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CITY OF LAWRENCE UTILITIES

2019 PROPOSED BUDGET



Mayor Steve Collier
City Controller/Utility CFO Jason C. Fenwick
Utilities Superintendent Scott Salsbery





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SCOTT SALSBERY

Lawrence Utilities Superintendent

DEAR MAYOR COLLIER AND BOARD MEMBERS,

I am happy to present the 2019 Water and Sanitary Sewer Utility budgets. As you are all aware, 2018 was another year of tremendous improvement in the financial condition of the water utility with our bond rating receiving an additional upgrade to A-minus with a Positive Outlook. The financial soundness of the Utility Operations has never been better, and we are making improvements to the infrastructure at an unprecedented level as well as continuing to improve our daily operations and management. Our water capital funding is robust and our debt reserve, operating cash reserves, and other bond obligations are all properly funded.

2018 also saw the successful launch of the On-Line Bill Pay feature in our billing system in October. Within the first week some 70 customers have already signed up for electronic billing. With additional public outreach these numbers are expected to continue to increasing.

In 2018 we saw the completion of the Sumac Lane water main replacement, the repainting of the Oaklandon Tower (which is also up for two awards at the time of this writing!), considerable progress on the new Richardt Water Treatment Plant as well as starting our Wellfield Improvements Project. In 2019 we will continue working to complete the Phase I Water System Improvements Projects and begin the process of arranging financing for our Phase II Projects and starting the engineering process on those projects.

The Phase II Water Projects will include:

1. 47th & Richardt Water Main Improvements; \$1.22-million
2. Fort Harrison WTP; \$4.91-million
3. Indian Lake WTP Improvements; \$300,000
4. N. Kitley Ave/Karen Dr Water Main; \$1.475-million

The projects we will focus on with our internal operating capital funding will include:

1. Franklin Road Water Main Replacement; \$150,000
2. 62nd Street Water Main Project; \$500,000
3. Carroll Road Water Main Project; \$400,000
4. 52nd Street Tower; \$400,000
5. Water Meter Re-location Project; \$20,000
6. Fort Harrison State Park Water Main Project; \$30,000
7. 46th Street Water Main Extension; \$6,000
8. Continue Vehicle Replacement Program; \$300,000
9. Purchase Hydro-Excavator; \$335,000



10. Water Meters; \$250,000
11. Winding Ridge Ground Storage Tank; \$99,000
12. Elmhurst/Kingman Water Main; \$497,000
13. 43rd Street Water Main; \$453,000
14. Lift Station 19 Replacement Project; \$1.0-million (EPA Project)
15. CIPP & Manhole Rehab Projects; \$1.0-million (EPA Project)

The total amount of funding required for the Phase II bonds will be \$7.9-million. The internal capital projects total roughly \$3.29-million.

The above proposed projects are not set in stone, but part of our overall Water Master Plan and may change as we move forward. The plan is flexible for planning and budget considerations. It is important also to keep in mind that the above proposed capital expenditures are estimates, some of which are now a couple years old, deriving from our 2016 Water Master Plan and these numbers may not reflect actual costs.

I would like to take this opportunity to extend my heartfelt thanks to all the outstanding Lawrence Utilities employees 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 and others, such as the Lawrence Fire Department. Most people do not think of it this way, but Water and Sewer Utility employees play as big a role in assuring and maintaining the Public Health and Safety of our City as any other Public Safety agency.

I would also like to thank all the other City employees who we work and interact with on a daily basis in taking care of the business of running the city. It truly is a team effort and each and every one of you all deserve thanks for all you do. No department is an island. It is through working together that we have attained the success we have and achieved the goals that we set for ourselves and our city. Let us endeavor to persevere.

Sincerely,



“ THOUSANDS HAVE LIVED WITHOUT LOVE,
NOT ONE WITHOUT WATER... ”





JASON C. FENWICK

City Controller/Utility CFO

I am pleased to present the Fiscal Year ("FY") 2019 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. This budget signifies the return to solid financial health of the Water Works Utility. The Water utility ended FY 2015 with an operating deficit of \$1.1 million. Additionally, at the same time, Standard and Poor's ("S&P") downgraded the utility's rating to junk status (BB+). Steps were taken in 2016 to shore up the utility's financials, including borrowing \$1.5 million from the sewer utility. In the years from 2011 to 2016, less than \$1 million in total capital improvements were made to the system. A system of our size requires at least \$2 million of capital improvements each and every year to ensure reliability.

We have made tremendous progress in the past 2 years and will continue with our 2019 proposed budget. We have fully repaid the loan from the Sewer utility (repaid in full in March of this year). The Water utility

recently received its second consecutive two-notch rating upgrade from S&P and is now rated A- with positive outlook. These ratings upgrades alone have saved the utility at least \$3.5 million in borrowing costs. Most importantly, with our improved financial health, we have been able to make over \$13 million in capital improvements to the system and have established a robust, sustainable capital improvement program.

Our 2019 budget proposal includes over \$3 million for capital improvements to the water system - e.g. water main replacements, meter pit installations, and hydrant and valve replacements. We are also eagerly anticipating the grand opening of the new Richardt water treatment facility in 2019. Our budget proposal also includes over \$2 million for capital improvements in the sewer system, including EPA ordered work.

Lastly, we recently launched our new bill pay platform for utility payments. This new platform will allow our customers to go paperless through the eBill option,

eliminating monthly mailing of statements and providing savings to the utility. Customers can also sign-up for recurring payments and view historical bills and consumption. We are anticipating more customer service efficiency initiatives in 2019.

With this budget proposal, we are paving the way to maintaining the Utilities' sound financial health and substantial investments into the system, and look forward to working with the Utility Service Board as you consider this recommended budget.

Regards,

A handwritten signature in black ink, appearing to read "Jason Fenwick".



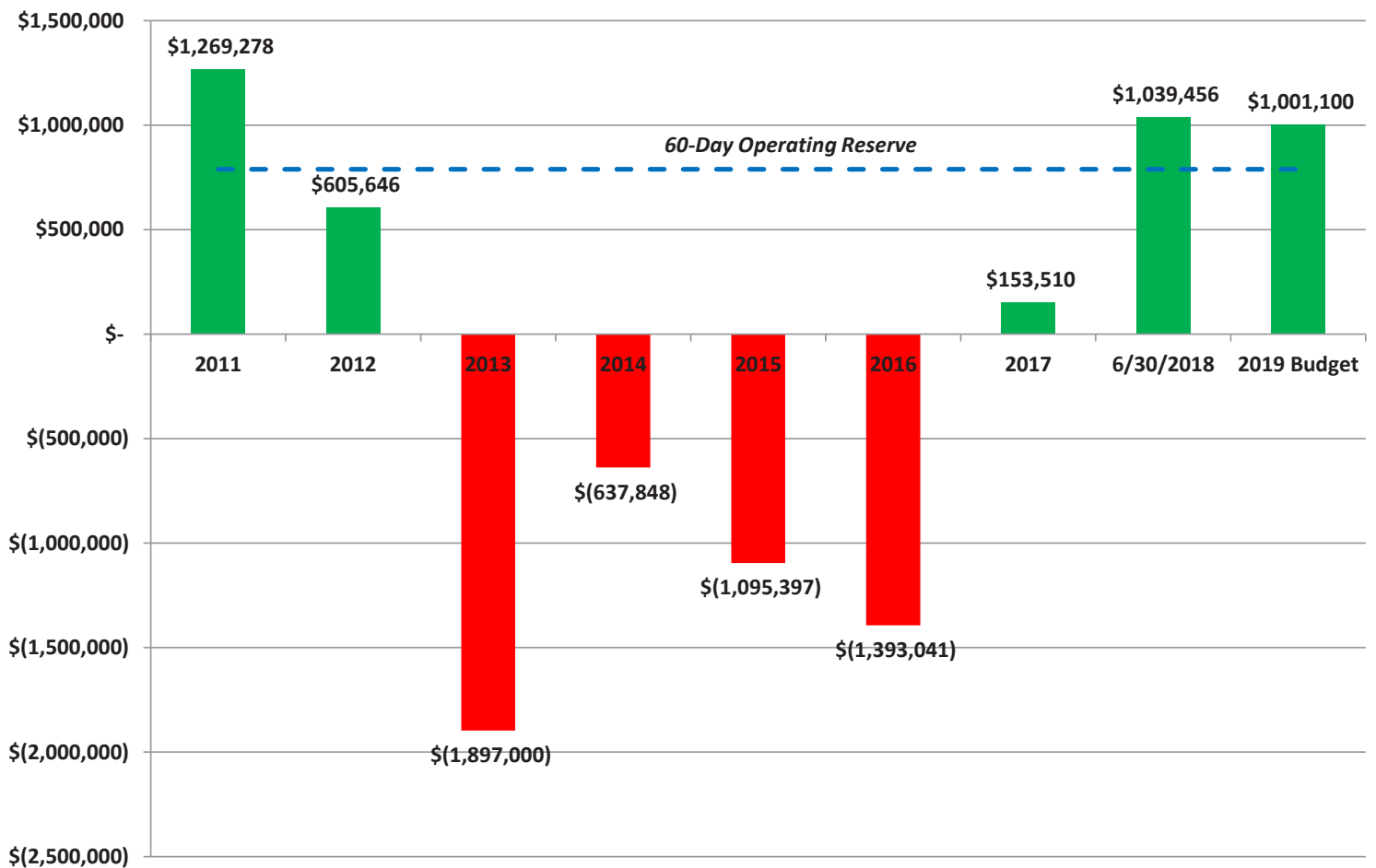
“ I CONSIDER IT TOP PRIORITY TO INCREASE WATER QUALITY AND INCREASE WATER QUANTITY IN OUR COMMUNITY. ”

The background image shows a utility worker in a trench, wearing a yellow hard hat and a high-visibility vest. The worker is positioned in the center, looking towards the camera. The trench is filled with earth, and there are various pieces of equipment and pipes visible. A large green semi-transparent shape is overlaid on the image, containing the text. In the background, there are utility poles and a traffic light. The overall scene is a construction or maintenance site for a water utility.

MUNICIPAL
WATER WORKS
UTILITY

Year-End Operating Fund Balance Comparison (Actual)

2011 - June 30, 2018 Actual; 2019 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

Recent Ratings Upgrades Have Saved the Water Utility over \$3.5 Million

Standard & Poor's Ratings Scale

Investment Grade

AAA

AA+

AA

AA-

A+

A

A-

BBB+

BBB

BBB-

Junk Status

BB+

BB

BB-



Water Utility upgraded to A- with positive outlook (September 20, 2018)



Water Utility upgraded to BBB with positive outlook (September 28, 2017)



Water Utility downgraded to BB+ (November 9, 2015)

Utility Savings

\$1.0 Million

\$2.5 Million

City of Lawrence - Municipal Water Works Utility

601 - Water Utility Operating Fund

2019 Proposed Budget

	12/31/2016 Actual	12/31/2017 Actual	2018 Revised Budget	2019 Proposed Budget
Operating Receipts¹				
Residential Metered Sales	\$ 3,870,978	\$ 5,050,131	\$ 6,161,774	\$ 6,695,008
Commercial Metered Sales	1,702,792	2,113,744	2,461,331	2,782,992
Private Fire Protection	259,817	335,470	434,857	450,442
Hydrant Fees	143,648	188,667	242,069	259,937
Penalties	158,186	201,564	158,100	252,004
Total Operating Receipts¹	\$ 6,135,421	\$ 7,889,575	\$ 9,458,131	\$ 10,440,383
Operating Disbursements				
Salaries and Benefits	\$ 1,637,296	\$ 1,560,251	\$ 1,749,897	\$ 1,858,180
Professional and Contractual Services	585,859	361,433	649,850	800,500
Materials and Supplies	384,783	328,754	416,650	375,750
Transportation Expense	84,269	61,206	107,950	111,750
Insurance Expense	70,156	88,112	90,000	96,945
Chemicals	91,150	62,258	115,000	115,000
Rental of Equipment	3,947	6,784	5,000	9,000
Purchased Power	310,917	282,478	320,000	339,270
Miscellaneous Expense	398,520	675,703	941,581	1,026,979
Contractual Payment to City ²	1,357,306	578,653	-	-
Total Operating Disbursements	\$ 4,924,204	\$ 4,005,631	\$ 4,395,928	\$ 4,733,374
Net Operating Receipts/(Disbursements)	\$ 1,211,217	\$ 3,883,944	\$ 5,062,203	\$ 5,707,009
Net Operating Margin	19.7%	49.2%	53.5%	54.7%
Non-Operating Receipts				
EDU Fees	\$ 137,850	\$ 149,710	\$ 120,000	\$ 195,508
New Meters	54,528	49,511	40,000	72,461
Loan Proceeds from Sewer Utility ³	1,500,000	-	-	-
Other Receipts	331,159	515,545	136,500	203,674
Total Non-Operating Receipts	\$ 2,023,536	\$ 714,765	\$ 296,500	\$ 471,643
Non-Operating Disbursements				
Transfers to Water Bond and Interest Fund ⁴	\$ 1,612,418	\$ 1,318,224	\$ 1,402,712	\$ 1,529,121
Transfers to Water Debt Service Reserve Fund ⁵	-	235,310	104,136	45,018
Loan Payment to Sewer Utility	-	624,741	875,259	-
Principal Payment	-	-	-	-
Interest Expense	85,631	78,413	-	-
Capital Leases	165,715	172,451	279,336	235,964
Other	168,634	(78,761)	-	-
Transfers to Water Capital Improvement Fund	-	1,250,000	2,800,000	4,370,000
Total Non-Operating Disbursements	\$ 2,032,397	\$ 3,600,378	\$ 5,461,443	\$ 6,180,103
Change in Cash Position - Net Receipts	\$ 1,202,356	\$ 998,332	\$ (102,740)	\$ (1,451)
Beginning Cash Position	(1,095,397)	106,959	1,105,291	1,002,551
Ending Cash Position	\$ 106,959	\$ 1,105,291	\$ 1,002,551	\$ 1,001,100

601 Water Utility Operating Fund

A photograph of two large, cylindrical stainless steel water storage tanks at a utility site. The tanks are mounted on concrete bases and have various pipes and valves attached. In the background, there are trees, a utility pole, and a cloudy sky.

Notes:

(1) - 2019 Proposed budget includes Phase II rate increase of approximately 6.8%

(2) - 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 will be made from Fund 617 - Water Capital Improvement Fund.

(3) - Water Operating Fund includes proceeds from a temporary loan received from the Sewer Operating fund in 2016. Loan was repaid in full in March 2018.

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

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

Source: City Controller's Office

602 Water Bond and Interest Fund

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

2019 Proposed Budget

	FY 2019
Receipts	
Transfer from Operating Fund	\$ 1,529,121
Misc.	-
Total Receipts	\$ 1,529,121
Disbursements	
Series 2017A	\$ 557,756
Series 2017B	451,265
SRF Series 2017	520,100
Total Disbursements	\$ 1,529,121
Change in Cash Position - Net Receipts	\$ -
<u>Beginning Cash Position</u>	-
Ending Cash Position	\$ -

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

State Revolving Fund Loan, Series 2017 - Amortization Schedule

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
1/1/2018	\$ -		\$ 90,248	\$ 90,248	\$ 90,248	\$ 8,505,000
7/1/2018	-		85,050	85,050		8,505,000
1/1/2019	-		85,050	85,050	170,100	8,505,000
7/1/2019	-		85,050	85,050		8,505,000
1/1/2020	350,000	2.00%	85,050	435,050	520,100	8,155,000
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	-
Total	\$ 8,505,000		\$ 2,158,248	\$ 10,663,248	\$ 10,663,248	



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
1/1/2018	\$ 545,000	2.00%	\$ 9,655	\$ 554,655	\$ 554,655	\$ 4,920,000
7/1/2018	-		96,778	96,778		4,920,000
1/1/2019	360,000	3.00%	96,778	456,778	553,556	4,560,000
7/1/2019	-		91,378	91,378		4,560,000
1/1/2020	375,000	3.00%	91,378	466,378	557,756	4,185,000
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	-
Total	\$ 5,465,000		\$ 1,297,330	\$ 6,762,330	\$ 6,762,330	



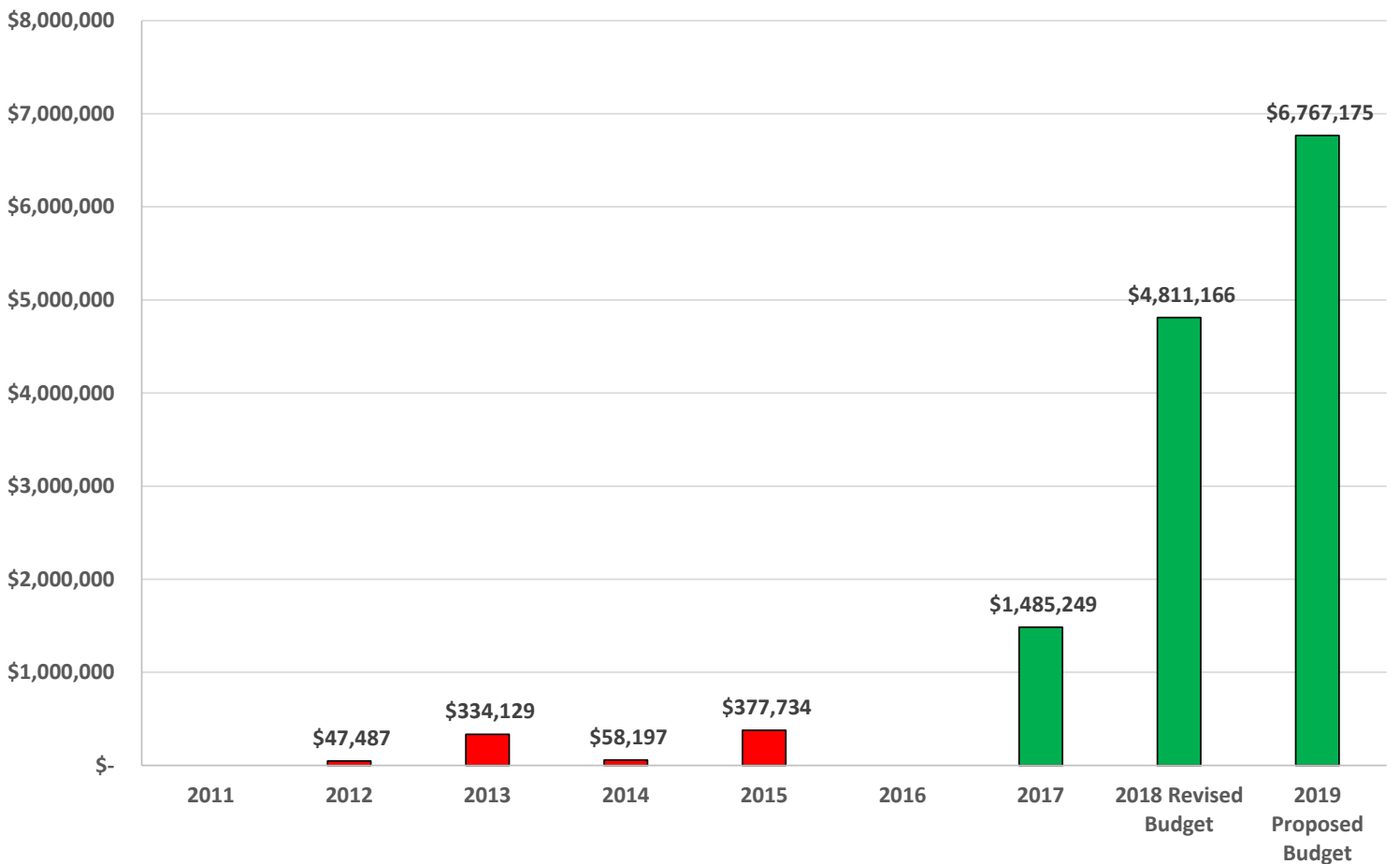
City of Lawrence - Municipal Water Works Utility
602 - Water Bond and Interest Fund

Refunding Revenue Bonds, Series 2017B - Amortization Schedule

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
./1/2018	\$ 370,000	2.70%	\$ 5,687	\$ 375,687	\$ 375,687	\$ 3,510,000
./1/2018	-		55,223	55,223		3,510,000
./1/2019	340,000	2.70%	55,223	395,223	450,445	3,170,000
./1/2019	-		50,633	50,633		3,170,000
./1/2020	350,000	2.70%	50,633	400,633	451,265	2,820,000
./1/2020	-		45,908	45,908		2,820,000
./1/2021	360,000	2.70%	45,908	405,908	451,815	2,460,000
./1/2021	-		41,048	41,048		2,460,000
./1/2022	370,000	2.70%	41,048	411,048	452,095	2,090,000
./1/2022	-		36,053	36,053		2,090,000
./1/2023	380,000	3.45%	36,053	416,053	452,105	1,710,000
./1/2023	-		29,498	29,498		1,710,000
./1/2024	390,000	3.45%	29,498	419,498	448,995	1,320,000
./1/2024	-		22,770	22,770		1,320,000
./1/2025	405,000	3.45%	22,770	427,770	450,540	915,000
./1/2025	-		15,784	15,784		915,000
./1/2026	295,000	3.45%	15,784	310,784	326,568	620,000
./1/2026	-		10,695	10,695		620,000
./1/2027	305,000	3.45%	10,695	315,695	326,390	315,000
./1/2027	-		5,434	5,434		315,000
./1/2028	315,000	3.45%	5,434	320,434	325,868	-
Total	\$ 3,880,000		\$ 631,772	\$ 4,511,772	\$ 4,511,772	



City of Lawrence Municipal Water Works Utility
Capital Improvements Projects Comparison: 2011-2017 Actual; 2018-2019 Budgeted



Notes:

(1) - 2017 - 2019 capital improvements include projects financed with funds from the SRF loan program



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

2019 Proposed Budget

	12/31/2016 Actual	12/31/2017 Actual	2018 Revised Budget	2019 Proposed Budget
Receipts				
Transfers-In from Water Operating Fund	\$ 377,734	\$ 1,250,000	\$ 3,500,000	\$ 4,370,000
Miscellaneous	-	-	-	-
Total Operating Receipts	\$ 377,734	\$ 1,250,000	\$ 3,500,000	\$ 4,370,000
Disbursements				
PILOT	\$ -	\$ 427,696	\$ 1,072,000	\$ 1,072,500
Available for Capital Projects	-	-	2,250,000	3,275,000
Other	-	-	-	-
Total Operating Disbursements	\$ -	\$ 427,696	\$ 3,322,000	\$ 4,347,500
Change in Cash Position - Net Receipts	\$ 377,734	\$ 822,304	\$ 178,000	\$ 22,500
Beginning Cash Position	(377,734)	-	822,304	1,000,304
Ending Cash Position	\$ -	\$ 822,304	\$ 1,000,304	\$ 1,022,804



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

2019 Capital Improvement Project Plan

In-House Projects	Estimate
52nd Street Tower	\$ 400,000
Franklin Road water main re-location	200,000
62nd Street Water Main	500,000
Carroll Road Water Main	400,000
Fort Harrison State Park Water Main Projects	35,000
Elmhurst/Kingman Water Main Project	497,000
43rd Street Water Main Project	453,000
New Meters	250,000
Hydro-Excavator	335,000
Vehicle Replacements	150,000
Total	\$ 3,220,000

STANDARD & POORS

UPGRADES LAWRENCE UTILITIES FOR SECOND YEAR IN A ROW

S&P Global Ratings has raised its rating for the City of Lawrence, Water Utility two notches from 'BBB' to 'A-' and issued a positive outlook, according to City Controller Jason Fenwick.

This is the second S&P rating upgrade for the City of Lawrence Utilities since Mayor Steve Collier took office in 2016. The first upgrade occurred in 2017 to 'BBB' with positive outlook from 'BB+'.

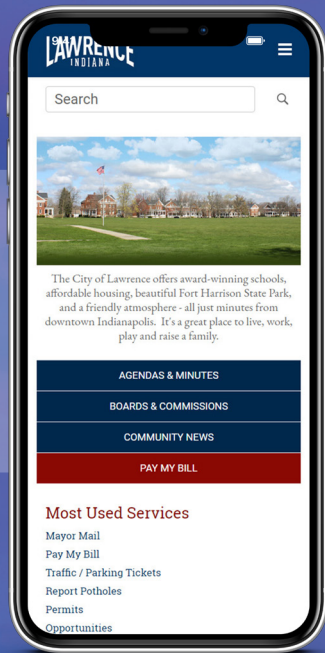
"This is a major milestone for the City of Lawrence and validates the progress we have made in reviving the Utility's finances," said Mayor Steve Collier. "When we took office, our administration faced a \$1.45 million deficit, leaving the Water Utility to borrow from the Sewer Utility, but we have managed to turn the Utility around financially and upgrade city services."

"This rating increase will lead to lower overall interest rates and save utility ratepayers in terms of lower debt service in future years. This rating increase will directly benefit ratepayers," said Fenwick.

S&P cited its credit upgrade based on Lawrence Utilities' (LU) recent and projected improvement in both budgetary performance, good operational management practices and policies, and its fund balance.

"City Controller and Utility CFO Jason Fenwick, Utilities Superintendent Scott Salsbery, and their teams have done an excellent job solving many of our biggest budgetary challenges," said Collier. "This announcement is yet another indication that the financial sector is watching and taking notice of our efforts," he said.

Salsbery said the fiscal responsibility and improvements have enabled LU to provide vital infrastructure updates.



LAWRENCE UTILITIES UNVEILS NEW ONLINE BILL PAY FEATURE

Conducting business with Lawrence Utilities has become faster and more convenient. The new online bill pay feature allows utility customers to pay their monthly bill quickly, conveniently, and securely. Lawrence customers no longer have to deal with the hassle of mailing or delivering payments to the office.

“We are very pleased to present our new online bill pay platform to the citizens of Lawrence,” said Mayor Steve Collier. “We have made this user-friendly payment method available to all residents who choose to set up their account in this secure environment.”

Utilities Superintendent Scott Salsbery said, “The new payment service provides residents another payment option for their water and sewer bills. Our residents have been asking for this option for several years now. Residents will now have the ability to make a payment day or night, on their smartphone or computer.”

“Not only will this new service be convenient for our customers, but it will save the City money on postage and printing when customers choose the option to go paperless,” said City Controller Jason Fenwick.



REGISTERED USER CAN:

- **Autopay** – establish a recurring monthly payment using your credit/debit card
- **One-Time Payment** – make a one-time payment with your major credit/debit card
- **Go Paperless** - sign-up for ebilling and eliminate

monthly paper statements

- **View Bills** – access your current and historical bills
- **Consumption Analysis** – view current and historical monthly consumption data
- **Account History** – view current and historical payment history



MUNICIPAL
SEWAGE WORKS
UTILITY

City of Lawrence - Municipal Sewage Works Utility

606 - Operating Fund

2019 Proposed Budget

	12/31/2016 Actual	12/31/2017 Actual	2018 Revised Budget	2019 Proposed Budget
Operating Receipts				
Residential Flat Rate Sales	\$ 4,467,356	\$ 4,320,946	\$ 4,250,000	\$ 4,358,104
Commercial Metered Sales	3,113,624	2,806,690	2,850,000	2,779,872
Residential Metered Sales	775,852	701,163	750,000	787,483
Penalties	202,960	244,647	220,000	230,389
Miscellaneous Receipts	45,280	39,640	33,500	58,150
Total Operating Receipts	\$ 8,605,072	\$ 8,113,087	\$ 8,103,500	\$ 8,213,998
Operating Disbursements				
Salaries and Benefits	\$ 1,334,225	\$ 1,248,160	\$ 1,433,416	\$ 1,515,750
Treatment Expense	2,308,890	1,838,952	1,993,218	2,078,000
Professional and Contractual Services	943,970	334,642	566,525	304,838
Materials and Supplies	237,642	136,609	211,650	116,700
Transportation Expense	87,406	44,378	72,550	70,510
Insurance Expense	70,156	88,112	90,000	96,945
Rental of Equipment	3,947	6,784	5,000	9,100
Purchased Power	100,751	94,421	124,192	97,500
Contractual Payment to City ¹	2,035,959	2,035,959	-	-
Miscellaneous Expense	296,614	646,347	842,548	804,771
Total Operating Disbursements	\$ 7,419,560	\$ 6,474,363	\$ 5,339,099	\$ 5,094,114
Net Operating Receipts/(Disbursements)	\$ 1,185,512	\$ 1,638,723	\$ 2,764,401	\$ 3,119,884
Non-Operating Receipts				
EDU Fees	\$ 131,250	\$ 141,750	\$ 69,750	\$ 238,108
Loan Repayment from Water Utility ²	-	624,741	875,259	-
Other Receipts	30,323	2,015	1,925	4,772
Total Non-Operating Receipts	\$ 161,573	\$ 768,506	\$ 946,934	\$ 242,880
Non-Operating Disbursements				
Transfers-Out	\$ 1,472,897	\$ 776,741	\$ 779,003	\$ 773,126
Transfer to Capital Improvement Fund	-	2,000,000	3,835,959	2,850,000
Loan to Water Utility ²	1,500,000	-	-	-
Interest Expense	14,300	(52,976)	-	-
Principal Payment	-	(105,000)	-	-
Capital Leases	202,376	206,791	245,652	49,206
Other	423	(102)	-	-
Total Non-Operating Disbursements	\$ 3,189,997	\$ 2,825,452	\$ 4,860,614	\$ 3,672,332
Net Receipts	\$ (1,842,911)	\$ (418,224)	\$ (1,149,279)	\$ (309,568)
Change in Cash Position - Net Receipts	\$ (1,842,911)	\$ (418,224)	\$ (1,149,279)	\$ (309,568)
Beginning Cash Position	4,722,323	2,879,412	2,461,188	1,311,909
Ending Cash Position	\$ 2,879,412	\$ 2,461,188	\$ 1,311,909	\$ 1,002,341



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

2019 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.

Source: City Controller's Office



607 Sewer Bond and Interest Fund

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

2019 Proposed Budget

	FY 2019
Receipts	
Transfer from Operating Fund	\$ 773,126
Misc.	-
Total Revenue	\$ 773,126
Disbursements	
Series 2009A	\$ 191,134
Series 2009B	318,668
Series 2009C	44,932
Series 20015	218,392
Total Expenses	\$ 773,126
Change in Cash Position - Net Receipts	\$ -
<u>Beginning Cash Position</u>	-
Ending Cash Position	\$ -

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

Series 2009A - Amortization Schedule

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2019	\$ -		\$ 9,060	\$ 9,060		\$ 1,991,151
1/1/2020	173,014	0.91%	9,060	182,074	191,134	1,818,137
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	-
Total	\$ 1,991,151		\$ 110,340	\$ 2,101,491	\$ 2,101,491	

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

Series 2009B - Amortization Schedule

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2019	\$ -		\$ 71,834	\$ 71,834		\$ 2,560,000
1/1/2020	175,000	5.21%	71,834	246,834	318,668	2,385,000
7/1/2020	-		67,276	67,276		2,385,000
1/1/2021	185,000	5.26%	67,276	252,276	319,552	2,200,000
7/1/2021	-		62,410	62,410		2,200,000
1/1/2022	195,000	5.34%	62,410	257,410	319,820	2,005,000
7/1/2022	-		57,204	57,204		2,005,000
1/1/2023	205,000	5.41%	57,204	262,204	319,408	1,800,000
7/1/2023	-		51,658	51,658		1,800,000
1/1/2024	215,000	5.46%	51,658	266,658	318,316	1,585,000
7/1/2024	-		45,789	45,789		1,585,000
1/1/2025	230,000	5.56%	45,789	275,789	321,578	1,355,000
7/1/2025	-		39,395	39,395		1,355,000
1/1/2026	240,000	5.66%	39,395	279,395	318,790	1,115,000
7/1/2026	-		32,603	32,603		1,115,000
1/1/2027	255,000	5.77%	32,603	287,603	320,206	860,000
7/1/2027	-		25,246	25,246		860,000
1/1/2028	270,000	5.83%	25,246	295,246	320,492	590,000
7/1/2028	-		17,376	17,376		590,000
1/1/2029	285,000	5.89%	17,376	302,376	319,752	305,000
7/1/2029	-		8,982	8,982		305,000
1/1/2030	305,000	5.89%	8,982	313,982	322,964	-
Total	\$ 2,560,000		\$ 959,546	\$ 3,519,546	\$ 3,519,546	



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

Series 2009C - Amortization Schedule

Date	Principal	Interest Rate	Interest	Period Total	FY Total	Remaining Balance
7/1/2019	\$ -		\$ 7,466	\$ 7,466		\$ 210,000
1/1/2020	30,000	7.11%	7,466	37,466	44,932	180,000
7/1/2020	-		6,399	6,399		180,000
1/1/2021	30,000	7.11%	6,399	36,399	42,798	150,000
7/1/2021	-		5,333	5,333		150,000
1/1/2022	35,000	7.11%	5,333	40,333	45,666	115,000
7/1/2022	-		4,088	4,088		115,000
1/1/2023	35,000	7.11%	4,088	39,088	43,176	80,000
7/1/2023	-		2,844	2,844		80,000
1/1/2024	40,000	7.11%	2,844	42,844	45,688	40,000
7/1/2024	-		1,422	1,422		40,000
1/1/2025	40,000	7.11%	1,422	41,422	42,844	-
Total	\$ 210,000		\$ 55,104	\$ 265,104	\$ 265,104	



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
7/1/2019	\$ -		\$ 26,696	\$ 26,696		\$ 1,695,000
1/1/2020	165,000	3.15%	26,696	191,696	218,392	1,530,000
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	-
Total	\$ 1,695,000		\$ 278,618	\$ 1,973,618	\$ 1,973,618	

618 Sewer Capital Improvement Fund

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

2019 Proposed Budget

	12/31/2016 Actual	12/31/2017 Actual	2018 Revised Budget	2019 Proposed Budget
Receipts				
Transfers-In from Sewer Operating Fund	\$ 438,230	\$ 2,000,000	\$ 3,835,959	\$ 2,850,000
Miscellaneous	-	-	-	-
Total Operating Receipts	\$ 438,230	\$ 2,000,000	\$ 3,835,959	\$ 2,850,000
Disbursements				
Contractual Payment to City	\$ -	\$ -	\$ 2,035,959	\$ 2,035,959
Available for Capital Projects	-	300,949	1,800,000	2,100,000
Other	-	-	-	-
Total Operating Disbursements	\$ -	\$ 300,949	\$ 3,835,959	\$ 4,135,959
Change in Cash Position - Net Receipts	\$ 438,230	\$ 1,699,051	\$ -	\$ (1,285,959)
Beginning Cash Position	(343,230)	95,000	1,794,051	1,794,051
Ending Cash Position	\$ 95,000	\$ 1,794,051	\$ 1,794,051	\$ 508,092

City of Lawrence - Municipal Sewer Works Utility
618 - Sewer Capital Improvement Fund
2019 Capital Improvement Project Plan

In-House Projects	Estimate
<u>EPA Projects</u>	
Lift Station 19 Rehabilitation Project	\$ 1,000,000
In-House manhole repair/replace	250,000
Sewer main replacements	750,000
Total	\$ 2,000,000



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