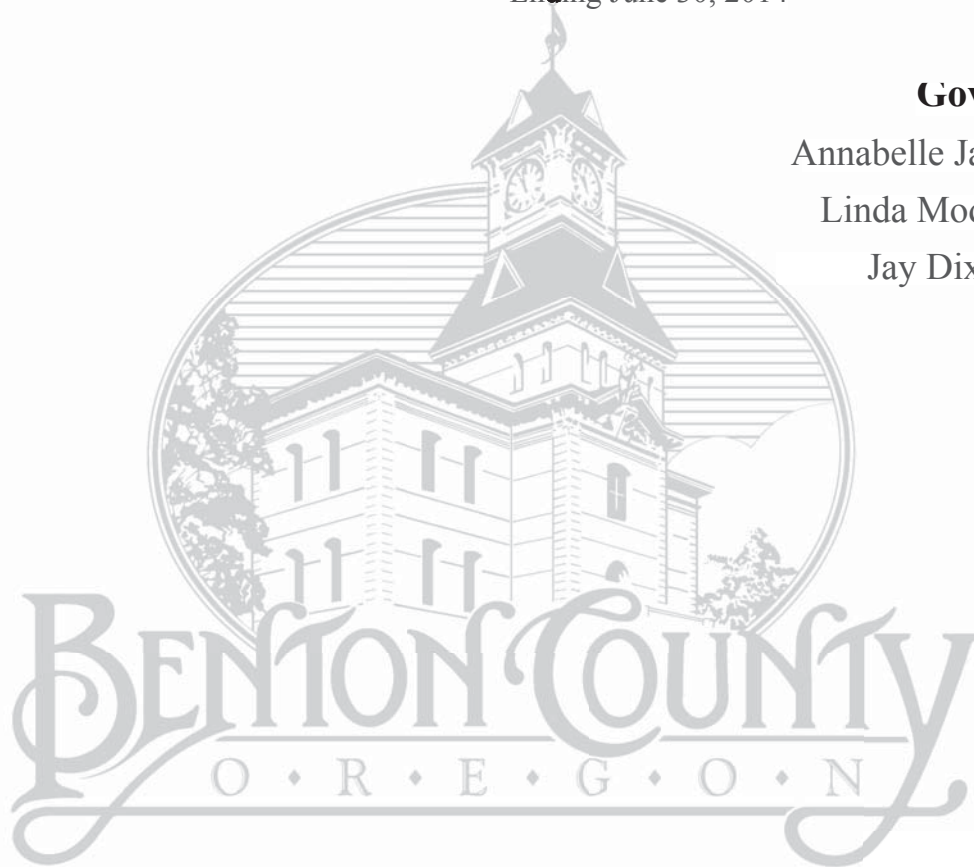


2013-2014 Adopted Budget

Alsea County Service District

for the Fiscal Period
Beginning July 1, 2013
Ending June 30, 2014



Governing Body

Annabelle Jaramillo, 2013 BOC Chair
Linda Modrell, 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

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 which 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 Budget process is coordinated by the County Budget Office. 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 beginning July 1, 2013, and ending June 30, 2014.

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

ALSEA COUNTY SERVICE DISTRICT

BUDGET SUMMARY – ALL COST CENTERS

Category Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted	2012-13 Adj. Adopted	2013-14 Adopted	% Change Adopted Adj Adopted
General Revenues	283	136	400	400	350	-12.5%
Charges for Service	51,238	50,488	51,450	51,450	56,300	9.4%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Capital Grants/Contributions	780	-	-	-	-	0.0%
Fund Transfers In	2,355	2,355	2,355	2,355	6,355	169.9%
Loans	-	-	-	-	-	0.0%
Current Program Income	54,655	52,979	54,205	54,205	63,005	16.2%
Beginning Balance	45,234	47,344	50,387	50,387	49,400	-2.0%
Beginning Balances	45,234	47,344	50,387	50,387	49,400	-2.0%
Total Resources	99,889	100,324	104,592	104,592	112,405	7.5%
Personnel Services	-	-	-	-	-	0.0%
Materials & Services	47,389	52,590	50,983	50,983	52,035	2.1%
Capital Outlay	780	1,600	1,700	1,700	1,600	-5.9%
Other: Fund Transfers Out	2,355	2,355	2,355	2,355	6,355	169.9%
Other: Loans	-	-	-	-	-	0.0%
Other: Bond Debt Principle	905	1,010	1,001	1,001	1,001	0.0%
Other: Bond Debt Interest	1,116	1,011	1,020	1,020	1,020	0.0%
Expenditures	52,545	58,566	57,059	57,059	62,011	8.7%
Other: Contingency	-	-	42,529	42,529	45,010	5.8%
Other: Debt Reserve	-	-	5,004	5,004	5,384	7.6%
Other: Unappropriated Balance	-	-	-	-	-	0.0%
Reserves	-	-	47,533	47,533	50,394	6.0%
Total Budget	52,545	58,566	104,592	104,592	112,405	7.5%
Surplus / (Deficit) of Fund Resources to Expenditures	47,344	41,758	-	-	-	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 operation reserves are weak. Recent rate increases will help, but it is likely additional rate increases will need to be considered in a year, two at the outside.

WATER OPERATIONS

Category Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted	2012-13 Adj. Adopted	2013-14 Adopted	% Change Adopted Adj Adopted
General Revenues	5	3	-	-	-	0.0%
Charges for Services	23,531	23,207	24,000	24,000	26,000	8.3%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Dedicated Beginning Balance	(1,024)	(2,057)	2,500	2,500	2,000	-20.0%
Total Resources	22,511	21,153	26,500	26,500	28,000	5.7%
Materials and Services	24,568	23,420	24,933	24,933	25,720	3.2%
Capital Outlay	-	-	100	100	100	0.0%
Other: Contingency	-	-	1,467	1,467	2,180	48.6%
Total Expenditures	24,568	23,420	26,500	26,500	28,000	5.7%
Surplus or (Deficit) of Resources to Expenditures	(2,057)	(2,266)	-	-	-	

Purpose:

To operate and maintenance a community water system in 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
- Obtained new generator set through County Emergency Services
- Completed sanitary survey for water system
- Exercised all water hydrants & blow off hydrants to flush lines
- Completed all routine maintenance and repairs
- Repaired controls art pump house and repaired several line leaks.

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
- Set up emergency power with portable generator set
- Exercise hydrant flush system
- Continue establishing and maintaining a minimum contingency of \$6,000 in accordance with the budget strategy
- Re-roof and re-side pump house
- Re-rock service road to pump house
- Pressure test and calibrate well pumps with City of Corvallis

SEWER OPERATIONS

Category Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted	2012-13 Adj. Adopted	2013-14 Adopted	% Change Adopted Adj Adopted
General Revenues	-	-	-	-	-	0.0%
Charges for Services	21,318	20,941	21,150	21,150	24,000	13.5%
Internal Fund Transfers	-	-	-	-	4,000	0.0%
Dedicated Beginning Balance	3,926	2,585	3,000	3,000	-	0.0%
Total Resources	25,245	23,526	24,150	24,150	28,000	15.9%
Materials and Services	22,660	25,468	23,650	23,650	23,905	1.1%
Capital Outlay	-	-	100	100	-	0.0%
Other: Contingency	-	-	400	400	4,095	923.8%
Total Expenditures	22,660	25,468	24,150	24,150	28,000	15.9%
Surplus or (Deficit) of Resources to Expenditures	2,585	(1,942)	-	-	-	

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%
- TV and dye tested lines for inflow and infiltration (Alder and Market Streets)
- Cleaned filter bed & laterals
- Remove vegetation
- Rebuilt dose and wet well pumps
- Repaired major electrical failure in primary feed to plant
- Pumped 14,000 gallons from septic
- Complete all Phase II & V, nitrate and disinfections byproducts water tests

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
- Smoke test all lines & repair
- Continue to establish a minimum contingency fund of \$6,000 in accordance with the budget strategy
- Re-roof and paint two control stations

Budget Note:

The contingency increase is dependent on a transfer of funds from the Sewer Construction Reserve (\$4,000).

WATER CONSTRUCTION RESERVE

Category Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted	2012-13 Adj. Adopted	2013-14 Adopted	% Change Adopted Adj Adopted
General Revenues	144	106	300	300	200	-33.3%
Charges for Service	4,509	4,448	4,500	4,500	4,500	0.0%
Capital Grants/Contributions	780	-	-	-	-	0.0%
Dedicated Beginning Balance	21,600	23,785	21,217	21,217	22,400	5.6%
Total Resources	27,032	28,339	26,017	26,017	27,100	4.2%
Materials and Services	112	3,594	262	262	268	2.3%
Capital Outlay	780	1,600	1,000	1,000	1,000	0.0%
Other: Internal Fund Transfers	2,355	2,355	2,355	2,355	2,355	0.0%
Other: Contingency	-	-	22,400	22,400	23,477	4.8%
Total Expenditures	3,247	7,549	26,017	26,017	27,100	4.2%
Surplus or (Deficit) of Resources to Expenditures	23,785	20,791	-	-	-	

Purpose:

To provide for accumulation of revenue dedicated to future system replacement, improvements, and emergency repairs. Provide resources to support one-time major maintenance or 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
- Continue to maintain a minimum contingency fund of \$20,000 in accordance with the budget strategy

Budget Note:

Transfer out of the reserve is to support debt service on water improvement bonded debt.

SEWER CONSTRUCTION RESERVE

Category Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted	2012-13 Adj. Adopted	2013-14 Adopted	% Change Adopted Adj Adopted
General Revenues	108	9	100	100	100	0.0%
Charges for Service	1,880	1,891	1,800	1,800	1,800	0.0%
Capital Grants/Contributions	-	-	-	-	-	0.0%
Dedicated Beginning Balance	16,607	18,546	19,000	19,000	20,000	5.3%
Total Resources	18,595	20,446	20,900	20,900	21,900	4.8%
Materials and Services	49	108	2,138	2,138	2,142	0.2%
Capital Outlay	-	-	500	500	500	0.0%
Other: Internal Fund Transfers	-	-	-	-	4,000	0.0%
Other: Contingency	-	-	18,262	18,262	15,258	-16.4%
Total Expenditures	49	108	20,900	20,900	21,900	4.8%
Surplus or (Deficit) of Resources to Expenditures	18,546	20,337	-	-	-	

Purpose:

To provide for accumulation of revenue dedicated to future system replacement, improvements, and emergency repairs. Provide resources to support one-time major maintenance or 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
- Coordinated installation of Auto Transfer Switch for Emergency Generator Set
- Rebuilt dose and lift station pumps (put new pumps in service)

Objectives:

- Continue working with Public Works Department to correct drainage issues leading to I&I deficiencies
- Perform next phase of smoke testing
- 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
- Continue to establish a minimum contingency fund of \$20,000 in accordance with the budget strategy

Budget Note:

The proposed transfer to sewer operations reduces contingency accumulation in the construction reserve in order to bolster the contingency in the operating budget. (See budget note in sewer operations).

DEBT SERVICE

Category Title	2010-11 Actual	2011-12 Actual	2012-13 Adopted	2012-13 Adj. Adopted	2013-14 Adopted	% Change Adopted Adj Adopted
General Revenues	26	19	-	-	50	0.0%
Internal Fund Transfers	2,355	2,355	2,355	2,355	2,355	0.0%
Beginning Balance	4,125	4,485	4,670	4,670	5,000	7.1%
Total Resources	6,506	6,859	7,025	7,025	7,405	5.4%
Other: Debt Reserve	-	-	5,004	5,004	5,384	7.6%
Other: Debt Principle	905	1,010	1,001	1,001	1,001	0.0%
Other: Debt Interest	1,116	1,011	1,020	1,020	1,020	0.0%
Total Expenditures	2,021	2,021	7,025	7,025	7,405	5.4%
Surplus or (Deficit) of Resources to Expenditures	4,485	4,838	-	-	-	

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 \$2,080
- Maintain required bond debt payment reserve of \$5,384

Budget Note:

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