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| **Lancaster County Water and Sewer District** |
| OPERATING BUDGET |
| **For Fiscal Year Ending June 30, 2022** |

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**2021-2022 Budget Calendars**

February 7 Finance Director begins review of 2020-2021 Financials and distributes worksheets to Department Heads.

March 1-5 Management, Department Heads, and Finance Director meet in groups to discuss 2021-2022 Budget and future needs.

April 8 Management and Finance Director meet to discuss the Budget.

April 23 Management and Finance Director meet to discuss the Budget.

May 4 Management and Finance Director meet to discuss the Budget.

May 11 2021-2022 Budget Draft presented to Board of Commissioners.

May 19 Notice of Public Budget Hearing in The Lancaster News.

June 7 Public Hearing

June 8 Board of Commissioners approves Budget for Fiscal Year Ending June 30, 2022

July 1 New fiscal year begins

**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.

**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, 2021. A typical water and sewer customer will see an increase of 2% in their combined bill.

|  |  |
| --- | --- |
| **WATER (Residential & Non-Residential)** | **SEWER (Residential and Non-Residential)** |
|  | Base Charge |  | Base Charge |
| 3/4 inch meter | $ 23.26 | 3/4 inch meter | $ 12.83 |
| 1 inch meter | $ 54.33 | 1 inch meter | $ 28.25 |
| 1-1/2 inch meter | $ 106.10 | 1-1/2 inch meter | $ 53.95 |
| 2 inch meter | $ 168.23 | 2 inch meter | $ 84.79 |
| 3 inch meter | $ 333.91 | 3 inch meter | $ 167.03 |
| 4 inch meter | $ 623.85 | 4 inch meter | $ 310.95 |
| 6 inch meter | $ 1,555.80 | 6 inch meter | $ 773.55 |
| 8 inch meter | $ 2,591.30 | 8 inch meter | $ 1,287.55 |
|  |  |  |  |
| Residential Rate (per 1,000 gals) | Sewer Rate (per 1,000 gals) |
| Tier 1  | 0-20,000 gals | $4.24 \* |  | $4.94 |
| \*Conservation rates apply at high volume consumption. |   |   |

* On Wednesday, February 10, 2021, the Catawba River Water Supply Project (CRWSP) Board met and approved the Budget for Fiscal Year 2021-2022. The Budget consists of a cost of $0.71/1,000 gallons. This represents a $0.03/1,000 gallons increase from last year’s cost.
* As of April 27, 2021, the State Health Plan reported no employee increase for 2022. However, the District’s employer rate increase will be 2.6%. The District’s experience rating for 2021 is 1.000 and will remain in effect until December 31, 2021 and the experience rating for 2022 is 1.049 and will remain in effect until December 31, 2022.
* S.C. Retirement Systems (SCRS) contribution rates for Fiscal Year 2022 are 16.56% for employer contribution and 9% for employee contribution. These rates are effective beginning July 1, 2021.
* Effective with policies that renew on or after July 1, 2021, the Insurance Reserve Fund recommends increasing the overall premium 15%.
* The System Improvements and Replacements include the 1403 Kershaw Camden Hwy Demolition, City WWTP FM Collection Box, CRWSP Fencing/Paving, Hannah’s Creek Gravity Sewer Upgrade, ILWWTP Lab/Office Improvements, Land Acquisition, Old Hickory/N Corner Transmission EV Relocation, Operations Center Improvements, Potter Road Sewer, Town of Kershaw Water Pipe Replacement, University Drive Connector Water Main, Upper Bear Creek Sewer, Various Transportation Improvements, Various Unknowns to include Water and Sewer Emergency and Unscheduled Maintenance.
* Vehicle Replacements reflect one new truck, and three replacement trucks. The District will purchase a new Locator truck, and replacing a dump truck, Route truck, and Water Superintendent truck. Equipment Replacements include the following: Forklift-Tele Handler, a mini excavator, and a 10 ton trailer.
* 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 is experiencing moderate to heavy growth in the northern panhandle of the County. The District continues to fulfill its goal to provide water and sewer service for residents and businesses in Lancaster County.

 **2020/2021 2021/2022**

 **Operating Revenue**

 Metered Water & Sewer Sales 27,825,000  29,490,000

 Water & Sewer Connection Fees 500,000 500,000

 **Total Operating Revenue 28,325,000 29,990,000**

 **Operating Expenses**

Cost of Wastewater Treatment Plant (1)   935,000 958,000

 Cost of Treated Water 3,155,756 3,280,000

 Water Maintenance Cost (2) 2,320,000 2,480,000

 Quality Control Cost 40,000 40,000

 Cost of Sewer Treatment 950,000 1,200,000

 Sewer Maintenance Cost (3) 2,105,000 2,130,000

 Grant Expense 25,000 0

 Connection Expenses 500,000 500,000

 Salaries & Wages 4,627,226 4,894,469

 System Expense & Supplies 700,000 750,000

 Employee Health & Safety 120,000 120,000

 Gas & Oil 200,000 200,000

 Vehicle Repairs 140,000 140,000

 Equipment Repairs 150,000 150,000

 Tank Maintenance 250,000 250,000

 Building & Grounds Maintenance (6) 230,000 260,000

 Telephone 138,000 170,000

 Power, Heat, & Lights 500,000 500,000

 Property Insurance 125,000 133,800

 Auto Comp & Collision Insurance 25,000 30,000

 Employee Bonds Insurance 1,000 1,000

 Cyber Liability Insurance 10,000 15,000

 Workers Compensation Insurance 150,000 150,000

 Medical Insurance 1,000,000 1,100,000

 OPEB Expense 225,000 182,000

 Inland Marine Insurance 38,000 44,200

 Auto Liability Insurance 27,500 30,800

 General Tort Liability Insurance 42,000 50,400

 CRWTP Insurance 20,000 0

 Office Expense (4) 170,000 170,000

 Postage 160,000 165,000

 Electronic Payment Expense 170,000 200,000

 Professional Fees 450,000 450,000

 Data Processing Expense (5) 275,000 425,000

Engineering 50,000 50,000

 Permits, Fees, & Dues 120,000 120,000

 Seminars, Conferences, & Education 60,000 60,000

 Payroll Taxes 353,983 374,427

 Retirement Expense 1,182,719 1,251,026

 Bond Administration 35,000 35,000

 **Total Operating Expenses 21,776,184 23,060,122**

 **2020/2021 2021/2022**

 **Other Income**

Interest 275,000 100,000

 Miscellaneous 275,000 275,000

 Grant Revenue 500,000 1,000,000

 Income before Debt Service/Capital Expenditures 7,598,816 8,304,878

 **Debt Service**

Principal & Interest 2,644,610 2,696,562

 **Capital Expenditures Projection**

System Improvements/Replacements 3,372,954 4,723,016

 Vehicle Replacements 192,000 194,000

 Equipment Replacements 957,500 191,300

 Data Processing Improvements 300,000 300,000

 AMI Upgrade 131,752 200,000

 Total Capital Expenditures Projection 4,954,206 5,608,316

 Net Income 0 0

 **2020/2021 2021/2022**

1. **Cost of Wastewater Treatment Plant**

Chemicals 325,000 328,000

Miscellaneous Repairs and Supplies 220,000 220,000

Sludge Handling 160,000 160,000

Lab Fees 60,000 65,000

Telemetry 20,000 20,000

Utilities 150,000 165,000

 $ 935,000 $958,000

1. **Water Maintenance Cost**

Materials and Supplies 1,400,000 1,500,000

Distribution System Repairs/Replacements 840,000 900,000

Pump Stations 80,000 80,000

 2,320,000 2,480,000

1. **Sewer Maintenance Cost**

Collection System Repairs/Replacements 600,000 600,000

Odor and Grease Control 480,000 480,000

Sewer Rehabilitation – CMOM 500,000 500,000

Lift Station Repairs/Replacements 525,000 550,000

 2,105,000 2,130,000

1. **Office Expense**

Contract Labor 30,000 30,000

Office Supplies 55,000 55,000

Printing Expense 85,000 85,000

 170,000 170,000

1. **Data Processing Expense**

Virtual Office Advantage 100,000 190,000

Data Processing Cost 55,000 65,000

Contract Maintenance 120,000 170,000

 275,000 425,000

1. **Building & Grounds Maintenance**

Building & Grounds Maintenance 230,000 150,000 Building & Grounds – Indian Land 60,000

Building & Grounds – Operations Center 50,000

 230,000 260,000

**Contingency and Capital Replacement Fund**

Budget Highlights

Since Lancaster County is experiencing moderate to heavy growth in the northern panhandle of the County, the District predicts the Capacity Fees collected to be $3.0 million and plans to use $1,315,042 from existing contingency funds and the collected capacity fees for various Capital Improvement Projects for budget year 2021-2022.

The District’s Capital Improvement Program includes the following projects for year ending June 30, 2022: Hwy 521 20” Transmission Phase 3, Clems Branch PS Upgrade, Six Mile Creek Gravity Sewer, ILWWTP Upgrade, ILWWTP Contingency, Rum Creek FM Relocation, Developer Reimbursement Agreements, CRWSP SCADA/Various, University Drive Connector Water Main, Twelve Mile Sub-Basin EQ/Repump, State Line Tank Relocation, Calvin Hall Pump Station, and Land Acquisition. The District continues to fulfill its goal to provide water and sewer service for residents and businesses in Lancaster County.

 **2020/2021 2021/2022**

**Contingency/Capital Expenditures Fund**

**Projected Capacity Fees**

Contingency Funds 730,010 1,315,042

 Projected Capacity Fees 3,500,000 3,000,000

 Interest Income 250,000 100,000

**Total Revenue Available for Capital Projects 4,480,010 4,415,042**

**Debt Service**

Principal and Interest 260,010 1,070,042

**Projected Capital Projects**

Rum Creek FM Relocation 280,000 250,000

 Transportation Improvements 350,000 0

 Developer Reimbursement Agreements 500,000 620,000

 University Drive Connector Water Main 50,000 50,000

 Hwy 521 20” Transmission-Phase 3 200,000 800,000

 ILWWTP Upgrade (2.5-5 MGD) 290,000 200,000

 ILWWTP Contingency 300,000 200,000

 Land Acquisition 200,000 200,000

 State Line Tank Relocation 0 100,000

 CRWSP SCADA/Various 300,000 500,000

 Six Mile Creek Gravity Sewer 0 100,000

 Calvin Hall Pump Station 0 75,000

Clems Branch PS Upgrade 0 150,000

 Twelve Mile Sub-Basin EQ/Repump 0 100,000

 Clems/Sugar Creek Interceptor 1,700,000 0

 Twelve Mile Creek Gravity Sewer(ILHS) 50,000 0

**Total Expenditures for Capital Projects 4,480,010 4,415,042**