

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

RESOLUTION 2014-03

**A RESOLUTION OF THE
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS
AUTHORIZING THE 2015 BUDGET**

WHEREAS, Hartstene Pointe Water-Sewer District is a special purpose district, governed by Title 57 of the Revised Code of Washington; and

WHEREAS, the District Commissioners held a public hearing on the proposed 2015 Budget on November 8, 2014 and heard testimony at said hearing; and

WHEREAS, the Hartstene Pointe Water-Sewer District provided public notice of its intent to adopt a 2015 Budget; and

WHEREAS, the District Commissioners determined the proposed 2015 Budget included expenditure limitations to allow prudent operation of the water, waste water collection and waste water treatment systems, payment on the District's annual debt service, and funding for scheduled capital outlay projects; and

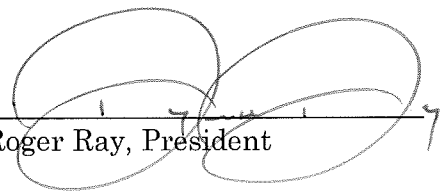
WHEREAS, the estimated revenues of the District in 2015 plus the estimated 2015 starting fund balance of are adequate to fund 2015 expenditures;

THEREFORE, The Board of Commissioners of the Hartstene Pointe Water-Sewer District hereby resolves:

To adopt the enclosed Budget for the period of January 1, 2015 through December 31, 2015 for the Hartstene Pointe Water-Sewer District.

ADOPTED by the District Board of Commissioners at its scheduled meeting on November 13, 2014.

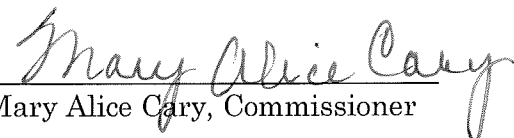
Hartstene Pointe Water-Sewer District
Mason County, Washington



Roger Ray, President



Nancy Nelson, Commissioner



Mary Alice Cary, Commissioner

Hartstene Pointe Water-Sewer District 2015 Budget Overview

	2015 Budget	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
Fund Beginning Balances						
Usable Funds:						
Operating Account	146,191	65,150	(14,982)	(71,513)	(99,416)	(247,611)
Petty Cash	1,000	1,000	1,000	1,000	1,000	1,000
Capital Project Account	73,531	-	-	-	-	-
Restricted Use Funds:						
Asset Replacement Reserve	27,000	-	4,800	12,800	13,800	22,800
Capital Improvement Reserve	62,000	76,000	92,000	110,000	130,000	152,000
Risk Management Reserve	139,440	139,440	139,440	54,440	0	0
DWSRF Loan Reserve (Loan #3)	24,000	-	-	-	-	0
Unusable Funds:						
Ecology Reserve (Loan #1)	38,111	38,111	38,111	38,111	38,111	38,111
USDA Revenue Bond Reserve (Loan #2)	8,849	12,782	16,715	20,648	24,581	28,514
Revenues						
Water Sales	172,172	172,556	172,940	173,324	173,708	174,092
Sewer Sales	330,718	331,474	332,230	332,986	333,742	334,498
Penalties/Fees	8,050	8,100	8,150	8,200	8,250	8,300
Connection Fees/Misc.	10,000	10,000	10,000	10,000	10,000	10,000
Interest	257	176	96	-	-	-
<i>Debt Proceeds</i>	595,000	-	-	-	-	-
Total Revenues	\$ 1,116,197	\$ 522,306	\$ 523,416	\$ 524,510	\$ 525,700	\$ 526,890
Operating Expenses						
Comm. Pay/Payroll taxes	12,518	12,518	12,518	12,518	12,518	12,518
Supplies	35,350	23,809	20,975	21,394	21,822	22,259
Services	328,777	331,084	306,624	312,757	319,012	325,392
Intergovernmental	21,935	28,037	17,641	17,993	18,353	18,720
Total Operating Expenses	\$ 398,579	\$ 395,447	\$ 357,757	\$ 364,662	\$ 371,705	\$ 378,889

Hartstene Pointe Water-Sewer District 2015 Budget Overview

	2015 Budget	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
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Scheduled Debt Service

Ecology Loan (Loan #1)	38,111	38,111	38,111	38,111	38,111	38,111
USDA Bond (Loan #2)	39,330	39,330	39,330	39,330	39,330	39,330
DWSRF Loan (Loan #3)	39,816	39,816	39,816	39,816	39,816	39,816
Total Debt Service	\$ 117,257	\$ 117,257	\$ 117,257	\$ 117,257	\$ 117,257	\$ 117,257

Net Income (Loss) After Operating and Debt S	\$ 600,361	\$ 9,602	\$ 48,401	\$ 42,591	\$ 36,738	\$ 30,744
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Capital Expenditures

Sewer Capital Expenditures	170,000	-	-	-	-	-
Water Capital Expenditures	23,000	65,000	160,000	100,000	150,000	-
<i>Financed Capital Expenditures (Loan #3)</i>	<i>595,000</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>	<i>-</i>
Total Capital Expenditures	\$ 788,000	\$ 65,000	\$ 160,000	\$ 100,000	\$ 150,000	\$ -

Total Expenditures	\$ 1,303,836	\$ 577,704	\$ 635,014	\$ 581,919	\$ 638,962	\$ 496,146
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Total Net Income (Loss) Before Transfers	\$ (187,639)	\$ (55,398)	\$ (111,599)	\$ (57,409)	\$ (113,262)	\$ 30,744
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Fund Transfers (To/From)

Petty Cash	-	-	-	-	-	-
Capital Project Account	(73,531)	-	-	-	-	-
Asset Replacement Reserve	(27,000)	4,800	8,000	1,000	9,000	9,000
Capital Improvement Reserve	14,000	16,000	18,000	20,000	22,000	24,000
Risk Management Reserve	-	-	(85,000)	(54,440)	-	-
Ecology Reserve (Loan #1)	-	-	-	-	-	-
USDA Revenue Bond Reserve (Loan #2)	3,933	3,933	3,933	3,933	3,933	3,933
DWSRF Loan Reserve (Loan #3)	(24,000)	-	-	-	-	-
Total Transfers	(106,598)	24,733	(55,067)	(29,507)	34,933	36,933

Total Net Income (Loss) After Transfers	\$ (81,041)	\$ (80,131)	\$ (56,532)	\$ (27,902)	\$ (148,195)	\$ (6,189)
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Hartstene Pointe Water-Sewer District 2015 Budget Overview

	2015 Budget	Projected 2016	Projected 2017	Projected 2018	Projected 2019	Projected 2020
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Fund Ending Balances

Usable Funds:

Operating Account	65,150	(14,982)	(71,513)	(99,416)	(247,611)	(253,800)
Petty Cash	1,000	1,000	1,000	1,000	1,000	1,000
Capital Project Account	-	-	-	-	-	-
Total Usable Fund Balance	66,150	(13,982)	(70,513)	(98,415)	(246,611)	(252,800)

Restricted Use Funds:

Asset Replacement Reserve	-	4,800	12,800	13,800	22,800	31,800
Capital Improvement Reserve	76,000	92,000	110,000	130,000	152,000	176,000
Risk Management Reserve	139,440	139,440	54,440	0	0	0
DWSRF Loan Reserve (Loan #3)	-	-	-	-	-	-
Total Restricted Use Funds:	215,440	236,240	177,240	143,800	174,800	207,800

Total Usable and Restricted Use Funds:

	281,590	222,259	106,727	45,385	(71,811)	(45,000)
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Unusable Funds:

Ecology Reserve (Loan #1)	38,111	38,111	38,111	38,111	38,111	38,111
USDA Revenue Bond Reserve (Loan #2)	12,782	16,715	20,648	24,581	28,514	32,447

**Hartstene Pointe Water-Sewer District
2015 Operating and Maintenance Expenditure Detail**

	2015	2016	2017
	Budget	Projected	Projected
10 · Commiss. Comp. and Payroll Taxes			
10 0010 · Commissioner District 1	3,876	3,876	3,876
10 0020 · Commissioner District 2	3,876	3,876	3,876
10 0030 · Commissioner District 3	3,876	3,876	3,876
66000 · Payroll Expenses	890	890	890
Total 10 · Commiss. Comp./Payroll Taxes	12,518	12,518	12,518

30 · Supplies			
Treatment Supplies			
31 3010 · Supplies - Treatment	2,000	2,040	2,081
31 3011 · Chemicals - Treatment	2,300	2,346	2,393
35 3010 · Tools/Equip - Treatment	19,500	5,570	3,641
Total Treatment Supplies	23,800	9,956	8,115
Water Supplies			
31 1010 · Supplies - Water	2,000	2,040	2,081
31 1011 · Chemicals - Water	3,500	3,570	3,641
35 1010 · Tools/Equip - Water	4,000	4,080	4,162
Total Water Supplies	9,500	9,690	9,884
Combined W/S Supplies			
Combined W/S Tools/Equip/Supplies	1,400	1,300	1,300
31 4010 · Office Supplies	650	2,863	1,676
Total Combined W/S Supplies	2,050	4,163	2,976
Total 30 · Supplies	35,350	23,809	20,975

Service truck fuel and oil changes

2015 2016 2017
 Budget Projected Projected

40 - Services

41 - Professional Services

Prof. Serv. Combined W/S

	2015 Budget	2016 Projected	2017 Projected
41 4010 - General Manager	43,155	43,155	43,155
41 4020 - Acct & Admin Services	22,000	22,000	22,000
Information Technology	20,000	6,500	6,500
41 20XX - Customer Serv. Combined W/S	17,990	18,350	18,717
Total Prof. Serv. Combined W/S	103,145	90,005	90,372
Professional Services - Treatment			
41 3010 - Attorney Fees - Treatment	500	510	520
41 3020 - Consultant Fees - Treatment	1,000	1,020	1,040
41 3040 - Operations - Treatment	36,750	36,750	36,750
41 3041 - Operations - Non-routine Treat	7,000	7,140	7,283
41 3050 - Lab Testing - Treatment	12,240	12,485	12,734
Total Professional Services - Treatment	57,490	57,905	58,328
Professional Services - Water			
41 1010 - Attorney Fees - Water	500	510	520
41 1020 - Consultant Fees - Water	1,000	1,020	1,040
41 1040 - Operations - Water	28,770	28,770	28,770
41 1041 - Operations - Non-routine Water	1,000	1,000	1,000
41 1050 - Lab Testing - Water	800	4,000	850
Meter Reading	6,000	6,120	3,200
Total Professional Services - Water	38,070	41,420	35,381
Total 41 - Professional Services	198,705	189,330	184,080

New Billing software purchase and setup: 20,000?

Software licensing/maintenance fees

Lockbox services: \$10,140 + \$1,750 implementation fee + \$500 annual compliance fee = \$12,390 total
 Online Payment: \$2,100 + \$1,500 implementation fee = \$3,600
 Answering Service: \$2,000

DOH monitoring schedule includes extra tests

47 - Utilities

2015 2016 2017
Budget Projected Projected

	2015	2016	2017
47 1010 - Electric - Water	12,000	12,240	12,485
47 3010 - Electric - Treatment	10,000	10,200	10,404
Total 47 - Utilities	22,000	22,440	22,889
48 - Repair and Maintenance			
Treatment Maint. and Repair	43,000	40,000	40,800
Water Repair and Maint.	40,000	55,000	34,000
Total 48 - Repair and Maintenance	83,000	95,000	74,800
Other Services Combined W/S			
Credit Card Processing Service Fees	1,530	1,561	1,592
42 0010 - Postage	1,800	1,836	1,873
42 0020 - Telephones	5,600	4,400	4,488
49 0020 - Printing to Subscribers	3,000	3,060	3,121
43 - Travel/Mileage/Training	2,500	2,550	2,601
44 0010 - Legal Notices & Publications	255	260	265
46 0010 - Liability Insurance	7,700	7,854	8,011
Auto Insurance	1,738	1,825	1,916
49 0010 - Professional Dues	950	969	988
Total Other Services Combined W/S	25,073	24,314	24,855
Total 40 - Services	328,777	331,084	306,624

Replace decant valves: \$8,000
Regular Maint/Repair: \$20,000
Rebuild Effluent Pump: \$15,000

Reservoir cleaning: \$20,000
Regular Maint/Repairs: \$20,000

Mileage Reimburse: \$800
Training: \$1,700

2015 2016 2017
Budget Projected Projected

50 - Intergovernmental Charges				
<i>Intergov. Treatment</i>				
53 2010 - Excise Tax - Sewer	4,961	4,972	4,983	
53 3020 - Permit Fees - Treatment	2,040	2,081	2,122	
Total Intergov. Treatment	7,001	7,053	7,106	
<i>Intergov. Combined W/S</i>				
53 30XX - B&O Tax	271	272	272	272
51 0010 - County Election Costs	204	208	212	212
Intergov. Combined W/S - Other	510	520	531	531
51 30XX - State Audit - Combined W/S	4,500	10,500	-	-
Total Intergov. Combined W/S	5,485	11,500	1,015	
<i>Intergov. Water</i>				
53 1010 - Excise Tax - Water	8,659	8,678	8,697	8,697
53 1020 - Permit Fees - Water	791	806	822	822
Total Intergov. Water	9,449	9,484	9,520	
Total 50 - Intergovernmental Charges	21,935	28,037	17,641	
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Total Operating Expenditures	398,579	395,447	357,757	

Single Line audit?

Capital Expenditure Detail

	2015	2016	2017	2018	2019	2020
Sewer Capital Expenditures						
WWTP Headworks						
Inflow & Infiltration Abatement (transfer to reserves)	14,000	16,000	18,000	20,000	22,000	24,000
WWTP Sludge Pump Upgrade	150,000					
Replace Gaseous Cl2 System						
WWTP Jet Pumps Refurbish						
Phase 3 WWTP SCADA/Lift Station Telemetry Upgrade	20,000					
Total Sewer Capital Expenditures	170,000	-	-	-	-	-
Water Capital Expenditures						
Rehab Well #1						
Reservoir Mixer	13,000					
Reservoir Cathodic Protection	10,000					
Booster Pump Generator		30,000				
Wells 2 and 3 Inspection, Rehab, and Test Pump		35,000				
Reservoir Interior Painting/Repair			150,000			
Well 1 Replacement			10,000			
Total Water Capital Expenditures	23,000	65,000	160,000	100,000	150,000	-
Total Capital Expenditures/Major Repairs	193,000	65,000	160,000	100,000	150,000	-