



THE LAWRENCE LIFT

January 2017

I could take up valuable space here by citing numerous articles and studies performed by any number of organizations, research foundations, from people within and without the water and sewer industry, reports loaded with facts, figures, data, charts, graphs and examples and bombard you with ample evidence Lawrence Utilities needs to invest in infrastructure upgrades. It used to be we only thought about infrastructure when we saw things on the news like pothole complaints after the winter, or deteriorated and unsafe sidewalks, etc. Now, almost every day in the news we see ample evidence of the decades-long neglect of our nation's water, sanitary and storm water systems. They tend to be out of sight and therefore, out of mind. It is clear from our experience at Lawrence Utilities answering the phones that many of you experience problems like rusty/discolored water, a bleachy smell to the water, low water pressure, slow drains, sewer backups, etc. Many of you are inconvenienced by water main breaks, whether it is being temporarily unable to use the water, having traffic disrupted, or having yards, sidewalks & driveways torn up for repairs.

We are past the point where we need to "study" these issues. We all know what the problem is: the water and sewer mains are old and they have deteriorated. The hydrants, valves, manholes, and the other various appurtenances connected to these mains are old a deteriorated. The water plants themselves are old and deteriorated. Many of our sewage lift stations are in need of repair or replacement. Our water storage facilities need attention. Have you seen the Oaklandon water tower lately? The 52nd Street tower was recently painted, but the internal issues were not addressed, nor were the structural and safety issues corrected. Our water wells, the source of our water, need attention. There's no point in fixing plants and mains if you have no water to fill them. We need emergency generators for our wells and other facilities in case of power outages. Our phone system needs improvement as well as our billing process and payment options.

Not all of our infrastructure is in horrible shape. There are newer developments on the north and east sides of the City that are relatively new and therefore do not require immediate attention. Our present course of 'band-aid' repairs and simply reacting to problems and system failures instead of proactively managing our assets so they are rehabilitated or replaced before they fail is unsustainable. Fixing or replacing a system component after it has failed and become an emergency response is always more costly, and more disruptive of our operations and our customers' service levels as opposed to performing a planned and scheduled upgrade, rehabilitation or replacement. We want to avoid increased failure rates, or risk of catastrophic failures, which invite increased regulatory action, such as the EPA Order we are presently under with regard to the sanitary sewer system.

In summary, our water infrastructure is in great need of attention. If you have not done so, please visit the utility page on the City's website and take a look at the Preliminary Engineering Report for the water system, which was created as part of our seeking low-interest money from the Drinking Water State Revolving Fund. The PER addresses some of our immediate concerns and is but a part of our overall 20-Year Master Plan. You may also call me at (317) 524-6305, or email me at ssalsbery@cityoflawrence.org with any questions or concerns. I will be happy to provide more details about the water system's condition and issues.

Restoring the water utility to black ink is tremendously important, but we also need to address our capital improvements needs. We must begin and then continue making improvements necessary to ensure we continue to have a safe, adequate, and reliable water system. Unfortunately, like many other cities and towns across Indiana and

the US, it is going to be necessary to play a catch up game. Raising rates to allow for adequate and effective daily operations as well as providing funding for capital improvements projects is part of responsible ownership and responsible operating of a utility. In the past, it has been the practice to wait and wait and wait to raise rates. Lawrence waited to raise its water rates from 1988 to 2001, when a 3-year phased in rate increase was adopted. The only other water rate action since 2004 was a water rate reduction in 2008. It makes more sense to adjust rates more frequently in smaller increments, which is the path we need to take. We must start on the path of reasonable and sustainable investment in our water infrastructure now.

It is our hope that you will support the Utility's efforts to restore fiscal soundness to the utility operations and begin the process of restoring our water infrastructure, which is what our customers deserve. Along these lines, we have made great strides in untangling and straightening out the utility finances, which were not in the shape they should have been. We have completed the water and sanitary sewer master plans, completed water and sanitary sewer system asset valuations based on current information, and are also in the process of selecting and implementing a utility asset management program. This is a big step in laying out a sustainable and reasonable path forward with regard to maintaining our infrastructure and will also help to reduce the capital improvement cost burdens moving forward.

Thank you, and please do not hesitate to contact me with any questions or concerns.

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

Check www.cityoflawrence.org for updates about events throughout our community. Information about personnel contacts, budget reports, volunteer opportunities, employment opportunities, and an archive of committee agendas and minutes are available to you.