

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584
December 19, 2024 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the December 5, 2024 Special Meeting (2-3)

REPORTS:

7. Commissioner Reports
8. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Voucher 2024-51
 - Bills to Be Reviewed:
 - Voucher 2024-50
9. General Manager's Report (4)

BUSINESS:

10. Adopt Resolution 2024-09: Establishing the Imprest Amount for the EFT Account (5)
11. Adopt Updated EFT Receipts and Payment Account Policies and Procedures Revision (6-8)
12. Review Results of Sealed Bid Opening for Wastewater Infrastructure Rehabilitation Project

ONGOING BUSINESS

13. Discuss Well 2 Rehabilitation Update from Century West Engineering
14. Discuss Reservoir Hatch Repairs
15. Discuss Cross Connection Packet
16. Discuss Booster Pumps

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
December 5, 2024
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584**

MINUTES

PRESENT: President S. Swart, Secretary C. Anderson (via teleconference), Audit Commissioner S. Birgh, General Manager (GM) J. Palmer, Project & Accounts Manager (PM) J. Sartori

CALL TO ORDER: The meeting was called to order at 1:05 pm

SUBSCRIBER REMARKS: No subscribers present

CORRESPONDENCE: No correspondence

PRESENT AGENDA: *Commissioner Birgh moved to adopt the agenda. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted as presented.*

MINUTES:

The minutes of the November 21, 2024 regular meeting were presented. *Commissioner Birgh moved to approve the minutes. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as presented.*

REPORTS:

Commissioner Reports:

- Commissioner Swart requested the website be updated regarding the WIRP
- Commissioner Swart suggested using water graphics when referring to water usage/rates
- Commissioner Swart shared that when setting utility rates, an affordability index of 1.75-2.5% should be considered
- Commissioner Swart proposed resuming *Water Board Bible* reading
- Commissioner Swart intends to schedule a special meeting for developing an updated ten-year strategic plan
- Commissioner Swart reminded commissioners that the GM employment agreement is due for review in January 2025
- Commissioner Swart noted that she attended a “Cost of Service Analysis” RCAC training on 12/5/24

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2024-49 in the amount of \$10,028.77 was presented. *Commissioner Birgh moved to approve voucher 2024-49 in the amount of \$10,028.77. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- Bills to Be Reviewed:
 - Voucher 2024-48 was presented for review
- Monthly Billing Report: PM presented the Monthly Billing Report for December 2024
- Monthly Financial Report: PM presented the Monthly Financial Report for October 2024

General Manager’s Report: GM presented his report on the current state of the District

BUSINESS:

Finalize Memorandum of Understanding with HPMA: *Commissioner Birgh moved to authorize GM to sign the Memorandum on behalf of the Board of Commissioners. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

ONGOING BUSINESS:

Discuss Well #2 Rehabilitation, Bid Extension, Feedback from Bidder: GM already updated status during GM report

Discuss Reservoir Hatch Repairs: GM has not yet generated a roster of eligible contractors

Review Cross Connection Packet: Commissioners directed GM to generate a policy and modify the District documents used in HPMA Pre-construction meeting and will review at the next meeting

Discuss Asset Management Plan (AM) Status: Commissioner Birgh plans to meet with GM on 12/12/24 to discuss and initiate a strategy for effective utilization. This will no longer be an item of ongoing business.

Discuss Booster Pumps: Tabled while awaiting additional information

Commissioner Birgh moved to adjourn the meeting. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 3:12 pm.

Meeting Minutes Drafted By: PM

Respectfully Submitted By:

Signature

Carl Anderson, Secretary, Commissioner #1

Name and Title

Approved at the Regular Meeting of the Board on: 12-19-2024

GM REPORT FOR BOC MEETING ON 12/19/24

- WWTP averaged 78,874 GPD (58,169 min; 173,105 max)
- Wells averaged 37,696 GPD (24,600 min; 47,350 max)
- From 12/1 - 12/14
- Flows high again at WWTP due to rain events
- New hire on 12/17
- Jared's back on 12/19, with last day 12/31
- Contractor damage to water service line
- CIPP update
- District half-day on 12/24
- District closed on 12/25 and 1/1

**HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON**

RESOLUTION 2024-09

**A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
ESTABLISHING THE IMPREST AMOUNT FOR THE ELECTRONIC FUNDS
TRANSFER ACCOUNT**

WHEREAS, Resolution 2015-03 established an Electronic Funds Transfer Account;
and

WHEREAS, Resolution 2018-07 established that the District approved to utilize the Electronic Funds Transfer account for electronic payment of wages payable, payroll taxes, and employee benefits; and

WHEREAS, Resolution 2018-07 increased the Electronic Funds Transfer Account imprest amount to \$30,500.00; and

WHEREAS, Since Resolution 2018-07 was adopted, monthly totals of electronic payments have increased and Commissioners wish to maintain ample funds in the Electronic Funds Transfer Account for electronic payments; now

THEREFORE, the Board of Commissioners hereby resolves to increase the Electronic Funds Transfer Account imprest amount to \$40,500.00.

ADOPTED by the District Board of Commissioners at its scheduled meeting on this 19th day of December, 2024.

Hartstene Pointe Water-Sewer District
Mason County, Washington

Stacy Swart, President

Carl Anderson, Secretary

Stefan Birgh, Audit Commissioner

Hartstene Pointe Water-Sewer District
Policies and Procedures
Electronic Funds Transfer (EFT) Receipts and Payment Account

The District has authorized by Resolution 2015-03 the establishment of a revolving fund called the Electronic Funds Transfer (EFT) Account. ~~Resolution 2018-07 established the account imprest amount of \$30,500.00.~~ **Resolution 2024-09 established the account imprest amount of \$40,500.00.** The account balance shall not exceed \$50,500. Resolution 2015-03 designated Bank of America, Shelton Branch as the depository of the account. Since the account's inception, the Mason County Treasurer's Office has moved all of its banking to Columbia Bank, Shelton Branch, including the District's EFT Account. **Following a merger in March 2023, Columbia Bank is now Umpqua Bank.** The General Manager, Mason County Treasurer, and Mason County Deputy Treasurer are signers on the account.

Following are the authorized policies for use of the District's EFT Account:

GENERAL POLICIES

Purpose

The purpose of the account is limited to receipt of customer payments via Electronic Fund Transfers (EFT) **and Merchant Services**, electronic payment (direct deposit) of wages payable, payroll taxes, employee benefits, and disbursements to vendors who require payments be made via EFT.

Instruments

Customer payments electronically transferred **or deposited** into the account will be swept, at the District's request, by the County into the District's General Fund maintained by the County.

For payments, a warrant will be deposited into the account for the amount to be paid and the disbursements will be made electronically.

Security

To protect EFT transactions from internal and external threats, the following controls will be adhered to:

- a. The District will not maintain a debit card or checkbook for the EFT Receipts and Payment account
- b. Implementation of bank-offered security measures to prevent unauthorized individuals from initiating or modifying a transfer, i.e., use of "positive pay"**
- c. Under no circumstances will account changes be authorized by telephone or email**

Custodian

The appointed Custodian of the account shall be the District General Manager. The Custodian should be independent of the invoice processing, EFT disbursements, and general accounting functions. The Custodian shall be bonded in an amount equal to or greater than the authorized account balance \$50,500.00.

Audit Commissioner

For the purposes of ensuring segregation of duties, the Audit Commissioner shall monitor account activity and provide a report of the internal audits performed to the Board of Commissioners at least monthly. Audit Commissioner's responsibilities are outlined in Section 3 – Audit Procedures.

PROCEDURES

Section 1: Disbursing Vendor Payments by EFT

~~Columbia Bank~~ **Umpqua Bank** ~~previous day~~ **online** reports will be utilized to check disbursements against vendor statements. The account will maintain debit filters to ensure that only authorized vendors may initiate disbursements from the EFT Account. When possible, funds equaling anticipated disbursements should be deposited by warrant to the EFT account prior to the disbursement.

When vendor statements are received after the disbursement has been made, the [EFT Expense Log](#) will be completed showing:

1. Date of disbursement
2. Payee name
3. Amount of disbursement
4. Purpose of disbursement
5. Budget expense line item

The EFT Account Expense Log, with the attached vendor statements/invoices, will be prepared by the **AAS Project & Accounts Manager (PM) every month**, audited and approved by the Audit Commissioner, and included in the next voucher for the EFT Account replenishment.

Section 2: Deposits and Transfers to the County

A running account balance will be updated and maintained weekly utilizing ~~Columbia Bank~~ **Umpqua Bank** ~~previous day~~ **online** reports. The prior week's deposits and disbursements will be checked against records of customer payments and entered into the District's accounting software.

At least weekly, or whenever the account balance approaches **\$50,500**, the **AAS PM** shall request that the Mason County Treasurer's Office transfer funds from the EFT Account to the Hartstene Pointe General Fund 010. The **AAS PM** shall prepare the [EFT Account Transfer Request Letter](#) and the [EFT Account Transfer Transmittal](#) form to indicate how the funds should be credited. These forms shall be emailed to the Treasurer's Office email, TreasTransmittals@co.mason.wa.us ~~TreasTransmittals@co.mason.wa.us~~ TreasTransmittals@masoncountywa.gov. The receipt of each deposit included in this transfer shall be noted with the date the funds are transferred. The transfer shall then be recorded in the District's accounting software.

Section 3: Audit Procedures

1. It is the responsibility of the Audit Commissioner to ensure proper use of the EFT Receipts and Payment Account. This will be accomplished using the following procedures.
 - a. The Audit Commissioner shall review the disbursements made from the account by auditing and approving each entry in the EFT Expense Log.
 - b. Monthly, the Audit Commissioner shall audit the reconciliation of the EFT Account against the bank statement. The Audit Commissioner shall also ensure that the customer payments received in the account were transferred within one week to the District's Operating Fund maintained by the Mason County Treasurer's Office.
 - c. The Audit Commissioner shall provide a monthly report to the Board of Commissioners of the audits performed.

Section 4: Replenishing the Account

Whenever disbursements are made, the fund must be replenished at least monthly by warrant. The replenishment shall be made as follows:

1. Replenishment must be by voucher, coded to the BARS code appropriate to the purchase.
2. The Payee shall be the Hartstene Pointe Water Sewer District.

3. Vouchers must be reviewed by the Audit Commissioner prior to presentation to the full Board of Commissioners for authorization.
4. Warrants drawn for replenishment shall be deposited into the bank account within 5 days of receipt.

Section 5: Payroll Disbursements by EFT

Upon processing the monthly payroll, employee direct deposits, monthly payroll tax deposits, and benefits payments (insurance, retirement, and HRA deductions and contributions) will be initiated from the District's EFT account. These amounts will be replenished to the account monthly, by warrant, through the Payroll Voucher.