



2025 MUNICIPAL SERVICES & OPERATIONS REPORT SYSTEM DEVELOPMENT CHARGES

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A. Background

As required by City ordinance, the Lawrence Municipal Services & Operations (MSO) Department prepares an annual report for the City Commission detailing the receipt and expenditure of system development charges on or about March 1 of each year. As required by 19-905(B) of the City Code, the report shall provide the following:

- detail the receipt and expenditure of system development charges
- review the rates of system development charges
- report on matters concerning the administration of system development charges

The following timeline illustrates the history of the system development charges:

- July 2, 1996 – The City Commission passed Ordinance #6791 establishing system development charges for water and sanitary sewer customers to fund improvements to the City's utility system.
- January 1, 1997 – The Department of Utilities implemented year 1 of a 3-year phased-in approach for system development charges.
- September 21, 1999 – The City Commission adopted Ordinance #7138 to update the development charges from January 1, 2000 through 2004.
- August 23, 2004 – The City Commission adopted Ordinance #7809 to update the development charges for water and sanitary sewer from January 1, 2005 through 2009.
- August 14, 2007 – The City Commission replaced Ordinance #7809 with Ordinance #8134 to update the development charges effective on January 1, 2008.
- August 26, 2008 – The City Commission replaced Ordinance #8134 with Ordinance #8308 to update the development charges effective on January 1, 2009 through 2012.
- March 26, 2013 – The City Commission replaced Ordinance #8303 with Ordinance #8847 to set charges effective May 1, 2013 and each year after that effective January 1 beginning 2014 through 2017.
- November 15, 2017 – The City Commission replaced Ordinance #8847 with Ordinance #9375 to update the development charges effective January 1 beginning 2018 through 2022.
- December 20, 2022 – The City Commission replaced Ordinance #9375 with Ordinance #9958 to update the development charges effective January 1 beginning 2023 through 2027.

B. Receipt and Expenditure Information

Funds generated from the system development charges are deposited into the City Water and Sewer Fund Account to fund improvements to the City's water and wastewater utility system. These funds are used to pay for utility system design and construction costs, interest and debt issuance costs, and capital improvements, which expand the capacity of the water and wastewater systems. Water system development charge collections are designated to be used only for water utility capital improvements, and wastewater system development charge collections are designated to be used only for wastewater utility capital improvements. The funds collected in a given year are expended in the following year.

Table B1 shows the 2024 and 2025 water and wastewater system development charges collected. Table B2 shows 2025 water and wastewater system development charges collected by month. Further details describing the implementation of system development charges can be found in the most recent version of the water and wastewater rate study.

Table B1. 2024 and 2025 water and wastewater system development charges collected.

Description	2024	2025
Water System Development Charges	\$387,368	\$599,255
Wastewater System Development Charges	\$487,198	\$927,460
Total System Development Charges Collected	\$874,566	\$1,526,715

Table B2. 2025 water and wastewater system development charges collected by month.

Month	SDC - Water	SDC - Wastewater	Total
January	\$16,792	\$18,544	\$35,336
February	\$4,144	\$4,666	\$8,810
March	\$38,835	\$31,196	\$70,031
April	\$76,618	\$90,208	\$166,826
May	\$93,414	\$177,276	\$270,690
June	\$44,080	\$52,686	\$96,766
July	\$140,648	\$271,878	\$412,526
August	\$22,040	\$16,226	\$38,266
September	\$37,785	\$27,188	\$64,973
October	\$11,545	\$9,272	\$20,817
November	\$20,991	\$38,150	\$59,141
December	\$92,363	\$190,170	\$282,533
TOTALS	\$599,255	\$927,460	\$1,526,715

The MSO Department processed and collected system development charges on applications for service in 2025. Table B3 shows the total number of service applications received by the MSO Department paid in 2024 and 2025 for residential service. While Table B4 shows the total number of service applications received by the MSO Department paid in 2024 and 2025 for non-residential service.

Table B3. 2024 and 2025 total number of residential service applications paid for by meter size

Size of Meter	2024 Residential Applications (ct.)	2025 Residential Applications (ct.)
5/8"	75	84
1"	9	7
1 1/2"	1	1
2"	2	2
>2"	0	1

Sanitary Sewer Only		
TOTAL	87	95

Table. B4. 2024 and 2025 total number of non-residential service applications paid for by meter size

Size of Meter	2024 Non-Residential Applications (ct.)	2025 Non-Residential Applications (ct.)
5/8"	4	1
1"	9	5
1 1/2"	4	4
2"	2	5
>2"	1	5
TOTAL	20	20

The system development charges collected helped repay loan payments from the State Revolving Loan Fund, revenue bonds, a general obligation bond, and temporary notes. Table B5 describes each bond and loan maturity, debt service payments, balances, and the related projects. The capacity related projects for each debt issuance below are bolded for reference. The State revolving loan was refunded with General Obligation Bonds – Series 2016A GO.

Table B5. Debt Description

Debt	Year Matures	Debt Service Payment in 2024	December 31, 2024 Balance	Related Projects (Capacity Projects are bold)	
				Water	Wastewater
2015a	2040	\$3,020,000 in principal and \$2,682,450 in interest	\$66,575,000	Clinton Intake, Taste & Odor Improvement/ Clinton Process Improvements, Water main relocations, Kaw Water Treatment Plant Intake, Kaw Water Transmission Main to North Lawrence, portions of 31st & LA and 31st & Haskell water main replacement, O'Connell Road Water line	Wakarusa WWTP/Influent Pump Station/Force Main Design, Sanitary Sewer relocations, Rapid Inflow/Infiltration Reduction Program (included due to the increased capacity at WWTP and lift stations)
2015b	2025	\$930,000 in principal and \$75,650 in interest	\$955,000	Clinton Plant Expansion, Kaw Water Supply/ Transmission	Alvamar Drive Area Sanitary Sewer Improvement Project, North Lawrence Pump Stations Improvements, 24 th & Crossgate Drive Area Sanitary Sewer Improvement Project
2016 A REV	2036	\$2,940,000 in principal and \$1,635,762.50 in interest	\$39,300,000	New money portion for: Refunding of 2007 for General Improvements to	New money portion for improvements to Kansas River & Wakarusa River

				Clinton & Kaw Water Plants; Water Storage & Pumping Stations; Watermain Rehab and Replace	Wastewater Treatment Plants; New Wakarusa WWTP; influent pump station; force mains; rapid I/I program
				Refunding portion of 2007A for Clinton Plant Expansion	Refunding of 2009 for WW Pump Station Anaerobic Digester
2017 A REV	2037	\$835,000 in principal and \$487,950 in interest	\$12,015,000	General improvements to Clinton & Kaw Water Treatment Facilities & Raw Water Systems, water storage, pumping stations, & automated meter infrastructure, watermain assessment, relocation, rehabilitation, replacement, & extension , and field operations facilities	General improvements to Kansas & Wakarusa River Wastewater Treatment Facilities, wastewater containment & pumping stations, Rapid Inflow/Infiltration Reduction Program , sanitary sewer manhole assessment , cured inplace pipe (CIPP), relocation, rehabilitation, replacement, & extension, and field operations facilities
2018 Rev	2038	\$795,000 in principal and \$701,525 in interest	\$15,770,000	General improvements to Clinton & Kaw Water Treatment Facilities & Raw Water Systems, water storage, pumping stations, & automated meter infrastructure, watermain assessment, relocation, rehabilitation, replacement, & extension , and field operations facilities	General improvements to Kansas & Wakarusa River Wastewater Treatment Facilities, wastewater containment & pumping stations, Rapid Inflow/Infiltration Reduction Program , sanitary sewer manhole assessment , cured inplace pipe (CIPP), relocation, rehabilitation, replacement, & extension, and field operations facilities
2021 Rev	2042	\$1,260,000 in principal and \$1,250,056.28 in interest	\$44,100,000	General improvements to Clinton & Kaw Water Treatment Facilities & Raw Water Systems and infrastructure; water storage, pumping stations, & automated meter infrastructure; watermain assessment, relocation, rehabilitation, replacement, & extension ; construction	General improvements to Kansas River and Wakarusa River wastewater treatment facilities, including but not limited to enhanced nutrient removal systems and related infrastructure; general improvements to wastewater containment and pumping stations; rapid inflow/infiltration reduction program infrastructure; sanitary

				and/or improvement of field operations facilities	sewer/manhole assessment , cured in place pipe (CIPP), relocation, rehabilitation, replacement and extension
2023 Rev	2044	\$0 in principal and \$1,568,241.93 in interest	\$37,840,000	General improvements to Clinton & Kaw Water Treatment Facilities & Raw Water Systems and infrastructure; water storage, pumping stations, & automated meter infrastructure; watermain assessment, relocation, rehabilitation, replacement, & extension ; construction and/or improvement of field operations facilities	General improvements to Kansas River and Wakarusa River wastewater treatment facilities, including but not limited to enhanced nutrient removal systems and related infrastructure; general improvements to wastewater containment and pumping stations; rapid inflow/infiltration reduction program infrastructure; sanitary sewer/manhole assessment , cured in place pipe (CIPP), relocation, rehabilitation, replacement and extension
2024 Rev	2054	\$0 in principal and \$0 in interest	\$31,390,000	General improvements to Clinton & Kaw Water Treatment Facilities & Raw Water Systems and infrastructure; water storage, pumping stations, & automated meter infrastructure; watermain assessment, relocation, rehabilitation, replacement, & extension ; construction and/or improvement of field operations facilities	General improvements to Kansas River and Wakarusa River wastewater treatment facilities, including but not limited to enhanced nutrient removal systems and related infrastructure; general improvements to wastewater containment and pumping stations; rapid inflow/infiltration reduction program infrastructure; sanitary sewer/manhole assessment , cured in place pipe (CIPP), relocation, rehabilitation, replacement and extension

The system development charges collected in 2025 will be used to fund projects in 2026, debt, and interest payments for water and wastewater capacity improvements. The department is anticipating the following growth-related projects for 2026:

- K-10 West Leg Expansion – Utility Relocations (\$12,500,000)
- Rapid Inflow and Infiltration Reduction Program (\$390,000)
- Eagle Bend and YSC Irrigation Water Supply Project (\$2,000,000)
- Pump Station 9 Expansion and Rehab (\$6,000,000)
- Pump Stations 44 and 45 Abandonment (\$3,500,000)

C. Rate Information

Table C1 summarizes 2025 system development charge rate schedule for both water and wastewater customers as approved December 20, 2022 by the City Commission and effective January 1, 2023 as a 5-year rate plan.

Table C1. 2025 system development charge rate schedule

Type of Customer	Size of Meter	Water System Development Charges	Wastewater System Development Charges
Residential	5/8-inch	\$2,099	\$2,318
Residential	1-inch	\$5,248	\$2,318
Residential	1½-inch	\$10,496	\$2,318
Residential	2-inch	\$16,794	\$2,318
All-Other	5/8-inch	\$2,099	\$5,312
All-Other	1-inch	\$5,248	\$13,280
All-Other	1½-inch	\$10,496	\$26,560
All-Other	2-inch	\$16,794	\$42,496
All-Other	3-inch	\$31,488	\$79,680
All-Other	4-inch	\$52,481	\$132,800
All-Other	6-inch	\$104,961	\$265,600

All Other Sizes See City Code Chapter 19, Article 9: lawrenceks.org/city_code/

*Source: City of Lawrence, Ordinance #9958 Section 1. *Water System Development Charge; Meter Type, Size, and Charge.*

** Source: City of Lawrence, Ordinance #9958, Section 2. *Wastewater System Development Charge; Meter Type, Size and Charge.*