

**Lancaster County Water and Sewer District**

# **OPERATING BUDGET**

**For Fiscal Year Ending June 30, 2025**

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

<b>Table of Contents</b>	2
<b>Introductory Section</b>	
Budget Calendar	3
Budget Adoption	4
<b>Operating and Maintenance Fund</b>	
Budget Highlights	5-6
Operating Budget	7-9
<b>Contingency and Capital Replacement Fund</b>	
Budget Highlights	10
Contingency and Capital Replacement Fund Budget	10

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

**2024-2025 Budget Calendars**

- February 29    Distribution of current year departmental budget variance reports and future needs requests.
- March 6-12    Management, Department Heads, and Finance Director Budget Meetings
- March 15      Management and Finance Director Budget Meeting
- April 14      Management and Finance Director Budget Meeting
- April 23      Management and Finance Director Budget Meeting
- May 14        2024-2025 Budget Draft presented to Board of Commissioners.
- May 22        Notice of Public Budget Hearing in The Lancaster News.
- June 10        Public Hearing
- June 11        Board of Commissioners Meeting to approve Budget for FYE25 Budget
- July 1          New fiscal year begins

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OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

**SECTION 6-1-80.** Budget adoption.

(A) A county, municipality, special purpose or public service district, and a school district shall provide notice to the public by advertising the public hearing before the adoption of its budget for the next fiscal year in at least one South Carolina newspaper of general circulation in the area. This notice must be given not less than fifteen days in advance of the public hearing and must be a minimum of two columns wide with a bold headline.

(B) The notice must include the following:

(1) the governing entity's name;

(2) the time, date, and location of the public hearing on the budget;

(3) the total revenues and expenditures from the current operating fiscal year's budget of the governing entity;

(4) the proposed total projected revenue and operating expenditures for the next fiscal year as estimated in next year's budget for the governing entity;

(5) the proposed or estimated percentage change in estimated operating budgets between the current fiscal year and the proposed budget;

(6) the millage for the current fiscal year; and

(7) the estimated millage in dollars as necessary for the next fiscal year's proposed budget.

(C) This notice is given in lieu of the requirements of Section 4-9-130.

HISTORY: 1995 Act No. 146, Section 9A.

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

**Operating and Maintenance Fund**

Budget Highlights

- The Operating and Maintenance Fund consists of revenues and expenses in connection with the normal, day-to-day operations of the District. Below are the proposed water and sewer retail rates (base charge and volumetric) to be effective July 1, 2024. A typical customer's water bill will see a 2% increase. A typical water and sewer customer's combined bill will see an average 4% increase.

<b>WATER (Residential &amp; Non-Residential)</b>		<b>SEWER (Residential and Non-Residential)</b>	
Base Charge		Base Charge	
3/4-inch meter	\$ 21.97	3/4-inch meter	\$ 13.68
1- inch meter	\$ 54.93	1- inch meter	\$ 34.20
1-1/2-inch meter	\$ 109.85	1-1/2-inch meter	\$ 68.40
2-inch meter	\$ 175.76	2-inch meter	\$ 109.44
3-inch meter	\$ 351.52	3-inch meter	\$ 218.88
4-inch meter	\$ 659.10	4-inch meter	\$ 410.40
6-inch meter	\$ 1,428.05	6-inch meter	\$ 889.20
8-inch meter	\$ 2,746.25	8-inch meter	\$ 1,710.00
Account Maintenance Fee	\$ 2.70*	Account Maintenance Fee	\$ 2.70
<i>*Fee covers costs of meter reading and billing associated with each account</i>			
<b>Volumetric Water Rate (per 1,000 gals)</b>		<b>Volumetric Sewer Rate (per 1,000 gals)</b>	
Tier 1 0-20,000 gals	\$4.51 *	\$5.72	
Tier 2 >20,000 gals	\$9.02*		
*Conservation rates apply at high volume consumption.			

- The proposed budget estimates an overall change in revenues and expenses of 9.3% as compared to the current year's budget amounts.
- On Wednesday, April 3, 2024, the Catawba River Water Supply Project (CRWSP) Board met and approved the Budget for Fiscal Year 2024-2025. The cost of water purchased from the CRWSP will be \$0.94/1,000 gallons. This represents a \$0.15/1,000 gallons or 19% increase from the prior year.

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

- As of February 27, 2024, the State Health Plan recommended a 11.8% overall increase in the plan's rates for 2024. The District's experience rating for 2024 is 1.112 and will remain in effect until December 31, 2024, and the experience rating for 2025 is 1.000 and will remain in effect until December 31, 2025.
- S.C. Retirement Systems (SCRS) contribution rates for Fiscal Year 2025 remain at 18.56% for employer contribution and 9% for employee contribution. The combined rate of 27.56% remains in effect for the June 30, 2025, fiscal year.
- The Insurance Reserve Fund, for the purposes of budgeting, recommends increasing the overall premium amounts by 10% for all policies issued by them. This is effective for all policies that are renewed on or after July 1, 2024.
- The System Improvements and Replacements include the Rum Creek Outfall Upgrade, Rum Creek Force Main Relocation, ILWWTP Residual and Chemical Storage Improvements, ILWWTP SCADA Change, Carmel Road Area Water Line Replacement, Pleasant Hill Transmission Improvements Phase 1 & 2, Catawba Ridge Force Main – WWTP to Meeting Street (Gallo), Potter Road Sewer Extension, Land Acquisition, Various Transportation Improvements, Various Unknowns to include Water and Sewer Emergency, Unscheduled Maintenance, and Rehabilitation and Replacement.
- Vehicle Purchases reflect eight truck replacements. The budgeted purchases include two Route trucks, a dump truck, a Quality Control truck, a Locator truck, an Inspector truck, a Water Maintenance truck, and a Sewer ROW truck with a utility bed. The total budgeted vehicle cost is \$523,130. Seven trucks are planned to be sold for total projected proceeds of \$120,000.
- Equipment replacements include the following: ILWWTP mower, locate/GPS equipment, trailer mounted compressor, two Caterpillar backhoes, side by side Polaris ATV, and a Caterpillar mini excavator. Budgeted new equipment is a Caterpillar skid steer broom attachment and a 10-ton tilt trailer. Total budgeted equipment cost is \$445,000. Five equipment pieces are budgeted to be sold for total proceeds of \$112,500.
- Advanced Metering Infrastructure (AMI) improvements include upgrades to our radio system to communicate with system components and enhance the overall coverage and performance.
- Lancaster County continues to be in a growth period that will require significant Panhandle and remainder of the County needs-driven water and sewer capital improvement projects. The District continues to fulfill its goal to provide high-quality yet cost effective water and sewer services to its customers in Lancaster County.

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

<b>Operating Revenue</b>	<b>2023/2024</b>	<b>2024/2025</b>
Metered Water and Sewer Sales	36,250,000	37,109,013
Water and Sewer Connection Fees	650,000	850,000
<b>Total Operating Revenue</b>	<b><u>36,900,000</u></b>	<b><u>37,959,013</u></b>
<b>Operating Expenses</b>		
Cost of Wastewater Treatment Plant (1)	2,035,000	1,900,000
Cost of Treated Water	3,771,000	4,471,000
Water Maintenance Cost (2)	2,714,000	2,714,000
Quality Control Cost	70,000	90,000
Cost of Sewer Treatment	1,600,000	1,995,000
Sewer Maintenance Cost (3)	1,272,000	1,200,000
Route Department Expense	866,000	866,000
Facilities Expense (4)	1,010,000	1,010,000
Grant Expense	25,000	25,000
Connection Expenses	650,000	850,000
Salaries & Wages Expense	6,112,013	6,247,459
System Expense and Supplies	500,000	300,000
Human Resource Expenses	85,000	85,000
Employee Health & Safety	60,000	60,000
Gas & Oil	345,000	340,000
Vehicle Repairs	155,000	155,000
Equipment Repairs	150,000	150,000
Tank Maintenance	250,000	250,000
Building & Grounds Maintenance (5)	305,000	450,000
Telephone	200,000	200,000
Utilities	600,000	675,000
Property Insurance	179,584	207,251
Auto Comp & Collision Insurance	29,466	29,443
Employee Bond Insurance	1,000	1,000
Cyber Liability Insurance	15,000	15,000
Workers Compensation Insurance	150,000	150,000
Medical Insurance	1,500,000	1,700,000
OPEB Expense	235,000	250,000
Inland Marine Insurance	49,632	46,012
Auto Liability Insurance	32,887	30,110
General Tort Liability Insurance	48,130	49,463
Data Processing Insurance	0	20,498
Office Expense (6)	155,000	148,000
Postage	170,000	240,000
Electronic Payment Expense	480,000	565,000

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

	<b>2023/2024</b>	<b>2024/2025</b>
Professional Fees	450,000	420,000
Information Technology Expense (7)	355,000	388,000
GIS Expenses	105,500	101,000
Engineering	50,000	50,000
Permits, Fees, Dues	160,000	200,000
Seminars, Conferences, Education	70,000	80,000
Payroll Tax Expense	467,569	477,931
Retirement Expense	1,684,471	1,721,800
Bond Administration Expense	25,000	25,000
<b>Total Operating Expenses</b>	<b><u>29,188,252</u></b>	<b><u>30,948,966</u></b>
<b>Other Income</b>	<b>2023/2024</b>	<b>2024/2025</b>
Interest Income	300,000	450,000
Miscellaneous Income	410,000	632,500
*Restricted Capital Grants	380,000	2,500,000
<b>Total Other Income</b>	<b><u>1,090,000</u></b>	<b><u>3,582,500</u></b>
<b>Income before Debt Service/Capital Expenses</b>	<b>8,801,748</b>	<b>10,592,547</b>
<b>Debt Service</b>		
Principal & Interest	2,698,478	2,695,449
<b>Capital Expense Projections:</b>		
System Improvements/Replacements	4,849,230	6,728,968
Vehicle Replacements	451,040	523,130
Equipment Replacements	603,000	445,000
AMI Upgrade	200,000	200,000
	<b><u>6,103,270</u></b>	<b><u>7,897,098</u></b>

\*Grant revenue is restricted for the purposes set forth by the grantor



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OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

	<b>2023/2024</b>	<b>2024/2025</b>
<b>(1) Cost of Wastewater Treatment</b>		
Chemicals	510,000	510,000
Miscellaneous Repairs and Supplies	260,000	260,000
Projected Repairs	125,000	125,000
Sludge Handling	675,000	500,000
Lab Fees	110,000	125,000
Telemetry	40,000	40,000
Utilities	315,000	340,000
	<u>2,035,000</u>	<u>1,900,000</u>
<b>(2) Water Maintenance Cost</b>		
Materials and Supplies	1,634,000	1,634,000
Distribution System Repairs/Replacements	1,080,000	1,080,000
	<u>2,714,000</u>	<u>2,714,000</u>
<b>(3) Sewer Maintenance Cost</b>		
Collection System Repairs/Replacements	600,000	500,000
Odor and Grease Control	622,000	650,000
Sewer Rehabilitation - CMOM	50,000	50,000
	<u>1,272,000</u>	<u>1,200,000</u>
<b>(4) Facilities Cost</b>		
Pump Stations	110,000	110,000
Lift Stations	900,000	900,000
	<u>1,010,000</u>	<u>1,010,000</u>
<b>(5) Building &amp; Grounds Maintenance</b>		
Building & Grounds - Main Office	180,000	300,000
Building & Grounds - Indian Land	50,000	50,000
Building & Grounds - Operations Center	75,000	100,000
	<u>305,000</u>	<u>450,000</u>
<b>(6) Office Expense</b>		
Contract Labor	15,000	3,000
Office Supplies	55,000	55,000
Printing Expense	85,000	90,000
	<u>155,000</u>	<u>148,000</u>
<b>(7) Information Technology Expense</b>		
Virtual Office Advantage	185,000	175,000
Hardware Costs	30,000	30,000
Software Maintenance	140,000	183,000
	<u>355,000</u>	<u>388,000</u>

**LANCASTER COUNTY WATER AND SEWER DISTRICT  
OPERATING BUDGET  
FOR FISCAL YEAR ENDING JUNE 30, 2025**

Contingency and Capital Replacement Fund

Budget Highlights

Lancaster County continues to be in a growth period that requires significant needs-driven Capital Improvement Projects. Therefore, projected capacity fees are \$5.0 million with plans to use \$2,989,512 from existing contingency funds and the collected capacity fees for various Capital Improvement Projects for budget year 2024-2025.

The District's Capital Improvement Program includes the following projects for year ending June 30, 2025: Clems Branch PS Upgrade, Bridgemill #2 Gravity Outfall, Calvin Hall Force Main, CRWSP SCADA/Surveillance/Pump, State Line Tank Relocation, Riverside Road Regional Water Transmission, University Drive Connector Water Main, Upper Sugar Creek Force Main Phase I, Developer Reimbursement Agreements, and Land Acquisition. The District continues to fulfill its goal to provide water and sewer service for residents and businesses in Lancaster County.

<b>Contingency and Capital Replacement Fund</b>	<b>2023/2024</b>	<b>2024/2025</b>
<b>Projected Capacity Fees</b>		
Contingency Funds	1,642,364	2,989,512
Projected Capacity Fees	7,000,000	5,000,000
*Restricted Capital Grants	0	10,000,000
Interest Income	300,000	450,000
<b>Total Revenue Available for Capital Projects</b>	<b><u>8,942,364</u></b>	<b><u>18,439,512</u></b>
<b>Debt Service</b>		
Principal & Interest	1,070,364	1,070,108
<b>Projected Capital Projects</b>		
Transportation Betterment	100,000	0
Developer Reimbursement Agreements	1,482,000	3,729,404
University Drive Connector Water Main	0	90,000
Hwy 521 20" Transmission-Phase 3	1,800,000	0
Riverside Road Regional Water Transmission	175,000	10,000,000
Land Acquisition	200,000	100,000
State Line Tank Relocation	1,500,000	2,500,000
CRWSP SCADA/Surveillance/Pump	2,000,000	700,000
Calvin Hall Pump Station	450,000	0
Clems Branch PS Upgrade	50,000	50,000
Calvin Hall Forcemain	75,000	75,000
Upper Sugar Creek FM - Phase I	0	75,000
Bridgemill #2 Gravity Outfall	40,000	50,000
<b>Total Expenditures for Capital Projects</b>	<b><u>8,942,364</u></b>	<b><u>18,439,512</u></b>

\*Grant revenue is restricted for the purposes set forth by the grantor