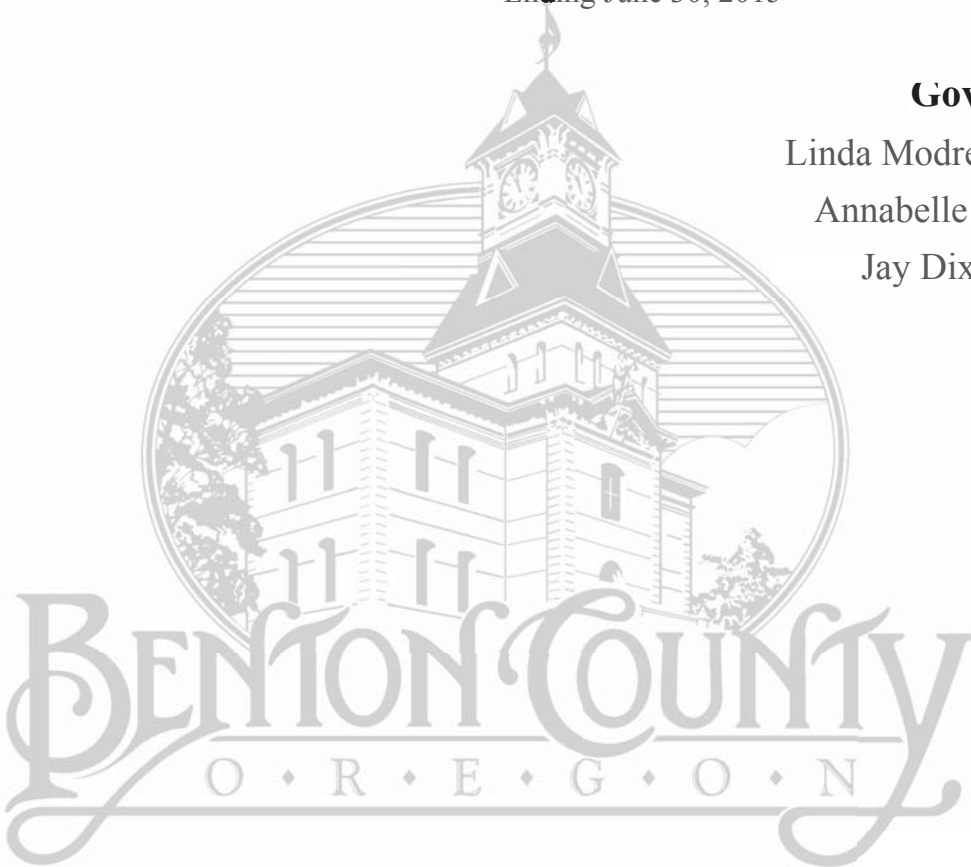


2014-2015 Adopted Budget

Alsea County Service District

for the Fiscal Period
Beginning July 1, 2014
Ending June 30, 2015



Governing Body

Linda Modrell, 2014 BOC Chair
Annabelle Jaramillo, Commissioner
Jay Dixon, Commissioner

Citizen Budget Committee Members

Mimi K. Stout
Cheryl VanLeuven

ALSEA COUNTY SERVICE DISTRICT

Administration: Benton County Public Works
Roger M. Irvin, Director
Chris Bielenberg, Facilities & Utilities Manager

Office Location: 360 SW Avery, Corvallis

Telephone: (541) 766-6821

FAX: (541) 766-6891

Internet Address: <http://www.co.benton.or.us/pw/utilities/alsea.php>

District overview:

To provide water and sewer service to the community of Alsea, this is located approximately 30 miles Southwest 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.

The district was organized in 1983, to take over operation of the community water system. Water system improvements and the community sewer system were completed in 1986. Additional water system improvements were completed in 1997. An advisory committee reviews District operations and makes recommendations on issues and rates to the Governing Body.

This is an annual budget. The fiscal year will begin July 1, 2014, and ends on June 30, 2015.

This budget is calculated based on the water and sewer rate increase that became effective March 1, 2013. No other rate adjustments are assumed in this budget.

ALSEA COUNTY SERVICE DISTRICT

BUDGET SUMMARY – ALL COST CENTERS

Category Title	2011-12 Actual	2012-13 Actual	2013-14 Adopted	2013-14 Adj. Adopted	2014-15 Adopted	% Change Adopted Adj Adopted
General Revenues	136	233	350	350	350	0.0%
Charges for Service	50,488	53,285	56,300	56,300	56,500	0.4%
Operating Grants/Contributions	-	86	-	-	-	0.0%
Capital Grants/Contributions	-	-	-	-	-	0.0%
Fund Transfers In	2,355	2,355	6,355	6,355	9,355	47.2%
Loans	-	-	-	-	-	0.0%
Current Program Income	52,979	55,959	63,005	63,005	66,205	5.1%
Beginning Balance	47,344	41,758	49,400	49,400	50,213	1.6%
Beginning Balances	47,344	41,758	49,400	49,400	50,213	1.6%
Total Resources	100,323	97,717	112,405	112,405	116,418	3.6%
Personnel Services	-	-	-	-	-	0.0%
Materials & Services	52,590	53,827	52,035	52,035	55,259	6.2%
Capital Outlay	1,600	-	1,600	1,600	1,500	-6.3%
Other: Fund Transfers Out	2,355	2,355	6,355	6,355	9,355	47.2%
Other: Loans	-	-	-	-	-	0.0%
Other: Bond Debt Principle	1,010	1,031	1,001	1,001	1,046	4.5%
Other: Bond Debt Interest	1,011	990	1,020	1,020	975	-4.4%
Expenditures	58,566	58,203	62,011	62,011	68,135	9.9%
Other: Contingency	-	-	45,010	45,010	42,899	-4.7%
Other: Debt Reserve	-	-	5,384	5,384	5,384	0.0%
Other: Unappropriated Balance	-	-	-	-	-	0.0%
Reserves	-	-	50,394	50,394	48,283	-4.2%
Total Budget	58,566	58,203	112,405	112,405	116,418	3.6%
Surplus / (Deficit) of Fund Resources to Expenditures	41,757	39,514	-	-	-	0.0%
Full-Time-Equivalent (FTE)						
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Budget Summary:

In general, debt and construction reserves are in appropriated condition while water and sewer operations reserves are weak. Recent rate increase will help, but it is likely additional rate increases will need to be considered in a year, two at the outside. To postpone another rate increase \$5,000 is transferred from the Water Construction reserve to bolster the Water Operations budget, and as in the current budget funds are transferred from the Water Construction reserve to Sewer Operations.

WATER OPERATIONS

Category Title	2011-12 Actual	2012-13 Actual	2013-14 Adopted	2013-14 Adj. Adopted	2014-15 Adopted	% Change Adopted Adj Adopted
General Revenues	3	29	-	-	-	0.0%
Charges for Services	23,207	24,973	26,000	26,000	26,000	0.0%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Internal Fund Transfers	-	-	-	-	5,000	0.0%
Dedicated Beginning Balance	(2,057)	(2,266)	2,000	2,000	-	0.0%
Total Resources	21,153	22,736	28,000	28,000	31,000	10.7%
Materials and Services	23,420	27,946	25,720	25,720	27,208	5.8%
Capital Outlay	-	-	100	100	-	0.0%
Other: Contingency	-	-	2,180	2,180	3,792	73.9%
Total Expenditures	23,420	27,946	28,000	28,000	31,000	10.7%
Surplus or (Deficit) of Resources to Expenditures	(2,267)	(5,210)	-	-	-	

Purpose:

To provide operation and maintenance of a water system in the community of Alsea, serving approximately 68 residential and 14 commercial customers. Operate a successful and efficient system within the requirements of the Oregon Water Resource Division.

Accomplishments:

- Installed five (5) new meters
- Completed Consumer Confidence Reports
- Tracked well draw-down information
- Exercised all water hydrants & blow off hydrants to flush lines
- Completed all routine maintenance and repairs
- Rocked and graded access road to pump house.
- Maintained zero violation status with Oregon Water Resourced Division

Objectives:

- Maintain zero violation status with Oregon Water Resources
- Complete Annual Consumer Confidence Report
- Install 5-10 new meters (meter replacement program)
- Track well draw-down information
- Exercise hydrants flush system
- Re-roof and re-side pump house
- Pressure test and calibrate well pumps with City of Corvallis
- Complete sanitary survey for water system

Budget Note:

Transfer in is from Water Construction reserve.

SEWER OPERATIONS

Category Title	2011-12 Actual	2012-13 Actual	2013-14 Adopted	2013-14 Adj. Adopted	2014-15 Adopted	% Change Adopted Adj Adopted
General Revenues	20,942	22,014	24,000	24,000	24,000	0.0%
Charges for Services	-	-	-	-	-	0.0%
Internal Fund Transfers	-	-	4,000	4,000	2,000	-50.0%
Dedicated Beginning Balance	2,585	(1,942)	-	-	1,366	0.0%
Total Resources	23,527	20,072	28,000	28,000	27,366	-2.3%
Materials and Services	25,468	25,528	23,905	23,905	26,616	11.3%
Capital Outlay	-	-	-	-	-	0.0%
Other: Contingency	-	-	4,095	4,095	750	-81.7%
Total Expenditures	25,468	25,528	28,000	28,000	27,366	-2.3%
Surplus or (Deficit) of Resources to Expenditures	(1,942)	(5,456)	-	-	-	

Purpose:

To operate and maintain a sewer collection and treatment system for the community of Alsea servicing approximately 66 residential and 14 commercial customers. Operate the system in a cost effective and efficient manner in accordance with Department of Environmental Quality permit requirements.

Accomplishments:

- Performed routine, ongoing maintenance to plant
- Maintained discharge removal rate for Total Suspended Solids (TSS) and Biochemical Oxygen Demand (BOD) at 85-95%
- Smoke tested entire collection system
- Cleaned filter bed & laterals
- Remove vegetation
- Repaired leaks detected from smoke tests.
- Pumped 14,000 gallons from septic; achieved zero violations on discharge permits
- Installed remote alarm monitor

Objectives:

- Implement a plant preventative maintenance schedule
- Implement lockout/tag out program for plant
- Continue to monitor for inflow and infiltration (I&I) and develop work plan. (3 manholes require additional work.)
- Achieve zero violations on discharge permit
- Re-roof and paint two control stations
- Pump septic tanks

Budget Note:

Transfer in from Sewer Construction reserve.

WATER CONSTRUCTION RESERVE

Category Title	2011-12 Actual	2012-13 Actual	2013-14 Adopted	2013-14 Adj. Adopted	2014-15 Adopted	% Change Adopted Adj Adopted
General Revenues	106	107	200	200	200	0.0%
Charges for Service	4,448	4,461	4,500	4,500	4,500	0.0%
Capital Grants/Contributions	-	-	-	-	-	0.0%
Dedicated Beginning Balance	23,785	20,791	22,400	22,400	23,847	6.5%
Total Resources	28,339	25,359	27,100	27,100	28,547	5.3%
Materials and Services	3,594	302	268	268	275	2.6%
Capital Outlay	1,600	-	1,000	1,000	1,000	0.0%
Other: Internal Fund Transfers	2,355	2,355	2,355	2,355	7,355	212.3%
Other: Contingency	-	-	23,477	23,477	19,917	-15.2%
Total Expenditures	7,549	2,657	27,100	27,100	28,547	5.3%
Surplus or (Deficit) of Resources to Expenditures	20,790	22,702	-	-	-	

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.

Accomplishments:

- Monitored and tracked water use to identify problem areas
- Built reserves for future upgrades and repairs to transmission lines
- Performed leak detection for distribution system (contract leak detection)

Objectives:

- Monitor and track water use to identify problem areas
- Conduct leak detection
- Continue to build reserves for future upgrades and repairs to transmission lines
- Install monitoring system for remote data collection
- Maintain a minimum contingency fund of \$20,000

SEWER CONSTRUCTION RESERVE

Category Title	2011-12 Actual	2012-13 Actual	2013-14 Adopted	2013-14 Adj. Adopted	2014-15 Adopted	% Change Adopted Adj Adopted
General Revenues	9	77	100	100	100	0.0%
Charges for Service	1,891	1,924	1,800	1,800	2,000	11.1%
Capital Grants/Contributions	-	-	-	-	-	0.0%
Dedicated Beginning Balance	18,546	20,337	20,000	20,000	20,000	0.0%
Total Resources	20,446	22,338	21,900	21,900	22,100	0.9%
Materials and Services	108	51	2,142	2,142	1,160	-45.8%
Capital Outlay	-	-	500	500	500	0.0%
Other: Internal Fund Transfers	-	-	4,000	4,000	2,000	-50.0%
Other: Contingency	-	-	15,258	15,258	18,440	20.9%
Total Expenditures	108	51	21,900	21,900	22,100	0.9%
Surplus or (Deficit) of Resources to Expenditures	20,338	22,287	-	-	-	

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.

Accomplishments:

- Reduced inflow and infiltration (I&I) into the system by correcting several illegal, broken, or open connections
- Continued work with the DEQ (Department of Environmental Quality) to correct inflow and infiltration
- Continued to accumulate fund for system upgrade and major capital expenditures
- Installed system for remote monitoring

Objectives:

- Continue working with Public Works Department to correct drainage issues leading to I&I deficiencies
- Perform TV inspection of main collection system
- Continue monitoring and correcting (I&I) into system
- Continue to clean gravel filter bed
- Install system for remote monitoring
- Re-roof two control panel stations
- Build a minimum contingency fund of \$20,000

DEBT SERVICE

Category Title	2011-12 Actual	2012-13 Actual	2013-14 Adopted	2013-14 Adj. Adopted	2014-15 Adopted	% Change Adopted Adj Adopted
General Revenues	19	20	50	50	50	0.0%
Internal Fund Transfers	2,355	2,355	2,355	2,355	2,355	0.0%
Beginning Balance	4,485	4,838	5,000	5,000	5,000	0.0%
Total Resources	6,859	7,213	7,405	7,405	7,405	0.0%
Other: Debt Reserve	-	-	5,384	5,384	5,384	0.0%
Other: Debt Principle	1,010	1,031	1,001	1,001	1,046	4.5%
Other: Debt Interest	1,011	990	1,020	1,020	975	-4.4%
Total Expenditures	2,021	2,021	7,405	7,405	7,405	0.0%
Surplus or (Deficit) of Resources to Expenditures	4,838	5,192	-	-	-	

Purpose:

Account for resources and payments associated with payment of principle and interest on bonded debt for improvements to the water system.

Objectives:

- Continue scheduled principle and interest payments on water bonds
- Make bond principle and interest payments totaling \$2,021
- Maintain required bond debt payment reserve of \$5,384

Budget Notes:

Transfer to support principle and interest payments comes from the water construction reserve.