

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 about one mile south of Corvallis city limits along Highway 99W.

The 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. The 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 area known as the “South Third Area”, which identified failing septic systems throughout the area. The South Third Area lies within the Urban Growth Boundary of Corvallis, but is currently outside of the city limits. The area is along South Third Street (Hwy99W), and includes the area between the railroad tracks on the west and the bank of the Booneville Slough on the east. On the north, it includes the land along both sides of Kiger Island Drive, and stretches south to just beyond Airport Road. The health hazard assessment was adopted by the Benton County Board of Commissioners on May 7, 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 an area that was designated a health hazard area. The 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, 2008 and ends on June 30, 2009.

Beginning July 1, 2006, the district began charging a late fee to delinquent accounts. The change did not have a significant budget impact, but allowed the district to recover the actual costs of processing past due accounts. No rate adjustments are proposed or assumed in the budget.

Governing Body:

Board of Commissioners

Administration:

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

Resource / Expense Category	2005-06 Annual Actual	2006-07 Annual Actual	2007-08 Annual Adopted	2007-08 Annual Adjusted	2008-09 Annual Adopted	% Change Over Adjusted
General Revenues	-	-	-	-	-	--
Charges for Service	17,808	18,619	18,162	18,162	18,212	0.3%
Operating Grants/Contributions	4,020	7,047	5,255	5,255	2,300	-56.2%
Capital Grants/Contributions	-	-	-	-	-	--
Internal Fund Transfers	-	3,500	1,963	1,963	2,399	22.2%
Loans	35,216	31,417	11,000	11,000	8,500	-22.7%
Current Revenues Total	57,044	60,583	36,380	36,380	31,411	-13.7%
Unrestricted Beginning Balance	-	-	-	-	-	--
Dedicated Beginning Balance	78,368	104,056	75,000	75,000	95,000	26.7%
Capital Beginning Balance	5,819	7,642	9,325	9,325	9,042	-3.0%
Beginning Balance Total	84,187	111,698	84,325	84,325	104,042	23.4%
 Total Resources	 141,231	 172,281	 120,705	 120,705	 135,453	 12.2%
Personnel Services	-	-	-	-	-	--
Materials & Services	15,073	17,070	18,700	18,700	19,261	3.0%
Capital Outlay	-	-	-	-	100	--
Other: Internal Fund Transfers	-	3,500	1,963	1,963	2,399	22.2%
Other: Loans	-	-	-	-	-	--
Other: Debt Principle	4,179	54,362	4,600	4,600	4,200	-8.7%
Other: Debt Interest	10,281	10,099	10,000	10,000	10,500	5.0%
Expenditures Total	29,533	85,031	35,263	35,263	36,460	3.4%
Other: Contingency	-	-	9,042	9,042	8,193	-9.4%
Other: Reserve	-	-	76,400	76,400	90,800	18.8%
Other: Unappropriated Balance	-	-	-	-	-	--
Other Total	-	-	85,442	85,442	98,993	15.9%
 Dedicated Rev. Surplus/(Deficit)	 111,698	 87,250	 -	 -	 -	
 Expenditures by Fund						
South Third County Service District	29,533	85,031	35,263	35,263	36,460	3.4%
Total Expenditures	29,533	85,031	35,263	35,263	36,460	3.4%
 Reserve Distribution						
Sewer Operations (Contingency)	-	-	-	-	-	--
Sewer Construction (Contingency)	-	-	9,042	9,042	8,193	-9.4%
Debt Service (Reserve)	-	-	76,400	76,400	90,800	18.8%
Other (Reserve) Total	-	-	85,442	85,442	98,993	15.9%

Sewer Operations

South Third County Service District Fund

Purpose:

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

Resource / Expense Category	2005-06 Annual Actual	2006-07 Annual Actual	2007-08 Annual Adopted	2007-08 Annual Adjusted	2008-09 Annual Adopted	% Change Over Adjusted
General Revenues	-	-	-	-	-	--
Program Income	16,235	20,615	18,700	18,700	19,161	2.5%
Beginning Balance	(812)	349	-	-	-	--
Resources	15,423	20,964	18,700	18,700	19,161	2.5%
Personnel Services	-	-	-	-	-	--
Materials & Services	15,073	17,070	18,700	18,700	19,161	2.5%
Capital Outlay	-	-	-	-	-	--
All Other	-	-	-	-	-	--
Budget Total	15,073	17,070	18,700	18,700	19,161	2.5%
Full-Time-Equivalent (FTE) by Type						
Regular (Greater than .50 FTE)	-	-	-	-	-	--
Temporary Hire	-	-	-	-	-	--

Budget Note:

The budget assumes no change in rates from the prior year. \$2,399 of program income is from transfer of surplus from the construction reserve. Under normal conditions (meaning that some or all of the account is not used) the contingency account represents the estimate of the beginning balance for the next years budget (2009-10).

Accomplishments:

- Continued agreement and cooperation with the City of Corvallis

Objectives:

As treatment, collection, and maintenance of the system fall within the agreement with the City of Corvallis, specific objectives are consistent year to year

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

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 one-time major maintenance and repairs that are too expensive to fund out of the standard operating budget.

Resource / Expense Category	2005-06 Annual Actual	2006-07 Annual Actual	2007-08 Annual Adopted	2007-08 Annual Adjusted	2008-09 Annual Adopted	% Change Over Adjusted
General Revenues	-	-	-	-	-	--
Program Income	1,823	1,964	1,680	1,680	1,750	4.2%
Beginning Balance	5,819	7,642	9,325	9,325	9,042	-3.0%
Resources	7,642	9,606	11,005	11,005	10,792	-1.9%
Personnel Services	-	-	-	-	-	--
Materials & Services	-	-	-	-	100	--
Capital Outlay	-	-	-	-	100	--
All Other	-	3,500	11,005	11,005	10,592	-3.8%
Budget Total	-	3,500	11,005	11,005	10,792	-1.9%
Full-Time-Equivalent (FTE) by Type						
Regular (Greater than .50 FTE)	-	-	-	-	-	--
Temporary Hire	-	-	-	-	-	--

Budget Note:

All Other includes a transfer to the operations cost center of \$2,399 and a contingency account of \$8,193. Under normal conditions (meaning that some or all of the account is not used) the contingency account represents the estimate of the beginning balance for the next years budget (2009-10).

Accomplishments:

- Continued to build reserves for future needs

Objectives:

- Connect remaining services
- Establish and build capital fund for future repair and 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 on bonds sold to finance a portion of system construction.

Resource / Expense Category	2005-06	2006-07	2007-08	2007-08	2008-09	% Change
	Annual Actual	Annual Actual	Annual Adopted	Annual Adjusted	Annual Adopted	Over Adjusted
General Revenues	-	-	-	-	-	--
Program Income	38,986	38,986	13,500	13,500	10,500	-22.2%
Beginning Balance	79,180	79,180	100,000	100,000	95,000	-5.0%
Resources	118,166	118,166	113,500	113,500	105,500	-7.0%
Personnel Services	-	-	-	-	-	--
Materials & Services	-	-	-	-	-	--
Capital Outlay	-	-	-	-	-	--
All Other	14,460	14,460	113,500	113,500	105,500	-7.0%
Budget Total	14,460	14,460	113,500	113,500	105,500	-7.0%
Full-Time-Equivalent (FTE) by Type						
Regular (Greater than .50 FTE)	-	-	-	-	-	--
Temporary Hire	-	-	-	-	-	--

Budget Note:

All Other includes annual payment of principle and interest on construction bonds of \$14,700 and a reserve for future debt retirement of \$90,800. Periodically the county will evaluate whether the reserve can be prudently used to buy down debt. Surplus comes from early payoff of assessments due to re-financing or sale of property.

Accomplishments:

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

Objectives:

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