

2018-2019 Proposed Budget

Hidden Valley 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

Brenda McComb

Robert J. Sonn

Hidden Valley 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: [HTTPS://WWW.CO.BENTON.OR.US/PUBLICWORKS/PAGE/HIDDEN-VALLEY-SERVICE-DISTRICT](https://www.co.benton.or.us/publicworks/page/hidden-valley-service-district)

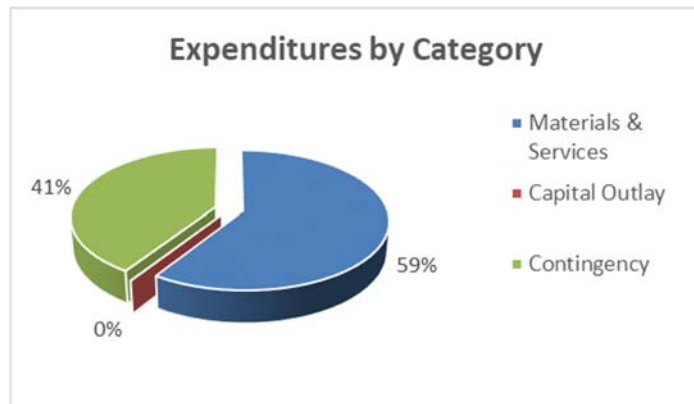
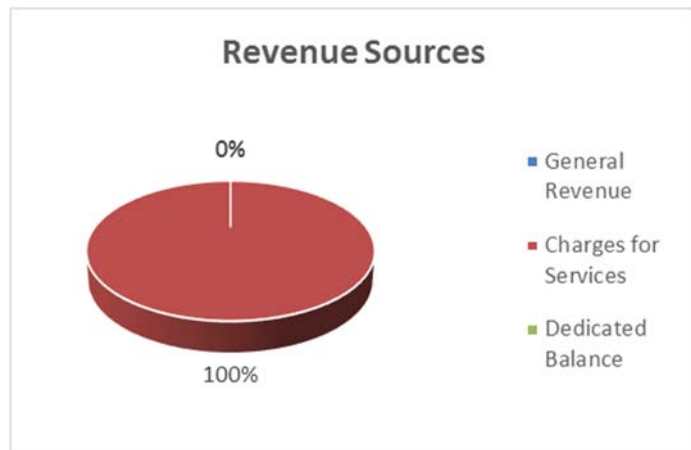
DISTRICT OVERVIEW:

To provide operation and maintenance of a community water system in the Hidden Valley Subdivision approximately 15 miles west of Corvallis. The water system was designed to serve a subdivision of 13 lots.

The district was formed as a result of an election on May 16, 2017 to operate a water system.

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 Financial Services coordinates the budget process and provides treasury management and other financial services. Public Works manages the billing and daily accounting processes. The county is reimbursed from district funds for administrative expenses.

An advisory committee has been established to review district operations and make recommendations to the governing body on issues, rates and taxes.



HIDDEN VALLEY 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	-	-	-	-	-
Charges for Service	-	-	10,920	10,920	13,588
Operating Grants/Contributions	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-
Fund Transfers In	-	-	-	-	-
Loans	-	-	-	-	-
Current Program Income	-	-	10,920	10,920	13,588
Unrestricted Beginning Balance	-	-	-	-	-
Dedicated Beginning Balance	-	-	-	-	-
Beginning Balances	-	-	-	-	-
Total Resources	-	-	10,920	10,920	13,588
Personnel Services	-	-	-	-	-
Materials & Services	-	-	9,736	9,736	7,540
Capital Outlay	-	-	-	-	-
Other: Fund Transfers Out	-	-	-	-	-
Other: Loans	-	-	-	-	-
Other: Debt Service	-	-	-	-	-
Expenditures	-	-	9,736	9,736	7,540
Other: Contingency	-	-	1,184	1,184	6,048
Other: Debt Reserve	-	-	-	-	-
Other: Unappropriated Balance	-	-	-	-	-
Reserves	-	-	1,184	1,184	6,048
Total Budget	-	-	10,920	10,920	13,588
Surplus / (Deficit) of Fund Resources to Expenditures	-	-	-	-	-
Full-Time-Equivalent (FTE)					
Regular	-	-	-	-	-
Temporary	-	-	-	-	-
Total	-	-	-	-	-

HIDDEN VALLEY COUNTY SERVICE DISTRICT

District Statement

The annual budget covers the fiscal year beginning July 1, 2018 and ending June 30, 2019.

The budget was built on an initial user rate that may be adjusted after evaluation and discussion of future requirements with the Advisory Committee. At the time of creation district voters also approved a maximum property tax levy of \$2.50 per \$1,000 of assessed value. The tax rate was intended to supplement charges for service income to fund major repair or replacement costs. No tax will be levied this year. The need for future tax levies will be discussed with the advisory committee. The district has no personnel. All services and support are provided by county operating departments.

Prior to formation the district existed for many years as a community water system managed by the county because the lot on which the well and water storage sat was acquired through property tax foreclosure. Due to this history the district starts with no cash resources and an older infrastructure that will require future repairs and upgrades.

Due to some of the required repairs in the first year of operation the district is running at a negative balance in operations and as an overall fund may finish the year with a negative balance or very close to zero. While we are projecting a decrease in some expenses a reserve does need to be built. The advisory committee was reluctant to levy a tax due to the potential formation of the road district and its potential for a tax rate. Therefore, the current proposal is to raise the flat fee for operations from \$56 to \$66. The capital fee of \$14 will remain the same. The advisory committee also plans to look at a different rate structure based on consumption within the next fiscal year.

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. This district has been using the new model since formation so an additional expense is not expected. The change in policy may lead to further rate increases in the future.

Key Goals & Measures:

Description, Definition and Discussion	Actual FY 2015-16	Actual 2016-17	Goal/Estimate 2018-19
Goal: Maintain a total dedicated fund balance to fund future capital improvements, major maintenance and emergency repairs Measure: % of \$10,000 goal Strategic Intent Relationship: Proactive Community	n/a	n/a	60%

HIDDEN VALLEY COUNTY SERVICE DISTRICT
Water System Operations

Category Title	2015-16 Actual	2016-17 Actual	2017-18 Adopted	2017-18 Adj. Adopted	2018-19 Budget	% Change Over Adj. Adopted
General Revenues	-	-	-	-	-	0.0%
Charges for Services	-	-	8,736	8,736	11,088	26.9%
Dedicated Beginning Balance	-	-	-	-	(2,500)	0.0%
Total Resources	-	-	8,736	8,736	8,588	-1.7%
Personnel Services	-	-	-	-	-	0.0%
Materials and Services	-	-	8,736	8,736	7,520	-13.9%
Other: Contingency	-	-	-	-	1,068	0.0%
Total Expenditures	-	-	8,736	8,736	8,588	-1.7%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & Purpose:

To operate a successful and efficient system within the requirements of the Oregon Water Resources Division, the Subdivision Water Management Plan, and operating ordinances. This budget supports the daily operating costs of the district including payments to Benton County for operations and administrative support services.

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	n/a	n/a	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	n/a	n/a	11%
Goal: Maintain accurate accounting of water distribution through meter calibration and upgrades Measure: number of meters replaced Strategic Intent Relationship: Service Excellence	n/a	n/a	2

HIDDEN VALLEY COUNTY SERVICE DISTRICT

Water System Construction

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	-	-	2,184	2,184	2,500	14.5%
Dedicated Beginning Balance	-	-	-	-	2,500	0.0%
Total Resources	-	-	2,184	2,184	5,000	128.9%
Materials and Services	-	-	1,000	1,000	20	-98.0%
Capital Outlay	-	-	-	-	-	0.0%
Other: Contingency	-	-	1,184	1,184	4,980	320.6%
Total Expenditures	-	-	2,184	2,184	5,000	128.9%
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 from the standard operating budget.