



SEWER CAPACITY TASK FORCE

Final Report 2.4.26

Mayor Deborah Whitfield



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BACKGROUND

Recognizing that the City of Lawrence faces a current challenge in its sewer capacity, Mayor Deb Whitfield convened a Task Force in October of 2025 to study the issue and make recommendations on the city's future sewer capacity, including exploring all available options.

Task Force members included:

- Paul Wanner, Utilities Superintendent
- Renea Rafala, Director of Public Works
- Gretchen Meyer, City Engineer (until December 31st, 2025)
- Tracy Boyd, Chairperson of the Utility Service Board and member of the Stormwater Advisory Board (and Lawrence Common Council Member as of January 29, 2026)
- Brad Klopfenstein, President & CEO of the Greater Lawrence Chamber of Commerce and Chairperson of the Stormwater Advisory Board
- Councilor Lisa Chavis, Lawrence Common Council (until December 31st, 2025)
- Jerrod Klein, Lawrence-based builder and Vice President of the Indianapolis Division of Taylor Morrison Construction
- Councilor Terrell Giles, Lawrence Common Council

The Task Force held its inaugural meeting on October 14th, 2025, and met weekly on Tuesday's at 4pm. The Task Force heard from ten separate subject matter experts including:

- Paul Wanner, Utilities Superintendent and Karen Saavedra, PE, Project Manager, -American Structurepoint, Inc.
 - The state of the state of the utility
- Paul Glotzbach, PE, Department Manager, Water & Wastewater Services, - United Consulting Engineers
 - Pros & Cons of building our own wastewater treatment plant
- Don Correll, John Joyner, and Dan Sugarman, - Water Capital Partners
 - Innovative financing options and public-private partnerships
- Mark Phillips, -Jacobs Engineering
 - Construction models & O&M (Operations & Management)
- Mark Forcum and team, - MS Consultants, Inc.
 - WWTP construction case studies
- Joel Markland, - BCA Consultants
 - State Revolving Fund Wastewater Program
- Mark Halleman, - The Halleman Group
 - O&M and procurement consulting

KEY FINDINGS

- Lawrence Sewer System
 - Approximately 190 miles of sewer
 - 4,000+ manholes
 - Citizens Energy Group (CEG) will take 8 MGD dry weather
 - ◆ 20 MGD wet weather
 - 24 pump stations
 - 16 connections to CEG to Discharge
- The Task Force explored a possible option for the city to construct its own Wastewater Treatment Plant (WWTP). This included a presentation on the pros and cons; possible sites within the city; different construction delivery models; potential finance mechanisms.
- Beyond the high cost of constructing a WWTP, a key obstacle was recognized:
 - Under IC 8-1-111.9-6 approval from the Indiana Utility Regulatory Commission would need to be obtained to disconnect from CEG and that total rates would not exceed that of what we are paying CEG to treat our wastewater effluent.

RECOMMENDATIONS

After considerable discussion, the Task Force arrived at a consensus of the following:

1. The city is on the right track with the plan presented and approved under the Agreed Order to the EPA to add storage containment in key areas where infiltration and inflow (I&I) is present.
2. Add containment on other locations where we intercept CEG, where applicable, to further increase system capacity.
3. Meet with CEG to discuss a 20-year plan for locking in rates and taking an escalator to the amount of waste that they will take.
 - ◆ CEG is a charitable public trust and should work with the city and its utility for mutual benefit.
 - ◇ The Administration has already met once with CEG to discuss treatment rate fees and possibilities of increasing contract amounts (8MGD/20MGD wet weather) currently permitted in our contract with CEG. Further discussions are to be scheduled to address these topics.
 - ◇ Lawrence Utilities (LU) leadership currently meet quarterly with key operational CEG staff to discuss possible collaboration efforts between the LU and CEG.
4. Consider meeting with officials from McCordsville and Mount Comfort (Aqua Indiana and/or Ninestar Connect) to explore possibility of taking some of the city's waste effluent as they continue to build out their systems.
 - It should be borne in mind that this could present obstacles for billing customers if the rates for treatment were not the same as treatment costs for CEG in LU's current billing system.

- ◆ It should also be noted that disconnecting from CEG and sending sewage to McCordsville and/or Mount Comfort there would need to be a “redirect flow to discharge in these areas which could prove costly. The city would also have a separate wholesale contract agreement to manage.
5. Securing funding (CAPEX) for the projects needs to be prioritized by the City Administration and should be a priority for this year (2026).
- Identify our priorities for storage facilities and assign a price tag for each.
 - Funding options can include a State Revolving Fund loan; WIFIA; bond issue, and/or raising rates.
 - ◆ Water Infrastructure Finance & Innovation Act (WIFIA)
 - ◇ Projects that are eligible for Clean Water SRF
 - ◆ State Revolving Fund Wastewater Program
 - ◇ Remediate contaminated property using Green Project Reserve
 - The Task Force heard a presentation on a Public-Private-Concession model (P3) that the city may wish to consider in the future to fund the projects needed on an ongoing basis.
 - ◆ City retains ownership of the utility
 - ◆ Concessionaire makes an upfront payment to retire any existing debt and other needs.
 - ◆ Concessionaire and operator have comprehensive responsibility to operate, upgrade, and expand the system as needed and meet regulatory requirements.
 - ◆ Concessionaire is responsible for funding the capital program with private capital and any available government funding.
 - ◆ Concessionaire recovers its capital investments based upon a formula that emulates a regulated utility model.
 - ◆ City approves annual rate adjustments based upon a revenue path specified in the contract with some flexibility through a rate stabilization fund first established at time of transaction closing.
 - ◆ The Concessionaire typically assumes risk and responsibility for billing & customer service.
 - ◆ Concessionaire & operator guarantee to meet performance metrics specified in the contract.
 - ◆ Concessionaire must hand back the system in good operating condition (specified in the contract) at the end of the contract term.

CONCLUSION

It is the conclusion of the Task Force that the best way to address the City's sanitary capacity issues at this time are to proceed as outlined in the SSO Corrective Action Plan approved by the EPA with the two proposed "wet weather detention basins" and the I/I pipeline/manhole rehabilitations along with continuing the inflow and infiltration removal projects not only specifically called out in the Administrative Order on Consent but throughout the City where we have aged, failing infrastructure, the Task Force feels that removing I/I will better identify the additional areas where wet weather detention basins will be needed and allow LU to size them accordingly to keep project costs down.

Additionally, the Utility along with its consulting engineer have been performing evaluations of "private" sanitary sewer systems in the city that discharge into the public municipal sanitary sewer systems (apartment complexes, modular home communities, and business parks). LU started in the areas of interest identified in the AOC. LU has already worked with the owners of Maison Gardens Apartments (46th & Post Rd. SSO's) by providing an evaluation of their private system. LU is still coordinating with Maplewood Mobile Home Park (71st Street SSO's), Jamestown Apartments (46th & Post SSOs), to eliminate sources of I/I they are sending into the system. The Utility plans to continue this practice through ALL private sanitary sewer systems.

It is the conclusion of the Task Force that these efforts will free up existing capacity in our sanitary sewer system, reduce treatment costs, and properly plan rehabilitation projects to allow the city to continue economic development efforts and provide the citizens of Lawrence with the best service possible.

