

2018-2019 Proposed Budget

Alsea County Service District

For the Fiscal Period
Beginning July 1, 2018
Ending June 30, 2019

Governing Body

Xanthippe Augerot, 2018 BOC Chair
Anne Schuster, Commissioner
Annabelle Jaramillo, Commissioner



Citizen Budget Committee Members

Mimi Stout
Cheryl VanLeuven

Alsea County Service District

ADMINISTRATION: Benton County Public Works

DIRECTOR: Gary Stockhoff **INTERIM FACILITIES & UTILITIES MANAGER:** Laurie Starha

OFFICE LOCATION: Public Works, 360 SW Avery, Corvallis

TELEPHONE: 541-766-6821

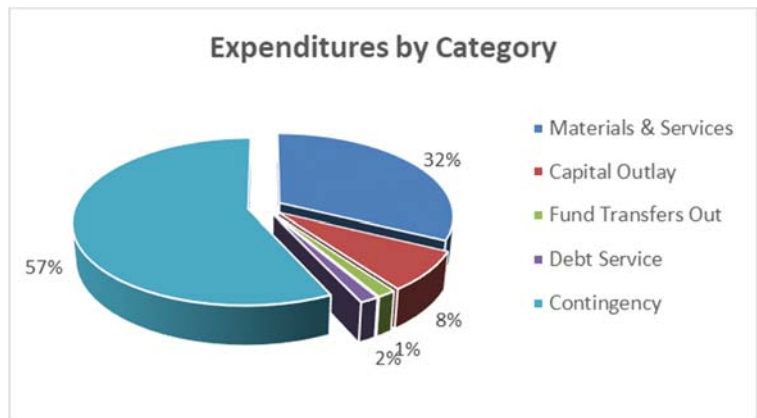
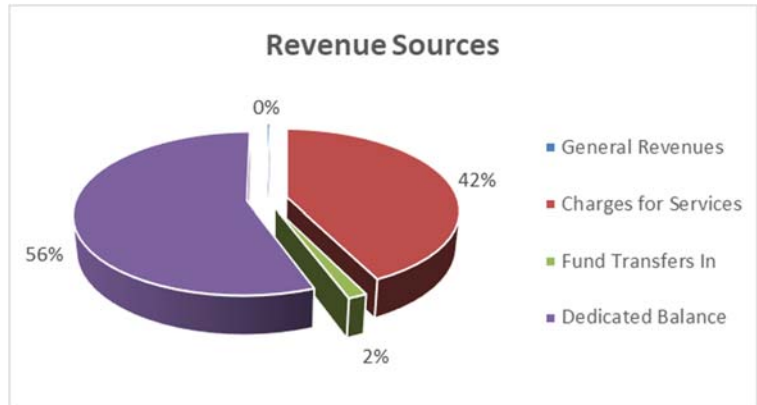
INTERNET ADDRESS: [HTTP://WWW.CO.BENTON.OR.US/PW/UTILITIES/ALSEA.PHP](http://www.co.benton.or.us/pw/utilities/alsea.php)

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 Financial Services provides treasury, financial management services and 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.



ALSEA COUNTY SERVICE DISTRICT

Budget Summary – All Cost Centers

Category Title	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Adj. Adopted	2018-19 Budget
General Revenues	423	818	470	470	470
Charges for Service	66,069	58,755	65,600	65,600	65,600
Operating Grants/Contributions	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-
Fund Transfers In	2,355	2,355	2,355	2,355	2,355
Loans	13,570	-	-	-	-
Current Program Income	82,417	61,928	68,425	68,425	68,425
Unrestricted Beginning Balance	-	-	-	-	-
Dedicated Beginning Balance	47,061	59,013	63,310	63,310	86,200
Beginning Balances	47,061	59,013	63,310	63,310	86,200
Total Resources	129,478	120,941	131,735	131,735	154,625
Personnel Services	-	-	-	-	-
Materials & Services	46,259	54,671	48,400	48,400	49,800
Capital Outlay	-	-	7,000	7,000	12,000
Other: Fund Transfers Out	2,355	2,355	2,355	2,355	2,355
Other: Loans	-	-	-	-	-
Other: Debt Service	21,851	2,355	2,355	2,355	2,355
Expenditures	70,465	59,381	60,110	60,110	66,510
Other: Contingency	-	-	71,625	71,625	88,115
Other: Debt Reserve	-	-	-	-	-
Other: Unappropriated Balance	-	-	-	-	-
Reserves	-	-	71,625	71,625	88,115
Total Budget	70,465	59,381	131,735	131,735	154,625
Surplus / (Deficit) of Fund Resources to Expenditures	59,013	61,560	-	-	-
Full-Time-Equivalent (FTE)					
Regular	-	-	-	-	-
Temporary	-	-	-	-	-
Total	-	-	-	-	-

ALSEA COUNTY SERVICE DISTRICT

District Statement

This is an annual budget. The fiscal year will begin July 1, 2018, and ends on June 30, 2019.

The budget was built on the assumption of no increase or changes in rates or charges. The district has no personnel. All services and support are provided by county operating departments as discussed above.

The remaining balance of the federal government loan that paid for water system upgrades was paid off and refinanced with a loan from the County General Fund in FY 2016-17. This will allow the district to take advantage of the lower interest rate environment, allow the principal to be retired faster and save the district about \$5,500 in interest cost over the prior debt schedule, without increasing what the district currently pays for annual principal and interest.

This action will reduce the payoff of the loan from 2028 to 2022.

The County Financial Services department has done a review and revision of the County’s financial policies. In the past County Utilities Service Districts had the Central County Overhead Charges limited to 8% of budgeted expenditures for the operating cost centers and 4% of budgeted expenditures for reserve cost centers. The new policy removes these caps and the Districts will be responsible for paying their full allocation of Central County Overhead charges. If this policy were fully implemented this year, it would add an additional annual cost of \$6,848. This would require a 10% increase to all rates. Currently the implementation of this policy change is being discussed and will require rate increases in the future depending on the final strategy.

The reserve goal for both Water and Sewer has been increased to \$50,000 as of July 1, 2018.

Key Goals & Measures: Water

Description, Definition and Discussion	Actual FY 2015-16	Actual FY 2016-17	Goal/Estimate 2018-19
Goal: Maintain a combined ending balance in water operations and construction reserve to fund future capital improvements, major maintenance and emergency repairs Measure: % of \$50,000 goal Strategic Intent Relationship: Proactive Community	129% *	177% *	118%

* Goal changed to \$50,000 for 2018-19

Key Goals & Measures: Sewer

Description, Definition and Discussion	Actual FY 2015-16	Actual FY 2016-17	Goal/Estimate 2018-19
Goal: Maintain a combined ending balance in sewer operations and construction reserve to fund future capital improvements, major maintenance and emergency repairs Measure: % of \$50,000 goal Strategic Intent Relationship: Proactive Community	123% *	130% *	58%

* Goal changed to \$50,000 for 2018-19

ALSEA COUNTY SERVICE DISTRICT
Water Operations

Category Title	2015-16	2016-17	2017-18	2017-18	2018-19	% Change Over
	Actual	Actual	Adopted	Adj. Adopted	Budget	Adj. Adopted
General Revenues	64	733	200	200	200	0.0%
Charges for Services	31,189	22,260	31,000	31,000	31,000	0.0%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Capital Grants/Contributions	-	-	-	-	-	0.0%
Fund Transfers In	-	-	-	-	-	0.0%
Dedicated Beginning Balance	(4,246)	11,220	11,000	11,000	25,000	127.3%
Total Resources	27,007	34,213	42,200	42,200	56,200	33.2%
Personnel Services	-	-	-	-	-	0.0%
Materials and Services	24,279	23,616	25,375	25,375	25,375	0.0%
Other: Contingency	-	-	16,825	16,825	30,825	83.2%
Total Expenditures	24,279	23,616	42,200	42,200	56,200	33.2%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & 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.

Key Goals & Measures:

Description, Definition and Discussion	Actual FY 2015-16	Actual FY 2016-17	Goal/Estimate 2018-19
Goal: Maintain Zero violation status for water quality in accordance with Oregon Water Resources requirements Measure: Numbers of violations annually Strategic Intent Relationship: Service Excellence	0	0	0
Goal: Minimize system loss through ongoing maintenance, leak detection, and monitoring Measure: % loss as a difference between pumped and distributed to customers Strategic Intent Relationship: Proactive Community	25%	25%	20%
Goal: Maintain accurate accounting of water distribution through meter calibration and upgrades Measure: number of meters replaced annually Strategic Intent Relationship: Service Excellence	4	1	2

ALSEA COUNTY SERVICE DISTRICT
Sewer Operations

Category Title	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Adj. Adopted	2018-19 Budget	% Change Over Adj. Adopted
Charges for Services	28,595	29,589	28,000	28,000	28,000	0.0%
Operating Grants/Contributions	-	-	-	-	-	0.0%
Fund Transfers In	-	-	-	-	-	0.0%
Dedicated Beginning Balance	(7,351)	(428)	2,040	2,040	3,000	47.1%
Total Resources	21,244	29,161	30,040	30,040	31,000	3.2%
Materials and Services	21,672	30,556	22,500	22,500	23,900	6.2%
Other: Contingency	-	-	7,540	7,540	7,100	-5.8%
Total Expenditures	21,672	30,556	30,040	30,040	31,000	3.2%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & 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.

Key Goals & Measures:

Description, Definition and Discussion	Actual FY 2015-16	Actual FY 2016-17	Goal/Estimate 2018-19
Goal: Maintain a zero violation status in compliance with the NPDES permit requirements Measure: Number of violations per year Strategic Intent Relationship: Service Excellence	0	0	0
Goal: Minimize Inflow and Infiltration into the system through ongoing maintenance, smoke tests and TV inspection Measure: % of flow based on pump run times Strategic Intent Relationship: Proactive Community	25%	25%	20%
Goal: Maintain water quality of discharge through maintenance and monitoring of treatment system Measure: % of BOD and TSS removal below permit standard Strategic Intent Relationship: Proactive Community	0, 0%	0, 0%	0, 0%

ALSEA COUNTY SERVICE DISTRICT
Water Construction Reserve

Category Title	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Adj. Adopted	2018-19 Budget	% Change Over Adj. Adopted
General Revenues	149	-	150	150	150	0.0%
Charges for Services	4,487	4,477	4,600	4,600	4,600	0.0%
Dedicated Beginning Balance	21,008	23,143	24,070	24,070	28,000	16.3%
Total Resources	25,644	27,620	28,820	28,820	32,750	13.6%
Personnel Services	-	-	-	-	-	0.0%
Materials and Services	145	337	325	325	325	0.0%
Capital Outlay	-	-	2,000	2,000	2,000	0.0%
Other: Fund Transfers Out	2,355	2,355	2,355	2,355	2,355	0.0%
Other: Contingency	-	-	24,140	24,140	28,070	16.3%
Total Expenditures	2,500	2,692	28,820	28,820	32,750	13.6%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & 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.

As this system has continued to age, improvements have been made as funding has allowed. Many of the component of the system are nearing or exceeding their expected life. This greatly increases the possibility of a significant system failure. County staff are starting the process of looking for alternative funding to upgrade and modernize this system. The hope is that this can be done without a change to rates. More information will be available as this process continues.

ALSEA COUNTY SERVICE DISTRICT
Sewer Construction Reserve

Category Title	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Adj. Adopted	2018-19 Budget	% Change Over Adj. Adopted
General Revenues	156	-	120	120	120	0.0%
Charges for Services	1,798	2,429	2,000	2,000	2,000	0.0%
Dedicated Beginning Balance	23,246	25,038	26,000	26,000	30,000	15.4%
Total Resources	25,200	27,467	28,120	28,120	32,120	14.2%
Personnel Services	-	-	-	-	-	0.0%
Materials and Services	162	162	200	200	200	0.0%
Capital Outlay	-	-	5,000	5,000	10,000	100.0%
Other: Contingency	-	-	22,920	22,920	21,920	-4.4%
Total Expenditures	162	162	28,120	28,120	32,120	14.2%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & 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.

As with the water system, the sewer system is approaching or exceeding life expectancy. While staff are doing everything possible to extend the life of both systems, this does require extensive and expensive maintenance. Staff are looking into the same processes as the water system to see if alternative funding can be secured. Both of these may be lengthy projects and therefore we hope are completed before we experience a catastrophic failure.

ALSEA COUNTY SERVICE DISTRICT

Debt Service

Category Title	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Adj. Adopted	2018-19 Budget	% Change Over Adj. Adopted
General Revenues	55	-	-	-	-	0.0%
Fund Transfers In	2,355	2,355	2,355	2,355	2,355	0.0%
Loans	13,570	-	-	-	-	0.0%
Dedicated Beginning Balance	5,911	40	200	200	200	0.0%
Total Resources	21,891	2,395	2,555	2,555	2,555	0.0%
Other: Bond Debt Principal	21,851	2,355	2,355	2,355	2,355	0.0%
Other: Contingency	-	-	-	-	200	0.0%
Other: Reserve for Future Use	-	-	200	200	-	0.0%
Total Expenditures	21,851	2,355	2,555	2,555	2,555	0.0%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & Purpose:

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

Key Goals & Measures:

Description, Definition and Discussion	Goal/Estimate 2018-19
Goal: Pay debt as scheduled.	Yes