

2018-2019 Proposed Budget

South Third 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

Daniel R Williams

Shelly Signs

South Third 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/SOUTH_THIRD.PHP](http://www.co.benton.or.us/pw/utilities/south_third.php)

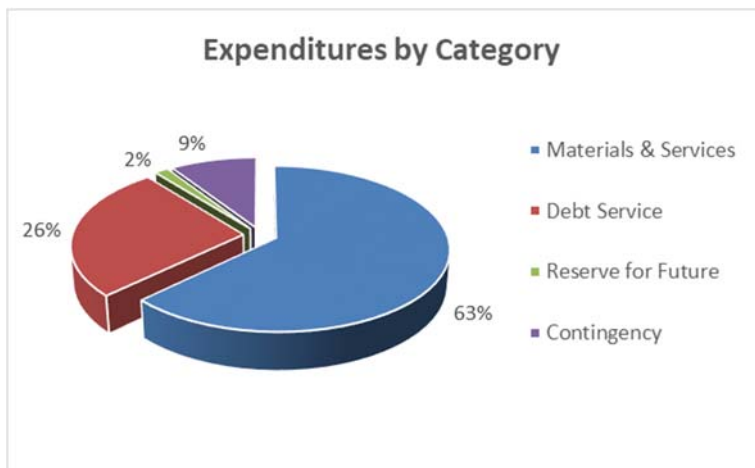
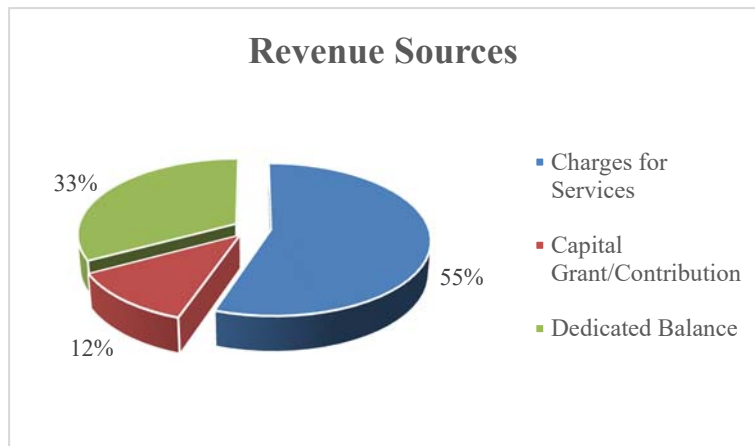
DISTRICT OVERVIEW:

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 Financial Services manages the budget process and provides treasury and other financial services. Public Works manages billing and general 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 by the City of Corvallis as if it were within the city. The district accumulates funds for debt payments.



SOUTH THIRD 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	1,074	923	-	-	-
Charges for Service	17,760	18,451	18,680	18,680	18,680
Operating Grants/Contributions	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-
Fund Transfers In	-	-	-	-	-
Loans	1,897	1,582	3,100	3,100	4,000
Current Program Income	20,731	20,956	21,780	21,780	22,680
Unrestricted Beginning Balance	-	-	-	-	-
Dedicated Beginning Balance	13,110	8,767	7,500	7,500	11,101
Beginning Balances	13,110	8,767	7,500	7,500	11,101
Total Resources	33,841	29,723	29,280	29,280	33,781
Personnel Services	-	-	-	-	-
Materials & Services	19,674	21,542	20,020	20,020	21,220
Capital Outlay	-	-	-	-	-
Other: Fund Transfers Out	-	-	-	-	-
Other: Loans	-	-	-	-	-
Other: Debt Service	5,400	3,100	3,100	3,100	8,941
Expenditures	25,074	24,642	23,120	23,120	30,161
Other: Contingency	-	-	5,660	5,660	3,120
Other: Debt Reserve	-	-	500	500	500
Other: Unappropriated Balance	-	-	-	-	-
Reserves	-	-	6,160	6,160	3,620
Total Budget	25,074	24,642	29,280	29,280	33,781
Surplus / (Deficit) of Fund Resources to Expenditures	8,767	5,081	-	-	-
Full-Time-Equivalent (FTE)					
Regular	-	-	-	-	-
Temporary	-	-	-	-	-
Total	-	-	-	-	-

SOUTH THIRD 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 with an increase of \$5 per month per unit. There has not been an increase in rates since 2004. During that time the cost for discharge to the City of Corvallis has increased by 44%. The fund balances that have been used to absorb these cost increases in the past have dropped to a level where that is no longer possible and the proposed rate increase is necessary.

Debt to the Federal government which financed original construction was refinanced through the County's General Fund in 2014-15. The new debt schedule along with a lower interest rate will better match outstanding 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.

Maintenance responsibility rests with the City of Corvallis. General revenues are the interest earnings on idle cash.

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 \$3,857. This would require an additional 24% 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.

SOUTH THIRD 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	1,011	923	-	-	-	0.0%
Capital Grants/Contributions	-	-				0.0%
Loans	1,897	1,582	3,100	3,100	4,000	29.0%
Dedicated Beginning Balance	3,405	913	500	500	5,441	988.2%
Total Resources	6,313	3,418	3,600	3,600	9,441	162.3%
Materials and Services	-	-	-	-	-	0.0%
Other: Debt Principal & Interest	5,400	3,100	3,100	3,100	8,941	188.4%
Other: Contingency	-	-	-	-	-	0.0%
Other: Debt Reserve	-	-	500	500	500	0.0%
Total Expenditures	5,400	3,100	3,600	3,600	9,441	162.3%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & Purpose:

To account for assessment payments by property owners and principle and interest payments due to Benton County. Debt from federal government for initial construction loan was refinanced in FY 2014-15 from the County's General Fund. The new debt schedule more closely matches outstanding assessments due and gives the district more flexibility to deal with any cash flow issues that may result if an account becomes delinquent or is paid off early.

SOUTH THIRD COUNTY SERVICE DISTRICT
Sewage 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	63	-	-	-	-	0.0%
Charges for Services	17,760	18,451	18,680	18,680	18,680	0.0%
Dedicated Beginning Balance	9,706	7,854	7,000	7,000	5,660	-19.1%
Total Resources	27,529	26,305	25,680	25,680	24,340	-5.2%
Materials and Services	19,674	21,542	20,020	20,020	21,220	6.0%
Other: Contingency	-	-	5,660	5,660	3,120	-44.9%
Total Expenditures	19,674	21,542	25,680	25,680	24,340	-5.2%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & Purpose:

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