

2025-2026 Operating & Capital Budget



Lancaster County Water & Sewer District

1400 PAGELAND HIGHWAY
LANCASTER, SC 29720

June 10, 2025

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Mission

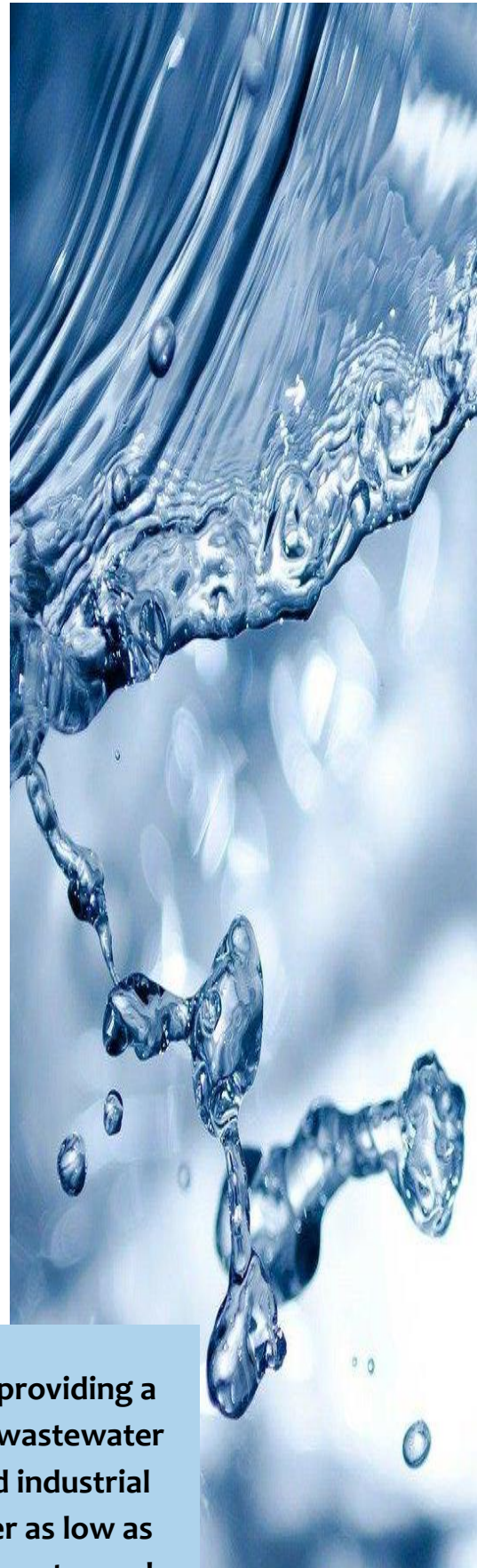
With 105 employees, Lancaster County Water & Sewer District (LCWSD) serves 37,630 water and 22,420 wastewater customers.

LCWSD owns an equal share of the Catawba River Water Supply Project, a joint venture agreement to own and operate the 40 MGD Catawba River Water Treatment Plant (CRWSP) with Union County, NC. LCWSD also owns the 5 MGD Indian Land Wastewater Treatment Plant (WWTP) and has a wholesale arrangement to purchase wastewater treatment from the City of Lancaster WWTP.

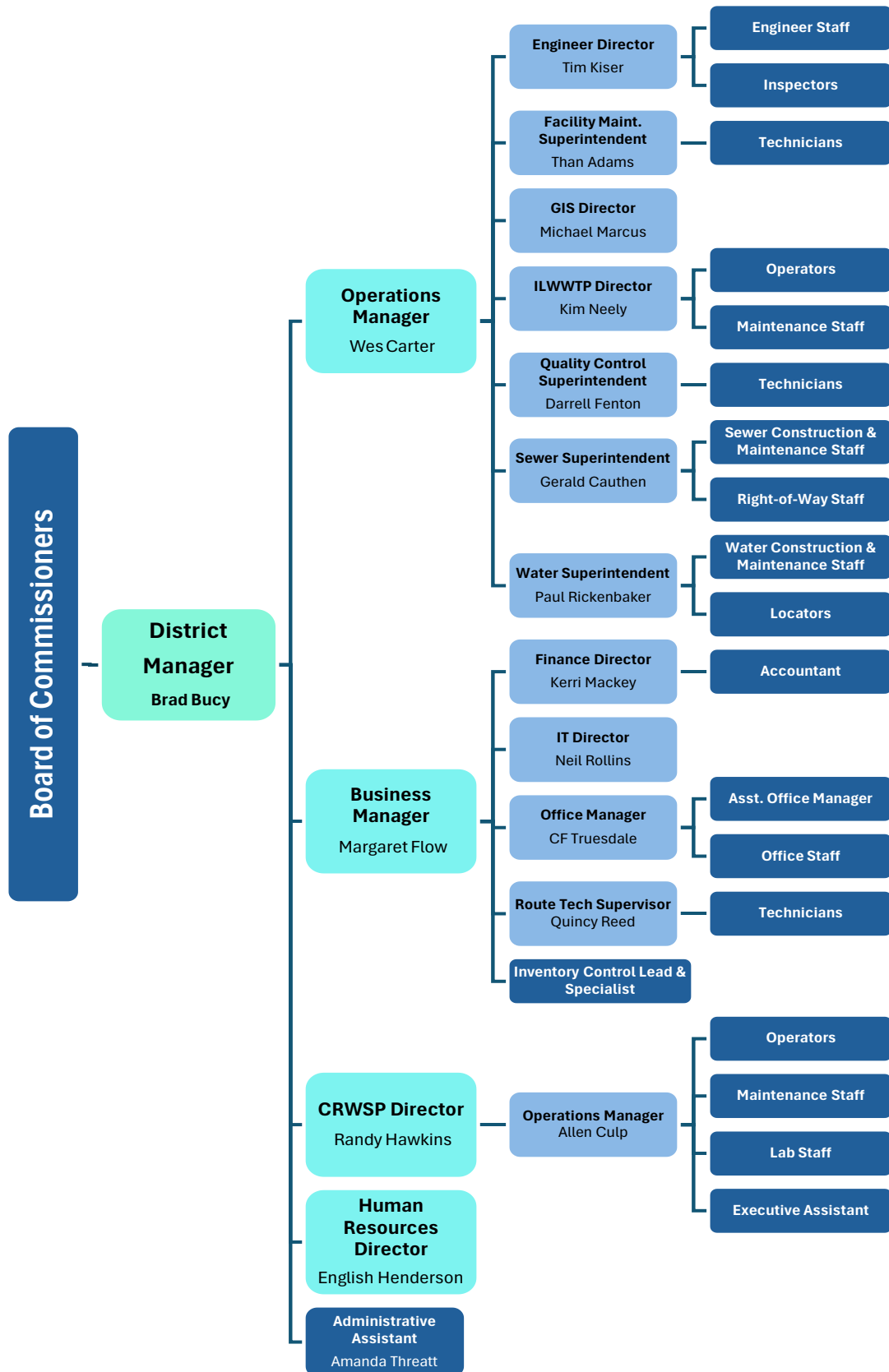
The utility maintains over 1,120 miles of water lines, 413 miles of force mains, 2,110 hydrants and 8,620 manholes.

Last year, the District pumped 4.38 Billion gallons of drinking water from CRWSP to its customers and the Indian Land WWTP treated 939 Million gallons of raw sewage.

Our mission is to improve Lancaster County by providing a quality and a sustainable quantity of water and wastewater service to meet the residential, commercial and industrial needs of our area while keeping cost to the user as low as possible and to be recognized as a leader in the water and wastewater industry in our area.



Organization of the District



Budget Adoption

SC CODE SECTION 6-1-80

- (A) A county, municipality, special purpose district 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 or general circulation in the area. This notice must be given no less than fifteen days in advance of a 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 fiscal year budget
 - (6) The millage for the current fiscal year; and
 - (7) The estimated millage in dollars is necessary for the next fiscal year's proposed budget.
 - (8) This notice is given in lieu of the requirements of Section 4-9-130.

Retail Rate Schedules

BUDGETED FY2026 RATES:

The District's approved budgeted operating revenues include a 2% increase in water and an average 6% increase in wastewater retail rates. As part of the District's strategic planning measures to stay prepared for the future, a Board-approved rate study was conducted in FY2022 to analyze revenue sources and expenditures over a 5-year period to ensure recovery of operating costs as well as financial sustainability of significant growth-related capital improvement projects. As a result, the approved water and sewer retail rates (base and volumetric charge) are to go into effect July 1, 2025, in accordance with applicable law. For the average water customer, the rate adjustment represents a 2% increase in their bill. For the average water and sewer customer, the rate adjustment will represent an approximate 4% increase in their bill.



FY2026 Water and Wastewater Retail Rate Schedules

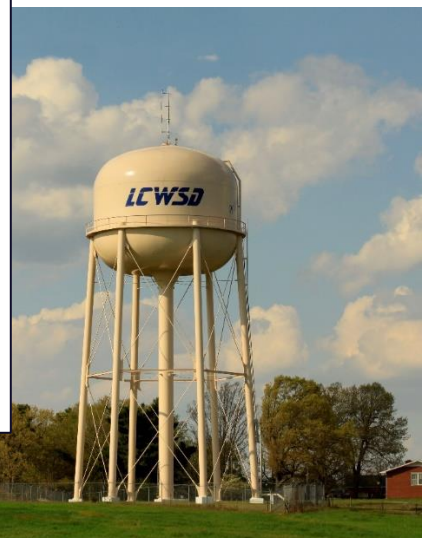
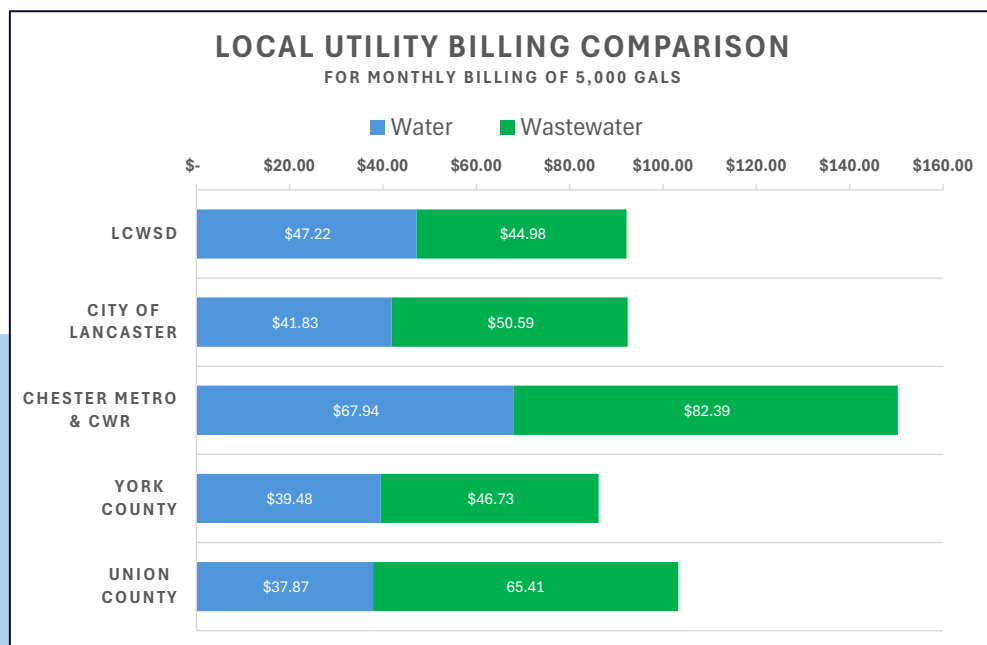
WATER (Residential & Non-Residential)			SEWER (Residential and Non-Residential)			
Base Charge *			Base Charge *			
3/4 inch meter	\$	22.41	3/4 inch meter	\$	15.05	
1 inch meter	\$	56.03	1 inch meter	\$	37.63	
1-1/2 inch meter	\$	112.05	1-1/2 inch meter	\$	75.25	
2 inch meter	\$	179.28	2 inch meter	\$	120.40	
3 inch meter	\$	358.56	3 inch meter	\$	240.80	
4 inch meter	\$	672.30	4 inch meter	\$	451.50	
6 inch meter	\$	1,456.65	6 inch meter	\$	978.25	
8 inch meter	\$	2,801.25	8 inch meter	\$	1,881.25	
Account Maintenance Fee	\$	2.75	Account Maintenance Fee	\$	2.75	
Residential Volumetric Rate (per 1,000 gals)			Sewer Rate (per 1,000 gals)			
Tier 1: 0-20,000 gals	\$	4.60	\$6.01			
Tier 2: > 20,000 gals	\$	9.20				
Residential Irrigation Rate (per 1,000 gals) † † No Base rate applies to this volumetric rate if a residential meter is already included on the account			Industrial Sewer ‡ Base Charge = per meter sizes above			
Tier 1: 0-20,000 gals	\$	4.60	\$ 5.39 per 1,000 gals for first 1,000,000 gals			
Tier 2: > 20,000 gals	\$	9.20	\$ 4.87 per 1,000 gals for next 1,000,000 gals			
Non-Residential Rate (per 1,000 gals) \$4.60			All other \$ 4.19 per 1,000 gals			
Non-Residential Irrigation Rate (per 1,000 gals)			‡ The Industrial User must be defined as such under the Pretreatment Ordinance and must consume at least 1,000,000 gallons per month to qualify for the Industrial Sewer Rate			
	Tier 1 Rate	Tier 2 Volume				Tier 2 Rate
3/4 inch meter	\$ 4.60	> 20,000 gals				\$ 9.20
1 inch meter	\$ 4.60	> 50,000 gals				\$ 9.20
1-1/2 inch meter	\$ 4.60	> 100,000 gals				\$ 9.20
2 inch meter	\$ 4.60	> 160,000 gals				\$ 9.20
3 inch meter	\$ 4.60	> 320,000 gals	\$ 9.20			
* AWWA Manual M1 Meter Equivalent Methodology used to calculate rates; reference chart below						

Meter Size	LCWSD Meter Equivalent Ratio
3/4"	1
1"	2.5
1-1/2"	5
2"	8
3"	16
4"	30
6"	65
8"	125



American Water Works Association

Sewer Service Special Rates			
Commercial / Carolina Water Service Sewer Treatment (S04) (PCI Group Building)			
Base Charge: \$ 176.73			
\$ 7.70 per 1,000 gals			
Account Maintenance Fee: \$ 2.75			
Residential / Carolina Water Service Sewer Treatment (S99) (Almond Glen Sub. & Arbor Place Sub.)			
Base Charge: \$ 17.78			
\$ 9.66 per 1,000 gallons			
Account Maintenance Fee: \$ 2.75			
York County Sewer Rate (S50) (Burnside/Wakefield, Prestwick Sub.)			
Base Charge: \$ 15.05			
\$ 6.71 per 1,000 gallons			
Account Maintenance Fee: \$ 2.75			
Miscellaneous Fees			
Late Penalty Fee	\$ 5.00	\$ 315.00	Meter Relocation Fee
Non Payment Fee	\$ 35.00	\$ 35.00	Meter Check Fee
Returned Payment Fee	\$ 30.00	\$ 35.00	Convenience Cut-off Fee
Residential Irrigation Meter Fee	\$1,550.00		
Hydrant Rentals			
	\$ 500.00		Refundable Deposit
	\$ 20.00		One-time Connection Fee
	\$ 200.00		Monthly Rental Fee after 30 days
	\$ 4.60		Rate per 1,000 gals
Meter Tampering Fees			
1st offense	\$ 100.00	*additional charges apply if damage to metering equipment	
2nd offense	\$ 500.00		



FY2026 Operating Budget Highlights

- Revenue projections for FY2026 are based on the cost to serve analysis and anticipated customer growth throughout Lancaster County. The approved budget estimates an overall change in revenues and expenses of 8.9% as compared to the current year's budget amounts.
- The Catawba River Water Supply Project (CRWSP) approved the Budget for the year ending June 30, 2026, on February 5, 2025. The cost of water treatment purchased from CRWSP will be \$1.00/1,000 gallons. This represents a \$0.06/1,000 gallons or 6.4% increase from the prior year.
- The State Health Plan released a projected medical insurance premium increase of 4.6% on May 8, 2025. The District's experience rating for 2026 remains the same as the prior year at 1.00 and will continue to remain in effect until December 31, 2026.
- S.C. Retirement Systems (SCRS) contribution rates for the FY2026 budget year remain at 18.56% for employer contributions and 9% for employee contributions. The combined rate of 27.56% remains in effect until year ending June 30, 2026.
- The Insurance Reserve Fund (IRF), for budgeting purposes, recommends the following premium rate increases by insurance line: 5% increase for Building/Personal Property, Inland Marine and Data Processing; 10% for Tort Liability, 15% for Auto Comp & Collision; 30% for Auto Liability. The increase projections are effective for all policies renewed on or after July 1, 2025.

- FY2026 planned Various System Improvement and Replacement projects include the following:

Rum Creek Outfall Upgrade, Rum Creek Force Main Relocation, ILWWTP Chemical Storage Improvements, Operations Center Improvements, LCWSD Administration Building – 2nd Floor Upfit, Carmel Road Area Water Line Replacement, Pleasant Hill Transmission Improvements Phase 1 & 2, Catawba Ridge Force Main – WWTP to Meeting Street (Gallo), Land Acquisition, Various Transportation Improvements, Various Unknowns to include Water and Sewer Emergency, Unscheduled Maintenance, and Rehabilitation and Replacement.

- The \$400,000 vehicle budget includes one new truck and five replacement trucks:

Operations Manager truck, ILWWTP truck, a Quality Control truck, a Sewer Construction truck, Water Maintenance truck, and a Route truck. Four trucks are planned to be sold for total proceeds of \$68,000.

- The \$660,000 equipment budget includes 5 new pieces of equipment and 3 replacement pieces of equipment:

Hydro Excavator – trailer mounted, CAT 308 Excavator, ROW Tractor, Harben, Mini Excavator Hammer, Sewer Push Camera, Trailer mounted Bypass Pump/Hose, CAT 305 Mini Excavator. Three pieces of equipment are planned to be sold for total proceeds of \$60,000.

- Additional Capital Expenditures include \$15,000 for the purchase of the main building office furniture, \$70,000 for the Multipurpose/Upstairs Conference room IT upgrade, \$200,000 for station pump replacements, and \$200,000 for needed AMI tower infrastructure in the Tradesville area.
- 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 replacement projects. The District continues to fulfill its goal to provide high-quality yet cost effective water and sewer services to its Lancaster County customers.

Gallo Forcemain Project



Economic improvement and addition to existing wastewater collection infrastructure to provide service to Gallo Winery.



ILWWTP Chemical Storage Improvements

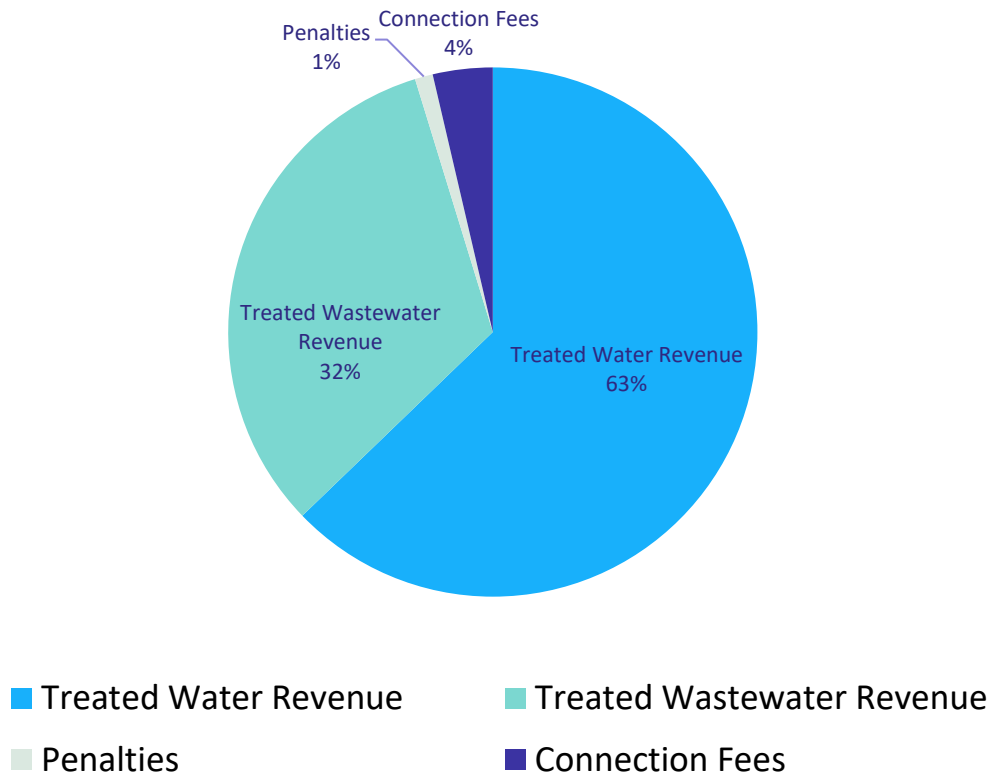
New construction of chemical feed facilities for lime and a coagulant for reduction of phosphorus including tanks, pumps, storage basins, and housing for the pumps, replacement of an existing diesel generator and the relocation of existing disk filters.



FY2026 Operating Budget Projections

<i>Operating Revenue</i>	FY2025 BUDGET	FY2026 BUDGET	BUDGET INC/DEC	% CHANGE
<i>Treated Water Revenue:</i>				
Retail	\$ 21,550,220	\$ 22,979,584	\$ 1,429,364	6.63%
Wholesale	\$ 880,000	\$ 965,000	\$ 85,000	9.66%
Irrigation	\$ 1,809,638	\$ 1,850,000	\$ 40,362	2.23%
<i>Treated Wastewater Revenue:</i>				
ILWWTP Sewer	\$ 9,415,235	\$ 9,600,000	\$ 184,765	1.96%
Other Sewer Revenue	\$ 3,203,920	\$ 3,737,684	\$ 533,764	16.66%
<i>Other Operating Revenue:</i>				
Penalties	\$ 250,000	\$ 450,000	\$ 200,000	80.00%
Connection Fees	\$ 850,000	\$ 1,500,000	\$ 650,000	76.47%
Total Operating Revenue	\$ 37,959,013	\$ 41,082,268	\$ 3,123,255	8.23%

FY2026 Operating Revenue Budget



FY2026 Operating Budget Projections (Cont.)

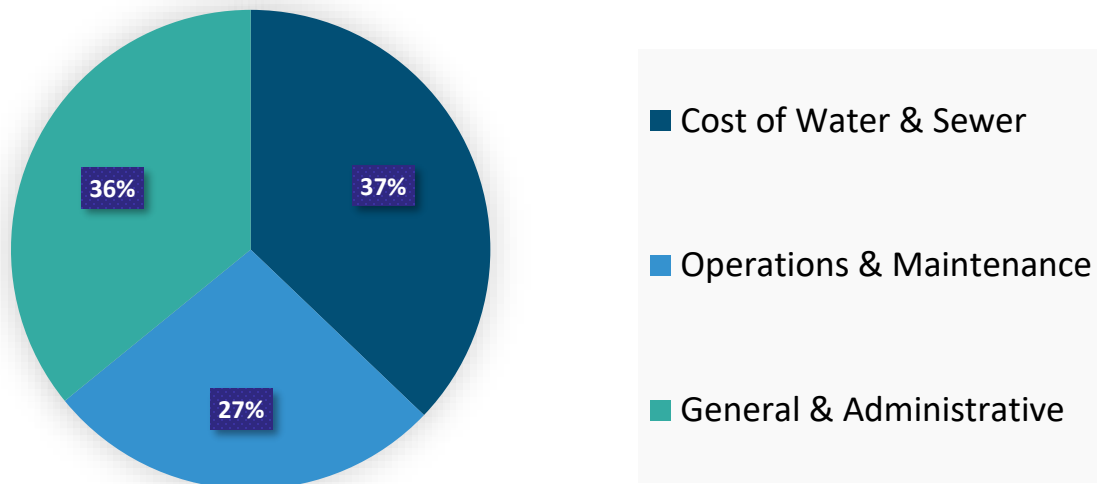
	FY2025 BUDGET	FY2026 BUDGET	BUDGET INC/DEC	% CHANGE
Operating Expenses:				
Cost of WWTP (1)	\$1,900,000	\$2,088,000	\$188,000	9.89%
Cost of Treated Water	\$4,471,000	\$4,966,000	\$495,000	11.07%
Water Maint Cost (2)	\$2,714,000	\$2,714,000	\$0	0.00%
Quality Control Cost	\$90,000	\$90,000	\$0	0.00%
Cost of Sewer Treatment	\$1,995,000	\$2,085,000	\$90,000	4.51%
Sewer Maint Cost (3)	\$1,200,000	\$1,275,000	\$75,000	6.25%
Route Department	\$866,000	\$955,000	\$89,000	10.28%
Facilities Cost (4)	\$1,010,000	\$870,000	(\$140,000)	-13.86%
Grant Expense	\$25,000	\$25,000	\$0	0.00%
Connection Expenses	\$850,000	\$1,500,000	\$650,000	76.47%
Salaries & Wages Expense	\$6,247,459	\$6,767,237	\$519,778	8.32%
System Expense/Supplies	\$300,000	\$300,000	\$0	0.00%
Employee Health/Safety	\$60,000	\$60,000	\$0	0.00%
Gas/Oil	\$340,000	\$320,000	(\$20,000)	-5.88%
Vehicle Repairs	\$155,000	\$170,000	\$15,000	9.68%
Equipment Repairs	\$150,000	\$150,000	\$0	0.00%
Tank Maintenance	\$250,000	\$312,500	\$62,500	25.00%
Blg & Grounds Maint (5)	\$450,000	\$440,000	(\$10,000)	-2.22%
Telephone	\$200,000	\$200,000	\$0	0.00%
Power/Heat/Lights	\$675,000	\$710,000	\$35,000	5.19%
Human Resources Costs	\$85,000	\$85,000	\$0	0.00%
Property Insurance	\$207,251	\$197,884	(\$9,367)	-4.52%
Auto Collision Ins	\$29,443	\$37,935	\$8,492	28.84%
Employee Bonds Ins	\$1,000	\$1,000	\$0	0.00%
Cyber Security	\$15,000	\$15,000	\$0	0.00%
Worker's Comp Ins	\$150,000	\$150,000	\$0	0.00%
Medical Ins	\$1,700,000	\$1,600,000	(\$100,000)	-5.88%
OPEB Expense	\$250,000	\$250,000	\$0	0.00%
Inland Marine Ins	\$46,012	\$48,268	\$2,256	4.90%
Auto Liability Ins	\$30,110	\$36,118	\$6,008	19.95%
General Liability Ins	\$49,463	\$51,761	\$2,298	4.65%
Data Processing Insurance	\$20,498	\$19,902	(\$596)	0.00%
Office Expense (6)	\$148,000	\$153,000	\$5,000	3.38%
Postage	\$240,000	\$275,000	\$35,000	14.58%
Electronic Payment Expense	\$565,000	\$525,000	(\$40,000)	-7.08%
Professional Fees	\$420,000	\$440,000	\$20,000	4.76%
IT Costs (7)	\$388,000	\$395,000	\$7,000	1.80%
GIS Expenses	\$101,000	\$250,000	\$149,000	147.52%
Engineering	\$50,000	\$50,000	\$0	0.00%
Source Water Protection	\$0	\$25,000	\$25,000	N/A
Permits, Fees, Dues	\$200,000	\$220,000	\$20,000	10.00%
Conferences/Education	\$80,000	\$80,000	\$0	0.00%
Payroll Taxes	\$477,931	\$517,694	\$39,763	8.32%
Retirement Expense	\$1,721,800	\$1,865,051	\$143,251	8.32%
Bond Admin Expense	\$25,000	\$25,000	\$0	0.00%
Total Operating Expenses	\$30,948,966	\$33,311,350	\$2,362,383	7.63%
Net Operating Income	\$7,010,047	\$7,770,918	\$760,872	10.85%

FY2026 Operating Budget Projections (Cont.)

	FY2025 BUDGET	FY2026 BUDGET	BUDGET INC/DEC	% CHANGE
Other Income:				
Interest	\$450,000	\$600,000	\$150,000	33.33%
Misc	\$632,500	\$338,000	(\$294,500)	-46.56%
Total Other Income	\$1,082,500	\$938,000	(\$144,500)	-13.35%
* Restricted Income:				
Project Contributed Capital	\$0	\$3,662,960	\$3,662,960	N/A
Grant Revenue	\$2,500,000	\$3,245,626	\$745,626	N/A
Total Restricted Income	\$2,500,000	\$6,908,586	\$4,408,586	N/A
Income before Debt Service/Capital Expenses	\$10,592,547	\$15,617,504	\$5,024,958	47.44%
Debt Service	\$2,695,449	\$2,697,973	\$2,524	0.09%
Capital Expenditures				
Various System Improvements	\$6,728,968	\$11,374,531	\$4,645,563	69.04%
Vehicles	\$523,130	\$400,000	(\$123,130)	-23.54%
Equipment	\$445,000	\$660,000	\$215,000	48.31%
Other Capital Expenditures	\$0	\$285,000	\$285,000	N/A
AMI Upgrade	\$200,000	\$200,000	\$0	0.00%
Total Capital Expenditures	\$7,897,098	\$12,919,531	\$5,022,433	63.60%

*Revenue is restricted for the purposes set forth by the grantor and/or contributor

FY2026 Projected Operating Expenses



FY2026 Operating Budget Projections (Cont.)

	FY2025 BUDGET	FY2026 BUDGET
(1) Cost of Wastewater Treatment		
Chemicals	\$510,000	\$633,000
Miscellaneous Repairs and Supplies	\$260,000	\$325,000
Projected Repairs	\$125,000	\$125,000
Sludge Handling	\$500,000	\$500,000
Lab Fees	\$125,000	\$125,000
Telemetry	\$40,000	\$40,000
Utilities	\$340,000	\$340,000
	\$1,900,000	\$2,088,000
(2) Water Maintenance Cost		
Materials and Supplies	\$1,634,000	\$1,434,000
Distribution System Repairs/Replacements	\$1,080,000	\$1,280,000
	\$2,714,000	\$2,714,000
(3) Sewer Maintenance Cost		
Collection System Repairs/Replacements	\$500,000	\$525,000
Odor and Grease Control	\$650,000	\$675,000
Sewer Rehabilitation - CMOM	\$50,000	\$75,000
	\$1,200,000	\$1,275,000
(4) Facilities Cost		
Pump Stations	\$110,000	\$170,000
Lift Stations	\$900,000	\$700,000
	\$1,010,000	\$870,000
(5) Building & Grounds Maintenance		
Building & Grounds - Main Office	\$300,000	\$260,000
Building & Grounds - Indian Land	\$50,000	\$60,000
Building & Grounds - Operations Center	\$100,000	\$120,000
	\$450,000	\$440,000
(6) Office Expense		
Contract Labor	\$3,000	\$3,000
Office Supplies	\$55,000	\$55,000
Printing Expense	\$90,000	\$95,000
	\$148,000	\$153,000
(7) Information Technology Expense		
Virtual Office Advantage	\$175,000	\$165,000
Hardware Costs	\$30,000	\$30,000
Software Maintenance	\$183,000	\$200,000
	\$388,000	\$395,000

FY2026 Contingency 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 million. The District plans to use collected capacity fees, grant funding, and reserves from existing Contingency funds for various Capital Improvement Projects for the budget year FY2026.
- The District's Capital Improvement Program includes the following projects for the year ending June 30, 2026:

University Drive Connector Water Main, ILWWTP Residual Storage Improvements/SCADA Upgrades, Riverside Road Regional Water Transmission, Stateline Tank Relocation, CRWSP SCADA/Surveillance, Clems Branch PS Upgrade, Calvin Hall Forcemain, Upper Sugar Creek FM – Phase 1, Bridgemill #2 Gravity Outfall, Turkey Creek PS Abandonment, Twelve Mile Creek Interceptor Phase 1, Catawba Ridge FM – Meeting Street to Grace Avenue, Catawba Ridge Repump Station, Developer Reimbursement Agreements, Land Acquisition, and Transportation Betterment

- The District continues to fulfill its goal to provide water and sewer services for residents and businesses in Lancaster County.

Regional Water Transmission Riverside Road



A new 24" water transmission line is being installed along Old Hickory Road, Riverside Road and Hwy 9. Includes a total of 35,600 LF to be completed in Fall 2026.

A new 1,000,000-gallon Elevated Water Storage Tank is being constructed on Harrisburg Road. This infrastructure is needed to support increasing water demands in the area. This new tank will replace the existing 500,000-gallon traditional leg tank.



Stateline Water Tank Project



WATER AND SEWER CAPACITY FEE SCHEDULES

Effective July 1, 2024

RESIDENTIAL EQUIVALENT UNIT (REU) CAPACITY FEE SCHEDULE

Meter Size	LCWSD Meter Equivalent Ratio (i.e. REU)	Residential Water Rate	Residential Sewer Rate
5/8 X 3/4"	1	\$2,600	\$4,200
1"	2.5	\$6,500	\$10,500

NON-RESIDENTIAL METER EQUIVALENT RATIOS

Meter Size	LCWSD Meter Equivalent Ratio	Non-Residential Water Rate	Non-Residential Sewer Rate	Non-Residential Irrigation Rate
5/8 X 3/4"	1	\$1,300	\$2,100	\$2,600
1"	2.5	\$3,250	\$5,250	\$6,500
1-1/2"	5	\$6,500	\$10,500	\$13,000
2"	8	\$10,400	\$16,800	\$20,800
3"	16	\$20,800	\$33,600	\$41,600
4"	30	\$39,000	\$63,000	\$78,000
6"	65	\$84,500	\$136,500	\$169,000
8"	125	\$162,500	\$262,500	\$325,000

MULTI-FAMILY EQUIVALENT RATIOS

(Attached Apartments, Condominiums, Townhomes)

Bedrooms	Water Equivalent REU	Sewer Equivalent REU	Water Rate	Sewer Rate
3+	1	1	\$2,600	\$4,200
2	3/4	3/4	\$1,950	\$3,150
1	1/2	1/2	\$1,300	\$2,100

LCWSD will provide a fifty (50) percent reduction on Non-Residential Capacity Fees for commercial and industrial users (excluding apartment complexes and other multi-family residential units or temporary living facilities).

Meters sized for fire flow protection will not be subject to capacity charges but will be charged based upon equivalent domestic, process, and irrigation use.

Residential irrigation meters will not be charged a capacity fee assuming the property owner has already purchased a domestic residential equivalent unit (REU).

FY2026 Contingency Fund Budget Projections

Contingency Fund:	FY2025 BUDGET	FY2026 BUDGET
Projected Capacity Fees		
Contingency Funds	\$2,989,512	\$730,069
Projected Capacity Fees	\$5,000,000	\$5,000,000
*Restricted Capital Grant	\$10,000,000	\$9,000,000
Interest Income	\$450,000	\$600,000
Total Revenue Available for Capital Projects	\$18,439,512	\$15,330,069
Debt Service		
Principal & Interest	\$1,070,108	\$1,070,069
Projected Capital Projects		
Transportation Betterment	\$0	\$200,000
Developer Reimbursement Agreements	\$3,729,404	\$525,000
University Drive Connector Water Main	\$90,000	\$50,000
ILWWTP Residual Storage Improvements	\$0	\$1,000,000
ILWWTP SCADA Upgrades	\$0	\$180,000
Riverside Road Regional Water Transmission	\$10,000,000	\$9,500,000
Land Acquisition	\$100,000	\$300,000
State Line Tank Relocation	\$2,500,000	\$1,000,000
CRWSP SCADA/Surveillance	\$700,000	\$650,000
Clemons Branch PS Upgrade	\$50,000	\$100,000
Calvin Hall Forcemain	\$75,000	\$75,000
Upper Sugar Creek FM - Phase I	\$75,000	\$500,000
Bridgemill #2 Gravity Outfall	\$50,000	\$50,000
Turkey Creek PS Abandonment	\$0	\$25,000
Twelve Mile Creek Interceptor Phase 1	\$0	\$40,000
Catawba Ridge FM-Meeting Street to Grace Ave	\$0	\$15,000
Catawba Ridge Repump Station	\$0	\$50,000
Total Expenditures for Capital Projects	\$18,439,512	\$15,330,069

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



CONTACT US:

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