

Lancaster County Water and Sewer District

OPERATING BUDGET

For Fiscal Year Ending June 30, 2024

**LANCASTER COUNTY WATER AND SEWER DISTRICT
OPERATING BUDGET
FOR FISCAL YEAR ENDING JUNE 30, 2024**

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2023-2024 Budget Calendars

- February 24 Finance Director begins review of 2022-2023 Financials and distributes worksheets to Department Heads.
- March 9-15 Management, Department Heads, and Finance Director meet in groups to discuss 2023-2024 Budget and future needs.
- March 18 Management and Finance Director meet to discuss the Budget.
- March 24 Management and Finance Director meet to discuss the Budget.
- April 14 Management and Finance Director meet to discuss the Budget.
- May 9 2023-2024 Budget Draft presented to Board of Commissioners.
- May 27 Notice of Public Budget Hearing in The Lancaster News.
- June 12 Public Hearing
- June 13 Board of Commissioners approves Budget for Fiscal Year Ending June 30, 2024
- July 1 New fiscal year begins

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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.

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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 (fixed and volumetric) to be effective July 1, 2023. 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.

WATER (Residential & Non-Residential)		SEWER (Residential and Non-Residential)	
	Base Charge		Base Charge
3/4-inch meter	\$ 21.54	3/4-inch meter	\$ 12.44
1- inch meter	\$ 53.85	1- inch meter	\$ 31.10
1-1/2-inch meter	\$ 107.70	1-1/2-inch meter	\$ 62.20
2-inch meter	\$ 172.32	2-inch meter	\$ 99.52
3-inch meter	\$ 344.64	3-inch meter	\$ 199.04
4-inch meter	\$ 646.20	4-inch meter	\$ 373.20
6-inch meter	\$ 1,400.10	6-inch meter	\$ 808.60
8-inch meter	\$ 2,692.50	8-inch meter	\$ 1,555.00
Account Maintenance Fee	\$ 2.65*	Account Maintenance Fee	\$ 2.65
<i>*Fee covers costs of meter reading and billing associated with each account</i>			
Volumetric Water Rate (per 1,000 gals)		Volumetric Sewer Rate (per 1,000 gals)	
Tier 1 0-20,000 gals	\$4.42 *		\$5.45
Tier 2 >20,000 gals	\$8.84*		
*Conservation rates apply at high volume consumption.			

- On Wednesday, February 15, 2023, the Catawba River Water Supply Project (CRWSP) Board met and approved the Budget for Fiscal Year 2023-2024. The cost of water purchased from the CRWSP will be \$0.79/1,000 gallons. This represents a \$0.07/1,000 gallons increase from last year's cost.
- As of March 1, 2023, the State Health Plan recommended a 3.7% overall increase in the plan's rates for 2023. The District's experience rating for 2023 is 1.165 and will remain in effect until December 31, 2023 and the experience rating for 2024 is 1.112 and will remain in effect until December 31, 2024.

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- S.C. Retirement Systems (SCRS) contribution rates for Fiscal Year 2024 are 18.56% for employer contribution and 9% for employee contribution. These rates are effective beginning July 1, 2023.
- The Insurance Reserve Fund recommends increasing the overall premiums 15% for all policies issued by them. This is effective for all policies that renew on or after July 1, 2023.
- The System Improvements and Replacements include the Hannah's Creek Gravity Sewer Upgrade, Rum Creek Outfall Upgrade, Rum Creek Force Main Relocation, ILWWTP Lab/Office Improvements, ILWWTP Chemical Storage Improvements, ILWWTP Residual Storage Improvements, Carmel Road Area Water Line Replacement, Pleasant Hill Transmission Improvements Phase 1&2, Old Hickory/N Corner Transmission EV Relocation, Operations Center Improvements, Potter Road Sewer, Land Acquisition, Various Transportation Improvements, Various Unknowns to include Water and Sewer Emergency, Unscheduled Maintenance, and Rehabilitation and Replacement.
- Vehicle Purchases reflect one new truck, and five replacement trucks. The District will purchase one new Valve Crew truck, and will replace a Route truck, Dump truck, Quality Control truck, systems maintenance truck and a Sewer truck. Equipment Replacements include the following: Caterpillar 305 mini excavator with 10 ton trailer, Case 620B Skid Steer, Polaris ATV, ILWWTP Centrifuge Rotating Assembly, and a GIS Data Collector.
- 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
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Metered Water and Sewer Sales	33,365,000	36,250,000
Water and Sewer Connection Fees	550,000	650,000
Total Operating Revenue	33,915,000	36,900,000

Operating Expenses

Cost of Wastewater Treatment Plant (1)	1,700,000	2,035,000
Cost of Treated Water	3,500,000	3,771,000
Water Maintenance Cost (2)	3,000,000	2,714,000
Quality Control Cost	70,000	70,000
Cost of Sewer Treatment	1,325,000	1,600,000
Sewer Maintenance Cost (3)	1,178,000	1,272,000
Route Department Expense	0	866,000
Facilities Expense (4)	910,000	1,010,000
Grant Expense	25,000	25,000
Connection Expenses	550,000	650,000
Salaries & Wages Expense	5,160,576	6,112,013
System Expense and Supplies	500,000	500,000
Human Resource Expenses	110,570	85,000
Employee Health & Safety	60,000	60,000
Gas & Oil	325,000	345,000
Vehicle Repairs	140,000	155,000
Equipment Repairs	150,000	150,000
Tank Maintenance	250,000	250,000
Building & Grounds Maintenance (5)	260,000	305,000
Telephone	200,000	200,000
Utilities	550,000	600,000
Property Insurance	168,025	179,584
Auto Comp & Collision Insurance	26,360	29,466
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	1,500,000
OPEB Expense	206,000	235,000
Inland Marine Insurance	44,397	49,632
Auto Liability Insurance	28,400	32,887
General Tort Liability Insurance	45,800	48,130
Office Expense (6)	155,000	155,000
Postage	170,000	170,000
Electronic Payment Expense	360,000	480,000
Professional Fees	470,000	450,000
Information Technology Expense (7)	395,000	355,000

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GIS Expenses	100,000	105,500
Engineering	50,000	50,000
Permits, Fees, Dues	160,000	160,000
Seminars ,Conferences, Education	60,000	70,000
Payroll Tax Expense	394,784	467,569
Retirement Expense	1,370,649	1,684,471
Bond Administration Expense	25,000	25,000
Total Operating Expenses	<u>25,859,561</u>	<u>29,188,252</u>
Other Income	2022/2023	2023/2024
Interest Income	50,000	300,000
Miscellaneous Income	475,000	410,000
Grant Revenue	0	380,000
Total Other Income	<u>525,000</u>	<u>1,090,000</u>
Income before Debt Service/Capital Expenses	8,580,439	8,801,748
Debt Service		
Principal & Interest	2,700,536	2,698,478
Capital Expense Projections:		
System Improvements/Replacements	4,740,903	4,849,230
Vehicle Replacements	461,000	451,040
Equipment Replacements	478,000	603,000
AMI Upgrade	200,000	200,000
	<u>5,879,903</u>	<u>6,103,270</u>
Net Income	0	0

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(1) Cost of Wastewater Treatment	2022/2023	2023/2024
Chemicals	400,000	510,000
Miscellaneous Repairs and Supplies	240,000	260,000
Projected Repairs	125,000	125,000
Sludge Handling	575,000	675,000
Lab Fees	100,000	110,000
Telemetry	20,000	40,000
Utilities	240,000	315,000
	<u>1,700,000</u>	<u>2,035,000</u>
 (2) Water Maintenance Cost		
Materials and Supplies	2,100,000	1,634,000
Distribution System Repairs/Replacements	900,000	1,080,000
	<u>3,000,000</u>	<u>2,714,000</u>
 (3) Sewer Maintenance Cost		
Collection System Repairs/Replacements	600,000	600,000
Odor and Grease Control	528,000	622,000
Sewer Rehabilitation - CMOM	50,000	50,000
	<u>1,178,000</u>	<u>1,272,000</u>
 (4) Facilities Cost		
Pump Stations	110,000	110,000
Lift Stations	800,000	900,000
	<u>910,000</u>	<u>1,010,000</u>
 (5) Building & Grounds Maintenance		
Building & Grounds - Main Office	160,000	180,000
Building & Grounds - Indian Land	40,000	50,000
Building & Grounds - Operations Center	60,000	75,000
	<u>260,000</u>	<u>305,000</u>
 (6) Office Expense		
Contract Labor	15,000	15,000
Office Supplies	55,000	55,000
Printing Expense	85,000	85,000
	<u>155,000</u>	<u>155,000</u>
 (7) Information Technology Expense		
Virtual Office Advantage	170,000	185,000
Data Processing Costs	65,000	0
Hardware Costs	20,000	30,000
Contract Maintenance	140,000	140,000
	<u>395,000</u>	<u>355,000</u>

**LANCASTER COUNTY WATER AND SEWER DISTRICT
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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 \$7.0 million with plans to use \$1,642,364 from existing contingency funds and the collected capacity fees for various Capital Improvement Projects for budget year 2023-2024.

The District's Capital Improvement Program includes the following projects for year ending June 30, 2024: Hwy 521 20" Transmission Phase 3, Clems Branch PS Upgrade, Bridgemill #2 Gravity Outfall, Calvin Hall Forcemain, Developer Reimbursement Agreements, CRWSP SCADA/Surveillance/Pump, State Line Tank Relocation, Calvin Hall Pump Station, Riverside Road Regional Water Transmission, Transportation Betterment, and Land Acquisition. The District continues to fulfill its goal to provide water and sewer service for residents and businesses in Lancaster County.

Contingency and Capital Replacement Fund	2022/2023	2023/2024
Projected Capacity Fees		
Contingency Funds	836,634	1,642,364
Projected Capacity Fees	6,000,000	7,000,000
Interest Income	50,000	300,000
Total Revenue Available for Capital Projects	6,886,634	8,942,364
Debt Service		
Principal & Interest	1,070,342	1,070,364
Projected Capital Projects		
Transportation Betterment	110,000	100,000
Developer Reimbursement Agreements	916,292	1,482,000
University Drive Connector Water Main	50,000	0
Hwy 521 20" Transmission-Phase 3	1,500,000	1,800,000
Riverside Road Regional Water Transmission	0	175,000
Land Acquisition	200,000	200,000
State Line Tank Relocation	50,000	1,500,000
CRWSP SCADA/Surveillance/Pump	1,500,000	2,000,000
Six Mile Creek Gravity Sewer	300,000	0
Calvin Hall Pump Station	1,000,000	450,000
Clems Branch PS Upgrade	50,000	50,000
Calvin Hall Forcemain	0	75,000
Hannah's Creek Gravity Sewer	100,000	0
Bridgemill #2 Gravity Outfall	40,000	40,000
Total Expenditures for Capital Projects	6,886,634	8,942,364

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