

2019-2020 Proposed Budget

South Third 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

Daniel R Williams

Shelly Signs

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

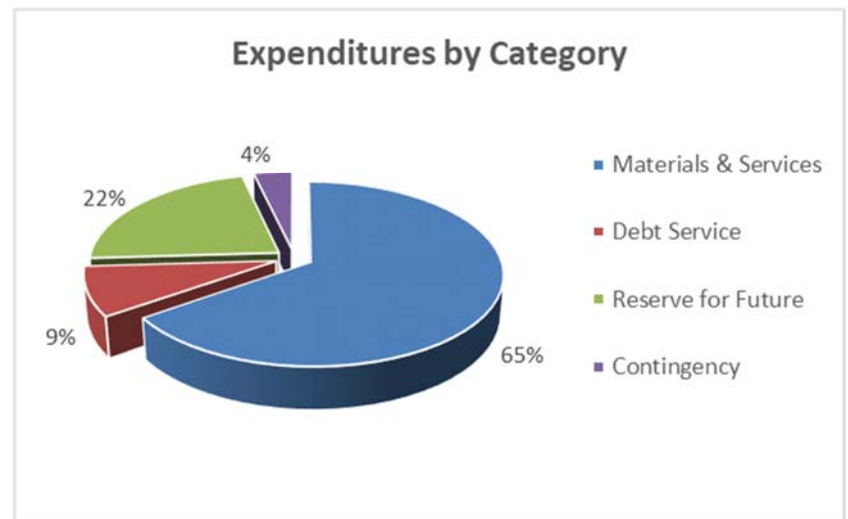
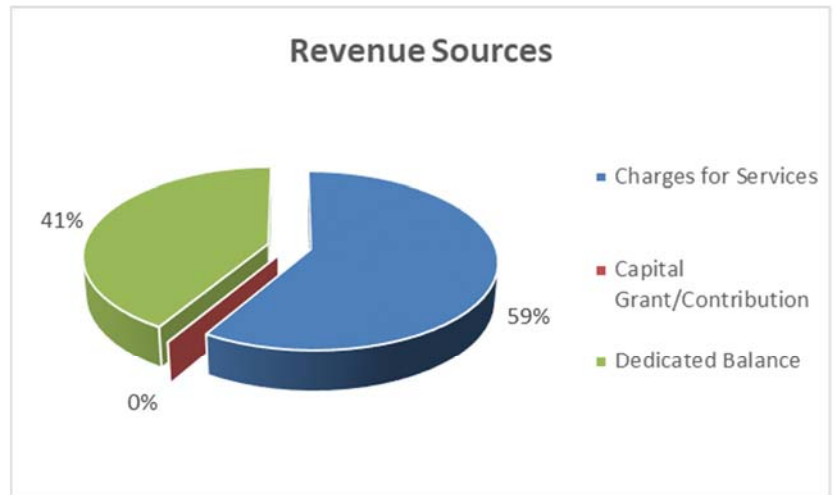
DISTRICT OVERVIEW:

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	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget
General Revenues	923	1,067	-	-	100
Charges for Service	18,136	17,690	18,680	18,680	20,520
Operating Grants/Contributions	-	-	-	-	-
Capital Grants/Contributions	1,582	7,633	4,000	4,000	400
Fund Transfers In	-	-	-	-	-
Loans	-	-	-	-	-
Current Program Income	20,640	26,390	22,680	22,680	21,020
Unrestricted Beginning Balance	-	-	-	-	-
Dedicated Beginning Balance	8,767	5,080	11,101	11,101	14,500
Beginning Balances	8,767	5,080	11,101	11,101	14,500
Total Resources	29,407	31,471	33,781	33,781	35,520
Personnel Services	-	-	-	-	-
Materials & Services	21,542	21,177	21,220	21,220	23,207
Capital Outlay	-	-	-	-	-
Other: Fund Transfers Out	-	-	-	-	-
Other: Loans	-	-	-	-	-
Other: Debt Service	3,100	3,100	8,941	8,941	3,100
Expenditures	24,642	24,277	30,161	30,161	26,307
Other: Contingency	-	-	3,120	3,120	1,313
Other: Debt Reserve	-	-	500	500	7,900
Other: Unappropriated Balance	-	-	-	-	-
Reserves	-	-	3,620	3,620	9,213
Total Budget	24,642	24,277	33,781	33,781	35,520
Surplus / (Deficit) of Fund Resources to Expenditures	4,765	7,194	-	-	-
Full-Time-Equivalent (FTE)					
Regular	-	-	-	-	-
Temporary	-	-	-	-	-
Total	-	-	-	-	-

SOUTH THIRD COUNTY SERVICE DISTRICT

District Statement

The annual budget covers the fiscal year beginning July 1, 2019 and ending June 30, 2020.

The budget was built with no increase in rates. The last rate increase was in 2018. The district has no personnel. All services and support are provided by county operating departments as discussed above.

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.

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 \$1,258. This increase has been incorporated into the budget and will reduce the district's ability to build reserves. With the reduced reserves a rate increase is highly likely in 2020.

SOUTH THIRD 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
General Revenues	923	1,067	-	-	100	0.0%
Capital Grants/Contributions	1,582	7,633	4,000	4,000	400	-90.0%
Dedicated Beginning Balance	913	317	5,441	5,441	10,500	93.0%
Total Resources	3,417	9,018	9,441	9,441	11,000	16.5%
Other: Debt Principal & Interest	3,100	3,100	8,941	8,941	3,100	-65.3%
Other: Debt Reserve	-	-	500	500	7,900	1480.0%
Total Expenditures	3,100	3,100	9,441	9,441	11,000	16.5%
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	2016-17 Actual	2017-18 Actual	2018-19 Adopted	2018-19 Adj. Adopted	2019-20 Budget	% Change Over Adj. Adopted
Charges for Services	18,136	17,690	18,680	18,680	20,520	9.9%
Dedicated Beginning Balance	7,854	4,763	5,660	5,660	4,000	-29.3%
Total Resources	25,990	22,453	24,340	24,340	24,520	0.7%
Materials and Services	21,542	21,177	21,220	21,220	23,207	9.4%
Other: Contingency	-	-	3,120	3,120	1,313	-57.9%
Total Expenditures	21,542	21,177	24,340	24,340	24,520	0.7%
Regular	-	-	-	-	-	0.0%
Temporary	-	-	-	-	-	0.0%
Total	-	-	-	-	-	0.0%

Mission & Purpose:

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