

PO BOX UPDATE REMINDER

We recently changed PO Box address, our new information is listed below.

Payment Processing
PO Box 1366
Indianapolis, IN 46206-1366

If you are currently paying your utility bill through your bank, you will need to update the PO Box information to avoid your payment being returned. Please contact the billing office at 317-542-0511 if you have any questions.

If you are currently paying your utility bill through your bank or a payment processor, you will need to update the PO Box information to avoid having your payment returned. Please make sure the entire utility account number is associated with your payment with your payment processor.

If the account number is not complete, it may cause a delay in posting your payment. It is also a good idea to check your account set up to ensure that the Utility has current contact information on file, such as phone number and/or email. Contact information is very important in case we need

to contact you regarding an emergency or for Utility Billing-related issues. Please contact the billing office at 317-542-0511 if you have any questions.

CONSUMER CONFIDENCE REPORT 2021

The City of Lawrence Utility's 2021 CONSUMER CONFIDENCE REPORT (CCR) is now available by typing the following URL address into your address bar (not your search bar):

<http://tinyurl.com/consumerreport2021>

The CCR is an annual report that contains information of interest as well as water quality testing data for the previous years' regulatory testing requirements.

If you would like to have a paper copy mailed to you, please call the Business Office at (317) 542-0511 and request a copy.



SEWER RATE ADJUSTMENT PROPOSAL & HISTORY

In the next couple of weeks, the Sewer Utility will be submitting to the Utility Services Board a proposal to adjust sewer rates, which have not been adjusted since 2009. The purpose of the rate increase is to meet existing daily operations expenses, increasing sewage treatment costs from CEG, and respond to the EPA Administrative Order on Consent issued to the City on 11/29/2021 by providing for debt service to fund the EPA-related projects, and to provide capital for routine annual improvements and other capital needs. The Utility Services Board must adopt a resolution recommending the Common



Council approve the rate increase. The Common Council will then introduce the proposed rate increase, hold public meetings and then vote on the proposal. The increase will be spread out over four years and we will include two low-volume user tiers as we did for the 2017 water rates.

As we have mentioned before, the goal for the Utility operations is to have adequate revenues to perform its core duties and responsibilities as well as to provide adequate funding for improvements, replacements and upgrades. These are normal expenses of any utility.

SEWER RATE ADJUSTMENT CONT.

In 2017, we focused on the water increase, since the water utility was teetering on bankruptcy. We had planned to start the process for the sewer rate increase in the spring of 2020, after the last phase of the water rate increase had taken effect on January 1, 2020. Then, when the pandemic hit and things started shutting down and folks were working from home or not working at all due to business closures, we determined that that was not the right circumstance to propose a sewer rate increase.

The new Administrative Order on Consent from the EPA was issued due to our failure to adequately address Sanitary Sewer Overflow's under the first order issued in 2008. We have to address these chronic SSO problems at 46th & Post, 71st & Oaklandon and 7699 53rd Street as well as other issues noted in the order.

The penalties for failure to do so would be very costly. The 2009 increase did not provide adequate funding for increasing routine Operations and Maintenance costs, or for internal working capital to address vehicle and equipment issues and minor capital needs such as pump, motor and controls replacement/repair for lift stations and grinder pumps. It also did not provide for contracted sewer main repairs that are necessary but not necessarily part of a larger project. Thus, from 2010 onward, routine O&M and other necessary but not necessarily SSO-related projects slowly ate away at the additional \$2M from the 2009 increase.

Our goal as a Utility operation is to provide safe, reliable and high quality water and sanitary sewer services to our community. For too long the utility operations have struggled to do so because raising rates to meet increasing routine O&M costs, as well as fund the necessary improvements to the water and sewer systems was politically unpopular. Thus, we deferred rate increases until there was absolutely no alternative but to do so, resulting in large increases. Ideally, we will be looking at smaller increases on a more frequent basis than every 10 to fifteen years, as has

been the past practice.

We have turned the corner on the water utility, investing roughly \$30-million since 2017 to replace and upgrade our old, worn out water treatment plants, restore our water storage facilities to extend their useful life, began a long overdue routine water main replacement program and coming soon, development of additional water supply wells. We are also routinely changing meters to provide the latest in cellular-read meters, making our meter reading and billing functions more efficient. We still have some work to do on our on-line bill payment platforms, but this is a work in progress and we will get this part of our



operations sorted out soon.

We must now do the same with our sanitary sewer system. The problems are the same as what we had with the water

system; old and neglected infrastructure. Band-Aids instead of proper replacement and upgrading. Neglected because there simply is not adequate revenue to do the things we need to do. With the EPA order, we do not have the luxury of taking this approach any longer. We did not meet the obligations under the first EPA order because of inadequate funding. The EPA will not let that happen again.

To sit here and try to explain all the various contributing factors as how we got to this point would not accomplish anything. In fact, it would just make matters worse. The fact is that we have a sanitary sewer system that is old and in bad shape and is under-funded.

While we have completed many projects since the first EPA order in 2010, there are still roughly \$32-million-worth of projects recommended in the study under the first EPA order that we did not perform due to inadequate funding. Nevertheless, it is evident in looking at the data that we are still paying an inordinate amount of money annually to treat already clean water, and we are still experiencing chronic sanitary sewer overflows.

It is my hope that there will be broad support from the community for the proposed increase. Our water and sanitary utility infrastructure supports not only the health and safety of our community, but also plays an important role in the economic life and success of the community. The increase will lay the foundation for improvements that will benefit the community for the long run. In addition, by adopting a more sane approach to future rate increases (smaller but more frequent), coupled with the reduction in sewage treatment costs from eliminating sources of clear water, and lowered repair and maintenance costs associated with new and better performing infrastructure, we will be in a better position to control and limit future rate increases.

Our community is worth it. Not only for us here now, but for those who will be here in the future.