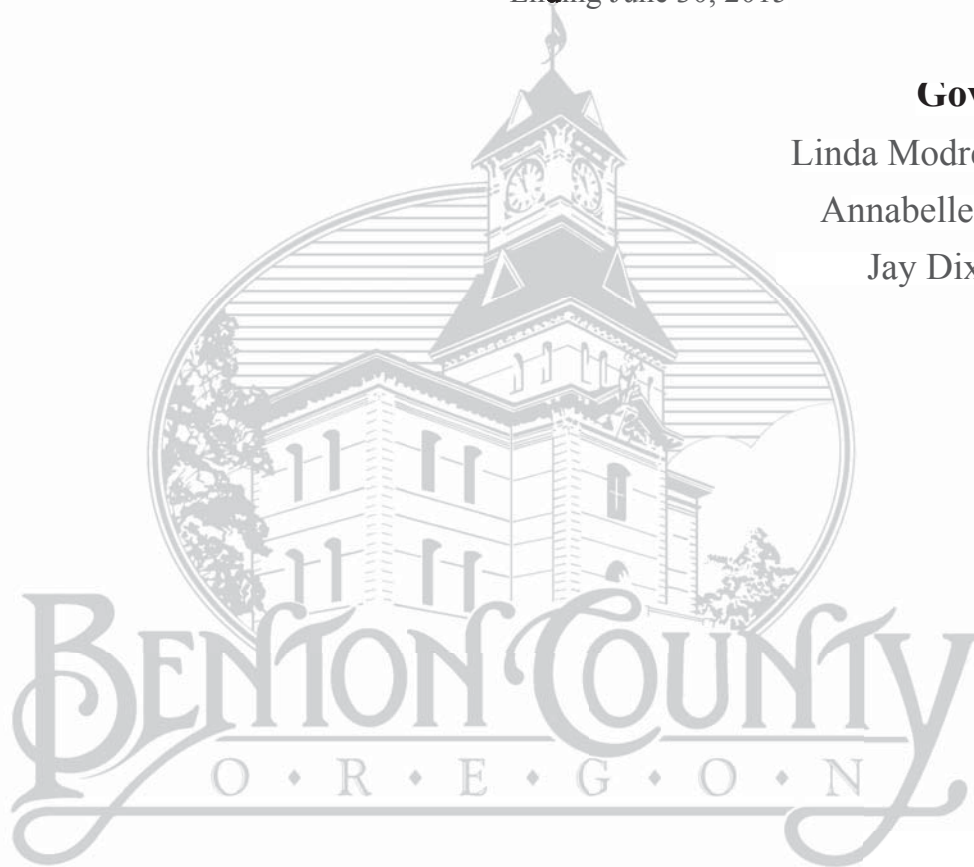


2014-2015 Adopted Budget

South Third 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

Shelly L. Signs
Daniel R. Williams

SOUTH THIRD 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/south_third.php

District overview:

The district was organized in 2001, to provide sewer collection and disposal services in an area designated a health hazard due to failing septic systems. The district is located about 1 mile south of Corvallis on Highway 99W.

The district is a separate municipal entity from the county but by law the Governing Body is the Benton County Board of Commissioners. Daily operations of the district are delegated to the Facilities & Utilities Division of the County Public Works Department. County Budget Division manages the budget process. County finance and Public Works manages the accounting processes. The county is reimbursed from district funds for administrative expenses.

The district serves 38 properties and 41 customers. An advisory committee reviews district operations and makes recommendations to the governing body on issues and rates.

Waste is piped to a connection to the Corvallis sewage system for processing. District rates cover processing fees. The system is maintained and operated by the City of Corvallis. The district accumulates funds for debt payments and an operating reserve.

The annual budget covers the fiscal year beginning July 1, 2014 and ending June 30, 2015.

The budget was built on the assumption of no increase or changes in rates or charges. Debt will be refinanced to match remaining special assessments due over the next 10 years. The district has no personnel. All services and support are contracted to the City of Corvallis or provided by county operating departments.

SOUTH THIRD 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	333	386	300	300	100	-66.7%
Charges for Service	18,920	18,130	18,518	18,518	18,240	-1.5%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Capital Grants/Contributions	-	-	-	-	-	0.0%
Fund Transfers In	-	-	-	-	-	0.0%
Loans	2,752	13,753	7,200	7,200	38,600	436.1%
Current Program Income	22,005	32,269	26,018	26,018	56,940	118.8%
Unrestricted Beginning Balance	-	-	-	-	-	0.0%
Dedicated Beginning Balance	72,488	67,989	57,800	57,800	66,053	14.3%
Beginning Balances	72,488	67,989	57,800	57,800	66,053	14.3%
Total Resources	94,493	100,258	83,818	83,818	122,993	46.7%
Personnel Services	-	-	-	-	-	0.0%
Materials & Services	17,847	18,985	19,559	19,559	19,569	0.1%
Capital Outlay	-	-	500	500	-	0.0%
Other: Fund Transfers Out	-	-	-	-	-	0.0%
Other: Loans	-	-	-	-	-	0.0%
Other: Bond Debt Principle	9,626	9,927	9,900	9,900	90,046	809.6%
Other: Bond Debt Interest	4,834	4,533	4,700	4,700	1,014	-78.4%
Expenditures	32,307	33,445	34,659	34,659	110,629	219.2%
Other: Contingency	-	-	13,559	13,559	12,364	-8.8%
Other: Debt Reserve	-	-	35,600	35,600	-	0.0%
Other: Unappropriated Balance	-	-	-	-	-	0.0%
Reserves	-	-	49,159	49,159	12,364	-74.8%
Total Budget	32,307	33,445	83,818	83,818	122,993	46.7%
Surplus / (Deficit) of Fund Resources to Expenditures	62,186	66,813	-	-	-	0.0%
Full-Time-Equivalent (FTE)						
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Budget Summary:

The District is in good financial condition. Maintenance responsibility rests with the City of Corvallis. General revenues are the interest earnings on idle cash. The budget proposes to payoff the Federal USDA Rural Development Agency loan with the balance in the debt service cost center combined with a new loan from the County General Fund. See Debt Service for details.

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	267	299	200	200	-	0.0%
Loans	2,752	13,753	7,200	7,200	38,600	436.1%
Dedicated Beginning Balance	59,285	53,648	42,800	42,800	52,460	22.6%
Total Resources	62,304	67,699	50,200	50,200	91,060	81.4%
Other: Reserve	-	-	35,600	35,600	-	0.0%
Other: Debt Principle	9,626	9,927	9,900	9,900	90,046	809.6%
Other: Debt Interest	4,834	4,533	4,700	4,700	1,014	-78.4%
Total Expenditures	14,460	14,460	50,200	50,200	91,060	81.4%
Surplus or (Deficit) of Resources to Expenditures	47,844	53,239	-	-	-	

Purpose:

To account for special assessment payments by property owners and principle and interest payments due to Benton County.

Accomplishments:

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

Objectives:

- Payoff high interest Bonds.
- Setup loan from Benton County.
- Reduction in debt principal & interest payment.
- Monitor for delinquencies.

Budget Notes:

Federal USDA Rural Development Bond principal of \$85,760 plus interest to be paid off and retired in July 2014. Payoff will come from beginning balance of \$52,460 and a loan of up to \$35,000 from Benton County General Fund. Repayment of the General Fund loan will be at an interest rate of 2% (vs. 4% on the USDA loan).

Annual principle and interest payment will equal the \$3,600 per year of special assessments still due over the next 10 years.

SEWAGE 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	66	87	100	100	100	0.0%
Charges for Services	18,920	18,130	18,518	18,518	18,240	-1.5%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Dedicated Beginning Balance	13,203	14,342	15,000	15,000	13,593	-9.4%
Total Resources	32,189	32,559	33,618	33,618	31,933	-5.0%
Materials and Services	17,847	18,985	19,559	19,559	19,569	0.1%
Capital Outlay	-	-	500	500	-	0.0%
Other: Contingency	-	-	13,559	13,559	12,364	-8.8%
Total Expenditures	17,847	18,985	33,618	33,618	31,933	-5.0%
Surplus or (Deficit) of Resources to Expenditures	14,342	13,574	-	-	-	

Purpose:

To operate a successful and efficient system within the requirements of the Oregon Department of Environmental Quality's permit requirements.

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