



DEC
2017



THE LAWRENCE LIFT

NEWSLETTER

DON'T FORGET TO WINTERIZE

We would like to take this opportunity to remind our customers with irrigation systems that their systems should be winterized in order to prevent damage from freeze/thaw cycles over the winter months and the potential for leaks leading to high water bills when the system is reactivated in the spring or summer. In addition, please take some time to familiarize yourself and others residing in your home as to the location of key water shut-off valves inside the home and ensure that they are functioning. You may also want to investigate whether or not your meter and inside plumbing in areas like your garage or plumbing located in outside walls are protected from freezing and breaking. Water meters that freeze and break due to exposure to freezing temperatures are the responsibility of the property owner for replacement costs.

Thank you,

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ISSUE

22

SPECIAL
BUDGET EDITION

PROJECT UPDATES

1. The Sumac Water Main Replacement Project is complete with the exception of cleanup and pavement/yard restoration work.
2. The Richardt Water Treatment Plant Replacement Project is on schedule and the larger concrete pours for the retention and clear well tanks are nearly 100% complete. Work has begun on the filter gallery footings and foundation work started. In addition, some of the underground pipework has been completed.
3. The Fort Harrison and Indian Lake Well Field Improvements project is just about complete with regard to engineering design work. Final steps will be to finalize the plans and preparation of the bid documents in order to get the project out to bid for 2018.
4. The Oaklandon Tower Rehabilitation Project has been awarded and this work will commence in March 2018 and be completed by the end of June 2018.
5. Culy Contracting, Inc. will begin work on the 2017 Sewer Manhole Rehabilitation Project starting December 4, 2017 with work lasting into the spring of 2018.
6. The Sewer Utility also has a sewer main rehabilitation project out to bid and we hope to award this project at the December 14, 2017 USB meeting. This project focuses on the lining and/or replacement of sewer mains and manholes in the City of Lawrence Trades District, which is situated between I-465 on the west; Franklin Road on the east; and from Pendleton Pike to the CSX tracks for north/south boundaries. This project will also be completed in early 2018 and will improve sewer system performance in the area and reduce our Inflow and Infiltration factors.



UTILITY SERVICE BOARD APPROVES PROPOSED FY 2018 BUDGET

The Fiscal Year (“FY”) 2018 budget for the City of Lawrence Utilities was unanimously approved by the Utility Service Board on November 14, 2017. The 2018 budget is a sound and responsible fiscal plan that will enable the Utilities to serve the interests of its ratepayers. The approved budget reflects input from managers of the utility and involved analyzing historic costs and revenue data to develop reasonable operating and capital budgets for both the Water Works and Sewage Works utilities. The budget also signifies the return to solid financial health of the Water Works Utility and begins funding a robust capital improvement program. In 2018 we will see even more improvements being made to our water and sanitary sewer systems. We are truly well on the way to fiscal soundness and to properly operating and maintaining the utilities.

The 2018 Water Works Utility budget will fund the minimum 60-day operating reserve of approximately \$730,000, which has not been funded since 2011. The budget also provides for a transfer of over \$3 million to the Water Capital Improvement Fund, the largest amount transferred in at least five years. As you may recall, the Water

Utility borrowed \$1.5 million from the Sewage Utility in 2016, which we will fully repay in 2018. After repayment of the sewer loan, we expect to fund nearly \$900,000 in capital improvements in 2018 and provide an emergency capital reserve. Beginning in 2019, we expect to fund in excess of \$2 million in capital improvements each and every year. With the recent bond rating upgrade from junk to investment grade from Standard & Poor’s (BBB with positive outlook), the Water Works Utility refunded its outstanding revenue bonds, reducing future debt service payments by approximately \$2.5 million in total, or \$230,000 per year. This savings will be used for additional capital improvements.

The 2018 Sewage Works Utility budget will continue with its capital improvement plan, including EPA ordered work, with a capital improvement budget in excess of \$1.5 million. Major projects planned include the Lift Station 19 rehabilitation project and manhole repairs and replacements. Our capital improvements budgets are robust and getting better over the next couple years and we will also be making vehicle purchases to replace worn out vehicles and important equipment such as Sewer Cleaning

Trucks (aka “Vactors”), and other heavy equipment.

For both utilities, we have budgeted more funding for operational programs such as large meter testing, meter replacements, water hydrant, valve and meter pit replacements and installations, manhole improvements, sewer main repairs and improvements to our sewage lift stations and grinder pump installations.

We are taking the next step with the 2018 budget to maintaining the Utilities’ financial health. In short, things are looking up for the Utility operations in general and we expect to see even more improvement in the quality, reliability and adequacy of the City’s water and sanitary sewer services to its residents and businesses. The 2018 Utility budget can be viewed on the City’s website at the following: <http://www.cityoflawrence.org/sites/default/files/document-group/2018%20Proposed%20Utility%20Budget.pdf>

Thank you,



Jason Fenwick
City Controller and Utility CFO