning Cash Position</b>	<b>-</b>
<b>Ending Cash Position</b>	<b>\$ -</b>





**City of Lawrence - Municipal Sewer Works Utility**  
**607 - Sewer Bond and Interest Fund**

*Series 2009A - Amortization Schedule*

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-		8,273	8,273		1,818,137
1/1/2021	174,572	0.91%	8,273	182,845	191,118	1,643,565
7/1/2021	-		7,478	7,478		1,643,565
1/1/2022	176,142	0.91%	7,478	183,620	191,098	1,467,423
7/1/2022	-		6,677	6,677		1,467,423
1/1/2023	177,727	0.91%	6,677	184,404	191,081	1,289,696
7/1/2023	-		5,868	5,868		1,289,696
1/1/2024	179,327	0.91%	5,868	185,195	191,063	1,110,369
7/1/2024	-		5,052	5,052		1,110,369
1/1/2025	180,942	0.91%	5,052	185,994	191,046	929,427
7/1/2025	-		4,229	4,229		929,427
1/1/2026	182,569	0.91%	4,229	186,798	191,027	746,858
7/1/2026	-		3,398	3,398		746,858
1/1/2027	184,213	0.91%	3,398	187,611	191,009	562,645
7/1/2027	-		2,560	2,560		562,645
1/1/2028	185,871	0.91%	2,560	188,431	190,991	376,774
7/1/2028	-		1,714	1,714		376,774
1/1/2029	187,543	0.91%	1,714	189,257	190,971	189,231
7/1/2029	-		861	861		189,231
1/1/2030	189,231	0.91%	861	190,092	190,953	-
<b>Total</b>	<b>\$ 1,818,137</b>		<b>\$ 92,220</b>	<b>\$ 1,910,357</b>	<b>\$ 1,910,357</b>	



Source - Controller's Office

**City of Lawrence - Municipal Sewage Works Utility**  
**607 - Sewer Bond and Interest Fund**

*Series 2009B - Amortization Schedule*

Date	Principal	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-	53,856	53,856		1,881,237
1/1/2021	-	53,856	53,856	107,711	1,881,237
7/1/2021	-	53,856	53,856		1,881,237
1/1/2022	-	53,856	53,856	107,711	1,881,237
7/1/2022	-	53,856	53,856		1,881,237
1/1/2023	81,237	53,856	135,093	188,948	1,800,000
7/1/2023	-	51,658	51,658		1,800,000
1/1/2024	215,000	51,658	266,658	318,316	1,585,000
7/1/2024	-	45,789	45,789		1,585,000
1/1/2025	230,000	45,789	275,789	321,578	1,355,000
7/1/2025	-	39,395	39,395		1,355,000
1/1/2026	240,000	39,395	279,395	318,790	1,115,000
7/1/2026	-	32,603	32,603		1,115,000
1/1/2027	255,000	32,603	287,603	320,206	860,000
7/1/2027	-	25,246	25,246		860,000
1/1/2028	270,000	25,246	295,246	320,492	590,000
7/1/2028	-	17,376	17,376		590,000
1/1/2029	285,000	17,376	302,376	319,752	305,000
7/1/2029	-	8,982	8,982		305,000
1/1/2030	305,000	8,982	313,982	322,964	-
<b>Total</b>	<b>\$ 1,881,237</b>	<b>\$ 765,232</b>	<b>\$ 2,646,469</b>	<b>\$ 2,646,469</b>	



Source - Controller's Office

**City of Lawrence - Municipal Sewage Works Utility**  
**607 - Sewer Bond and Interest Fund**

*Series 2009C - Amortization Schedule*

Date	Principal	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-	5,589	5,589		180,000
1/1/2021	30,000	5,589	35,589	41,177	150,000
7/1/2021	-	5,333	5,333		150,000
1/1/2022	35,000	5,333	40,333	45,666	115,000
7/1/2022	-	4,088	4,088		115,000
1/1/2023	35,000	4,088	39,088	43,176	80,000
7/1/2023	-	2,844	2,844		80,000
1/1/2024	40,000	2,844	42,844	45,688	40,000
7/1/2024	-	1,422	1,422		40,000
1/1/2025	40,000	1,422	41,422	42,844	-
<b>Total</b>	<b>\$ 180,000</b>	<b>\$ 38,551</b>	<b>\$ 218,551</b>	<b>\$ 218,551</b>	



Source - Controller's Office

**City of Lawrence - Municipal Sewage Works Utility**  
**607 - Sewer Bond and Interest Fund**

*Series 2015 - Amortization Schedule*

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2020	-		24,098	24,098		1,530,000
1/1/2021	170,000	3.15%	24,098	194,098	218,196	1,360,000
7/1/2021	-		21,420	21,420		1,360,000
1/1/2022	175,000	3.15%	21,420	196,420	217,840	1,185,000
7/1/2022	-		18,664	18,664		1,185,000
1/1/2023	180,000	3.15%	18,664	198,664	217,328	1,005,000
7/1/2023	-		15,829	15,829		1,005,000
1/1/2024	190,000	3.15%	15,829	205,829	221,658	815,000
7/1/2024	-		12,836	12,836		815,000
1/1/2025	195,000	3.15%	12,836	207,836	220,672	620,000
7/1/2025	-		9,765	9,765		620,000
1/1/2026	200,000	3.15%	9,765	209,765	219,530	420,000
7/1/2026	-		6,615	6,615		420,000
1/1/2027	205,000	3.15%	6,615	211,615	218,230	215,000
7/1/2027	-		3,386	3,386		215,000
1/1/2028	215,000	3.15%	3,386	218,386	221,772	-
<b>Total</b>	<b>\$ 1,530,000</b>		<b>\$ 225,226</b>	<b>\$ 1,755,226</b>	<b>\$ 1,755,226</b>	



**City of Lawrence - Municipal Sewer Works Utility**  
**618 - Sewer Capital Improvement Fund**

***2021 Proposed Budget***

	12/31/2018 Actual	12/31/2019 Actual	2020 Revised Budget	2021 Proposed Budget
<b>Receipts</b>				
Transfers-In from Sewer Operating Fund	\$ 4,750,000	\$ 3,156,511	\$ 2,080,954	\$ 1,576,834
Miscellaneous	-	975,625	954,119	-
<b>Total Operating Receipts</b>	<b>\$ 4,750,000</b>	<b>\$ 4,132,136</b>	<b>\$ 3,035,073</b>	<b>\$ 1,576,834</b>
<b>Disbursements</b>				
Contractual Payment to City	\$ 2,035,959	\$ 2,035,959	\$ 2,035,959	\$ 2,035,959
Available for Capital Projects	-		1,750,000	1,750,000
Other	1,083,940	1,899,393	-	-
<b>Total Operating Disbursements</b>	<b>\$ 3,119,900</b>	<b>\$ 3,935,352</b>	<b>\$ 3,785,959</b>	<b>\$ 3,785,959</b>
<b>Change in Cash Position - Net Receipts</b>	<b>\$ 1,630,100</b>	<b>\$ 196,784</b>	<b>\$ (750,886)</b>	<b>\$ (2,209,125)</b>
<b>Beginning Cash Position</b>	<b>1,794,051</b>	<b>3,424,151</b>	<b>3,620,935</b>	<b>2,870,049</b>
<b>Ending Cash Position</b>	<b>\$ 3,424,151</b>	<b>\$ 3,620,935</b>	<b>\$ 2,870,049</b>	<b>\$ 660,924</b>



**City of Lawrence - Municipal Sewage Works Utility**  
**618 - Sewer Capital Improvement Fund**

***2021 Capital Improvement Project Plan***

<b>Self-Funded Capital Projects</b>	<b>Estimate</b>
Pumps/monitor upgrades	\$ 45,000
Sewer vehicle replacements	595,000
Purple line relocations <sup>1</sup>	460,000
Clinton Street Lift Station Rehabilitation	1,000,000
Annual manhole rehabilitation project	400,000
<b>Total</b>	<b>\$ 2,500,000</b>

***Notes:***

(1) - Costs associated with purple line relocations likely to be reimbursed or paid by the project, and would not be an expense incurred by the Sewage Works Utility



Source - Controller's Office

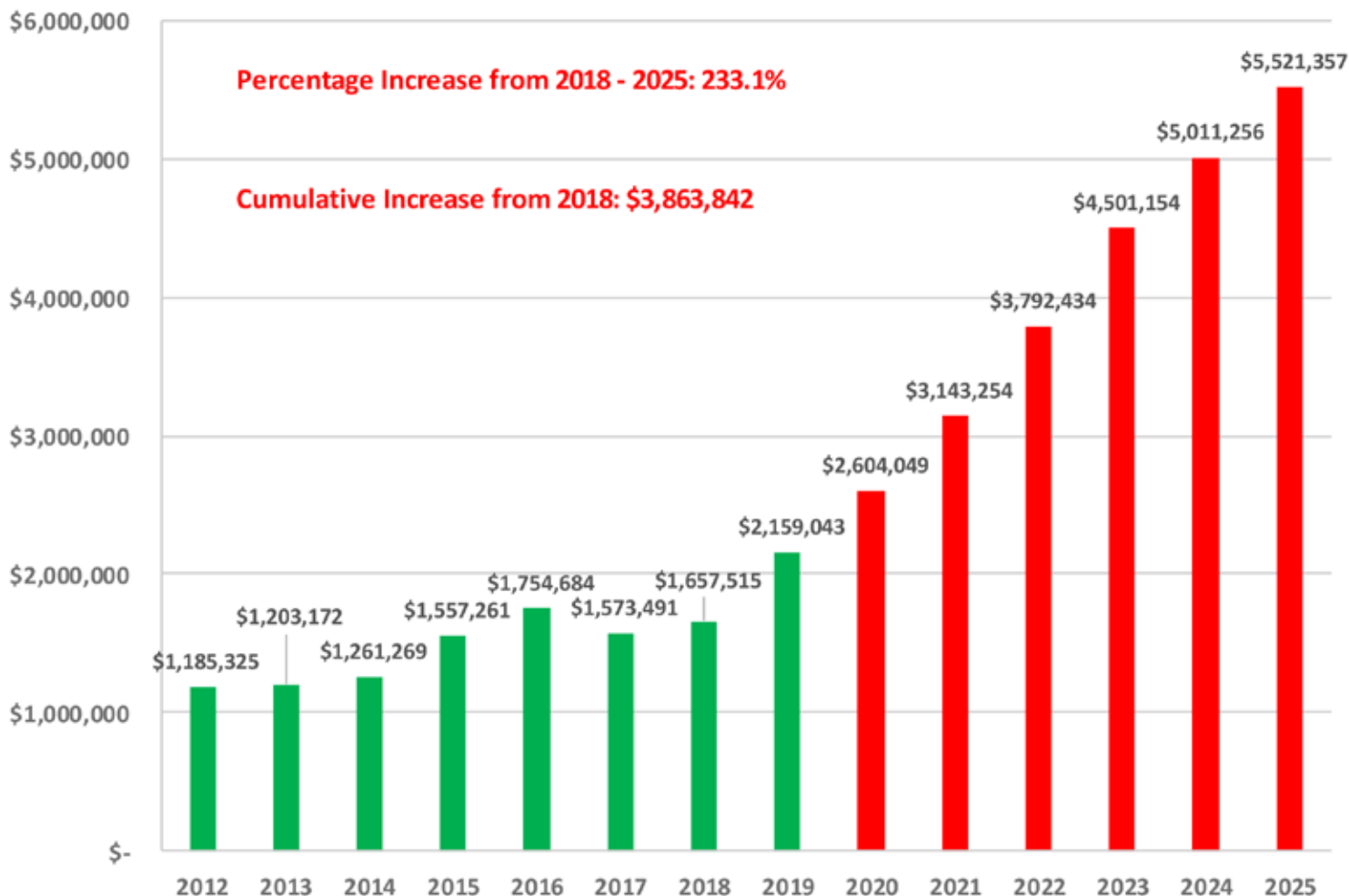
The sanitary sewer utility has not had a rate adjustment since 2009. The renegotiated sewage treatment contract with Citizens Energy Group, while a favorable outcome for the utility, provides for sewage treatment rate increases each year until 2029.

These treatment cost increases are not reflected in our current rate structure and will need to be addressed, as well as additional funding needed to continue to maintain and invest in our vast infrastructure.

As with our water utility, it is important that we have adequate sewer funding to continue to address system performance and reliability related to Inflow and Infiltration impacts.

### Estimated Annual Sewage Treatment Charges through CEG

**Annual Sewage Treatment Charges<sup>1</sup>**  
 2012 - 2019 Actual; 2020 - 2025 Estimated



(1) - Estimated charges for 2020 through 2025 based on 2019 actual

# LAWRENCE UTILITIES



Mayor **Steve Collier**  
CFO **Jason Fenwick**  
Utility Superintendent **Scott Salsbury**

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UTILITY OFFICE  
9201 Harrison Park Court  
Lawrence, IN 46216  
317-542-0511

MAYOR'S OFFICE  
9001 E. 59th Street  
Suite #301  
Lawrence, IN 46216  
317-545-6191

CONTROLLER'S OFFICE  
9001 E. 59th Street  
Suite #300  
Lawrence, IN 46216  
317-549-4804

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*Preserving The Future*