

2019-2020 Proposed Budget

Alsea County Service District

For the Fiscal Period
Beginning July 1, 2019
Ending June 30, 2020

Governing Body

Annabelle Jaramillo, 2019 BOC Chair
Xanthippe Augerot, Commissioner
Pat Malone, Commissioner



Citizen Budget Committee Members

Mimi Stout
Cheryl VanLeuven

Alsea County Service District

ADMINISTRATION: Benton County Public Works

DIRECTOR: Gary Stockhoff **FACILITIES MANAGER:** Paul Wallsinger

OFFICE LOCATION: Public Works, 360 SW Avery, Corvallis

TELEPHONE: 541-766-6821

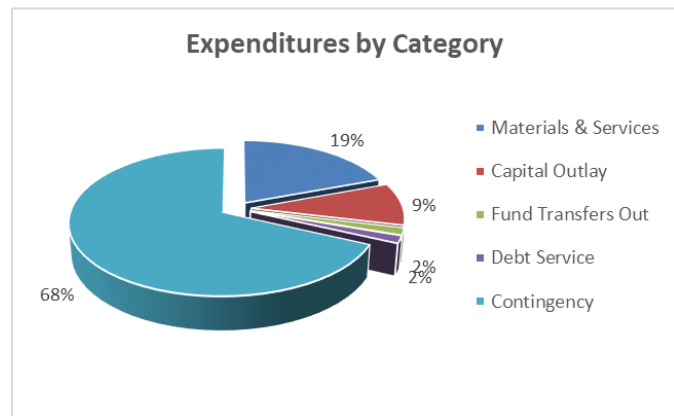
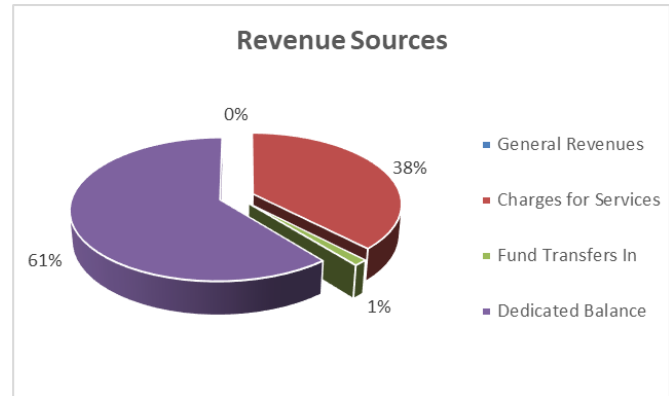
INTERNET ADDRESS: [HTTP://WWW.CO.BENTON.OR.US/PW/UTILITIES/ALSEA.PHP](http://www.co.benton.or.us/pw/utilities/alsea.php)

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	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget
General Revenues	818	896	470	470	250
Charges for Service	58,755	65,864	65,600	65,600	65,600
Operating Grants/Contributions	-	-	-	-	-
Capital Grants/Contributions	-	-	-	-	-
Fund Transfers In	2,355	2,335	2,355	2,355	2,355
Loans	-	-	-	-	-
Current Program Income	61,929	69,095	68,425	68,425	68,205
Unrestricted Beginning Balance	-	-	-	-	-
Dedicated Beginning Balance	59,013	61,521	86,200	86,200	106,200
Beginning Balances	59,013	61,521	86,200	86,200	106,200
Total Resources	120,942	130,615	154,625	154,625	174,405
Personnel Services	30,556	23,714	23,900	23,900	24,796
Materials & Services	24,115	19,937	25,900	25,900	28,957
Capital Outlay	-	3,236	12,000	12,000	14,000
Other: Fund Transfers Out	2,355	2,335	2,355	2,355	2,355
Other: Loans	-	-	-	-	-
Other: Debt Service	2,355	2,355	2,355	2,355	2,355
Expenditures	59,381	51,576	66,510	66,510	72,463
Other: Contingency	-	-	88,115	88,115	101,942
Other: Fund Transfer Out	2,355	2,335	2,355	2,355	2,355
Other: Loans	-	-	-	-	-
Other: Bond Debt Principal	2,355	2,355	2,355	2,355	2,355
Other: Debt Reserve	-	-	-	-	-
Other: Unappropriated Balance	-	-	-	-	-
Reserves	4,710	4,690	92,825	92,825	106,652
Total Budget	64,091	56,266	159,335	159,335	179,115
Surplus / (Deficit) of Fund Resources to Expenditures	56,851	74,349	(4,710)	(4,710)	(4,710)

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, 2019, and ends on June 30, 2020.

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.

As these systems have continued to age, improvements have been made as funding has allowed. Many of the components of both systems are nearing or have exceeded their expected life. This greatly increases the possibility of a significant system failure. While staff are doing everything possible to extend the life of both systems, this does require extensive and expensive maintenance. County staff are starting the process of looking for alternative funding to upgrade and modernize this system. Both of these may be lengthy projects and therefore we hope are completed before we experience a catastrophic failure. More information will be available as this process continues.

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 policy was fully implemented this year and has added an additional annual cost of \$8,560. This increase has been incorporated into the budget and will reduce the district's ability to build reserves. Currently, operations of both water and sewer will be able to absorb the additional expense without a rate increase. However, the capital programs for both water and sewer will likely see significant rate increases in 2020 in order to build reserves.

ALSEA COUNTY SERVICE DISTRICT

Water Operations

Category Title	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget	% Change Over Adj. Adopted
General Revenues	733	896	200	200	250	25.0%
Charges for Services	22,260	30,391	31,000	31,000	31,000	0.0%
Dedicated Beginning Balance	11,220	10,597	25,000	25,000	34,000	36.0%
Total Resources	34,213	41,885	56,200	56,200	65,250	16.1%
Personnel Services	-	-	-	-	-	0.0%
Materials and Services	23,616	19,325	25,375	25,375	23,972	-5.5%
Other: Contingency	-	-	30,825	30,825	41,278	33.9%
Total Expenditures	23,616	19,325	56,200	56,200	65,250	16.1%
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.

ALSEA COUNTY SERVICE DISTRICT

Sewer Operations

Category Title	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget	% Change Over Adj. Adopted
General Revenues	86	-	-	-	-	0.0%
Charges for Services	29,589	28,509	28,000	28,000	28,000	0.0%
Dedicated Beginning Balance	(428)	(1,310)	3,000	3,000	12,000	300.0%
Total Resources	29,246	27,199	31,000	31,000	40,000	29.0%
Personnel Services	30,556	23,714	23,900	23,900	24,796	3.7%
Other: Contingency	-	-	7,100	7,100	15,204	114.1%
Total Expenditures	30,556	23,714	31,000	31,000	40,000	29.0%
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.

ALSEA COUNTY SERVICE DISTRICT
Water Construction Reserve

Category Title	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget	% Change Over Adj. Adopted
General Revenues	-	-	150	150	-	0.0%
Charges for Services	4,477	2,926	4,600	4,600	4,600	0.0%
Dedicated Beginning Balance	23,143	24,928	28,000	28,000	29,000	3.6%
Total Resources	27,620	27,855	32,750	32,750	33,600	2.6%
Personnel Services	-	-	-	-	-	0.0%
Materials and Services	337	219	325	325	2,420	644.6%
Capital Outlay	-	-	2,000	2,000	4,000	100.0%
Other: Fund Transfers Out	2,355	2,335	2,355	2,355	2,355	0.0%
Other: Contingency	-	-	28,070	28,070	24,825	-11.6%
Total Expenditures	2,692	2,554	32,750	32,750	33,600	2.6%
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.

ALSEA COUNTY SERVICE DISTRICT
Sewer Construction Reserve

Category Title	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget	% Change Over Adj. Adopted
General Revenues	-	-	120	120	-	0.0%
Charges for Services	2,429	4,037	2,000	2,000	2,000	0.0%
Dedicated Beginning Balance	25,038	27,305	30,000	30,000	31,000	3.3%
Total Resources	27,467	31,342	32,120	32,120	33,000	2.7%
Materials and Services	163	393	200	200	2,565	1182.5%
Capital Outlay	-	3,236	10,000	10,000	10,000	0.0%
Other: Contingency	-	-	21,920	21,920	20,435	-6.8%
Total Expenditures	163	3,629	32,120	32,120	33,000	2.7%
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.

ALSEA COUNTY SERVICE DISTRICT

Debt Service

Category Title	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget	% Change Over Adj. Adopted
Fund Transfers In	2,355	2,335	2,355	2,355	2,355	0.0%
Dedicated Beginning Balance	40	-	200	200	200	0.0%
Total Resources	2,395	2,335	2,555	2,555	2,555	0.0%
Other: Bond Debt Principal	2,355	2,355	2,355	2,355	2,355	0.0%
Other: Contingency	-	-	200	200	200	0.0%
Total Expenditures	2,355	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.