

# South Third County Service District

## Function and Organization:

To provide sewer service to the residents in an area along South Third Street, which is located just South of Corvallis.

The service district is an independent municipal corporation. The Benton County Board of Commissioners sits as the Governing Body. Benton County Public Works Department manages daily operations, customer billing, and staff support. County Finance Office provides treasury and financial management services. The County Budget Office coordinates the budget process. The County is reimbursed for these services by district funds.

In February 1997, the Benton County Health Department completed a health hazard assessment for the South Third area, which identified failing septic systems throughout. The health hazard assessment was adopted by the Benton County Board of Commissioners in 1997, and confirmed that the South Third area was at the top of the County's Environmental Assessment Priority List.

The district was organized in 2001. It serves the residents south of Corvallis in a designated health hazard area. District serves 38 properties and 41 customers. An advisory committee reviews district operations and makes recommendations on issues and rates to the governing body.

Waste is piped to a connection to the Corvallis sewage system for processing. District rates cover processing fees and accumulation for other operating and maintenance expenses.

## Budget Discussion:

This is an annual budget. The fiscal year starts on July 1, 2009 and ends on June 30, 2010.

The budget does not assume any change in the current rate order or levels of service for the next fiscal year.

### Administration:

Board of Commissioners

Benton County Public Works:

Roger Irvin, Director

Chris Bielenberg, Facilities & Utilities  
Manager

### Location:

360 SW Avery  
Corvallis

### Telephone:

(541) 766-6821

# Budget Summary

South Third County Service District - All Funds

<b>Resource / Expense Category</b>	<b>2006-07 Annual Actual</b>	<b>2007-08 Annual Actual</b>	<b>2008-09 Annual Adopted</b>	<b>2008-09 Annual Adjusted</b>	<b>2009-10 Annual Adopted</b>	<b>% Change Over Adjusted</b>
General Revenues	-	-	-	-	3,250	--
Charges for Service	18,619	18,381	18,212	18,212	18,162	-0.3%
Operating Grants/Contributions	7,047	5,323	2,300	2,300	-	-100.0%
Capital Grants/Contributions	-	-	-	-	-	--
Internal Fund Transfers	3,500	-	2,399	2,399	-	-100.0%
Loans	31,417	35,916	8,500	8,500	7,219	-15.1%
Current Revenues Total	60,583	59,620	31,411	31,411	28,631	-8.9%
Unrestricted Beginning Balance	-	-	-	-	-	--
Dedicated Beginning Balance	111,698	87,250	95,000	95,000	113,536	19.5%
Capital Beginning Balance	-	-	9,042	9,042	-	-100.0%
Beginning Balance Total	111,698	87,250	104,042	104,042	113,536	9.1%
 Total Resources	 172,281	 146,870	 135,453	 135,453	 142,167	 5.0%
Personnel Services	-	-	-	-	-	--
Materials & Services	17,070	16,339	19,261	19,261	18,584	-3.5%
Capital Outlay	-	-	100	100	100	0.0%
Other: Internal Fund Transfers	3,500	-	2,399	2,399	-	-100.0%
Other: Loans	-	-	-	-	-	--
Other: Debt Principle	54,362	6,740	4,200	4,200	37,343	789.1%
Other: Debt Interest	10,099	7,720	10,500	10,500	7,117	-32.2%
Expenditures Total	85,031	30,799	36,460	36,460	63,144	73.2%
Other: Debt	-	-	8,193	8,193	14,294	74.5%
Other: Reserve	-	-	90,800	90,800	64,729	-28.7%
Other: Unappropriated Balance	-	-	-	-	-	--
Other Total	-	-	98,993	98,993	79,023	-20.2%
 Dedicated Rev. Surplus/(Deficit)	 87,250	 116,071	 -	 -	 -	 
 <b>Expenditures by Fund</b>						
South Third County Service District	85,031	30,799	36,460	36,460	63,144	73.2%
Total Expenditures	85,031	30,799	36,460	36,460	63,144	73.2%
 <b>Reserve Distribution</b>						
Sewer Operations (Contingency)	-	-	-	-	2,969	--
Sewer Construction (Contingency)	-	-	8,193	8,193	11,325	38.2%
Debt Service (Reserve)	-	-	90,800	90,800	64,729	-28.7%
Other (Reserve) Total	-	-	98,993	98,993	79,023	-20.2%

# Sewer Operations

South Third County Service District Fund

**Purpose:**

To provide operation and maintenance of a community sewer system in an area of South Third servicing approximately 41 customers. Operate a successful and efficient system within the requirements of the Oregon Water Resource Division.

<b>Resource / Expense Category</b>	<b>2006-07 Annual Actual</b>	<b>2007-08 Annual Actual</b>	<b>2008-09 Annual Adopted</b>	<b>2008-09 Annual Adjusted</b>	<b>2009-10 Annual Adopted</b>	<b>% Change Over Adjusted</b>
General Revenues	-	-	-	-	50	--
Program Income	20,615	17,104	19,161	19,161	16,712	-12.8%
Beginning Balance	349	3,894	-	-	4,787	--
Resources	20,964	20,998	19,161	19,161	21,549	12.5%
Personnel Services	-	-	-	-	-	--
Materials & Services	17,070	16,337	19,161	19,161	18,580	-3.0%
Capital Outlay	-	-	-	-	2,969	--
All Other	-	-	-	-	-	--
Budget Total	17,070	16,337	19,161	19,161	21,549	12.5%
<b>Full-Time-Equivalent (FTE) by Type</b>						
Regular (Greater than .50 FTE)	-	-	-	-	-	--
Temporary Hire	-	-	-	-	-	--

**Accomplishments:**

- Continued agreement and cooperation with City of Corvallis

**Objectives:**

- Continue cooperation with City of Corvallis for rate strategies
- Continue billing and assessment process
- Prepare budgets and manage system operations

**Budget Note:**

The budget assumes no change in rates from the prior year.

# Sewer Construction

South Third County Service District Fund

**Purpose:**

To provide for accumulation of revenue dedicated to future system replacement, improvements and emergency repairs. Fund major maintenance and repair items too expensive to fund out of the standard operating budget.

<b>Resource / Expense Category</b>	<b>2006-07 Annual Actual</b>	<b>2007-08 Annual Actual</b>	<b>2008-09 Annual Adopted</b>	<b>2008-09 Annual Adjusted</b>	<b>2009-10 Annual Adopted</b>	<b>% Change Over Adjusted</b>
General Revenues	-	-	-	-	230	--
Program Income	1,964	1,854	1,750	1,750	1,450	-17.1%
Beginning Balance	7,642	6,106	9,042	9,042	9,749	7.8%
Resources	9,606	7,960	10,792	10,792	11,429	5.9%
Personnel Services	-	-	-	-	-	--
Materials & Services	-	2	100	100	4	-96.0%
Capital Outlay	-	-	100	100	100	0.0%
All Other	3,500	-	10,592	10,592	11,325	6.9%
Budget Total	3,500	2	10,792	10,792	11,429	5.9%
<b>Full-Time-Equivalent (FTE) by Type</b>						
Regular (Greater than .50 FTE)	-	-	-	-	-	--
Temporary Hire	-	-	-	-	-	--

**Accomplishments:**

- Continued to build reserves for future needs

**Objectives:**

- Connect remaining services
- Establish and build capital fund for future repair & maintenance

# Debt Service

South Third County Service District Fund

**Purpose:**

To account for special assessment payments by property owners and principle and interest payments due to bonds sold to finance a portion of system construction.

Resource / Expense Category	2006-07	2007-08	2008-09	2008-09	2009-10	% Change
	Annual Actual	Annual Actual	Annual Adopted	Annual Adjusted	Annual Adopted	Over Adjusted
General Revenues	-	-	-	-	2,970	--
Program Income	38,986	40,662	10,500	10,500	7,219	-31.2%
Beginning Balance	79,180	77,250	95,000	95,000	99,000	4.2%
Resources	118,166	117,912	105,500	105,500	109,189	3.5%
Personnel Services	-	-	-	-	-	--
Materials & Services	-	-	-	-	-	--
Capital Outlay	-	-	-	-	-	--
All Other	14,460	14,460	105,500	105,500	109,189	3.5%
Budget Total	14,460	14,460	105,500	105,500	109,189	3.5%
<b>Full-Time-Equivalent (FTE) by Type</b>						
Regular (Greater than .50 FTE)	-	-	-	-	-	--
Temporary Hire	-	-	-	-	-	--

**Accomplishments:**

- Used a portion of surplus cash from assessment payoffs to reduce the debt service schedule by three years.

**Objectives:**

- Make principle and interest payments when due
- Monitor for delinquencies
- Periodically evaluate possibilities for prepayment of bonds when surplus cash is available

**Budget Discussion:**

Annual principle and interest payments are \$14,460 per year. When there is sufficient cash available the staff will periodically evaluate the potential for prepayment of bonds. The budget does not proposed to make additional payments to buy down principle in fiscal 2009-10. It is very likely the budget in 2010-11 will propose to buy down additional principle. That decision will take into account assessment payment experience through 2009-10.