

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

**RESOLUTION 2015-12**

**A RESOLUTION OF THE  
HARTSTENE POINTE WATER-SEWER DISTRICT COMMISSIONERS  
AUTHORIZING THE 2016 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 2016 Budget on November 7, 2015 and heard testimony at said hearing; and

**WHEREAS**, the Hartstene Pointe Water-Sewer District provided public notice of its intent to adopt a 2016 Budget; and

**WHEREAS**, the District Commissioners determined the proposed 2016 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

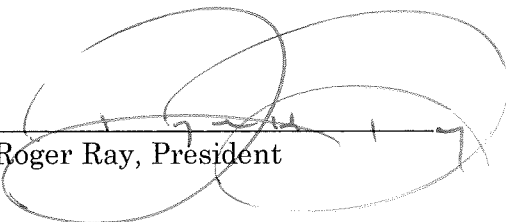
**WHEREAS**, the estimated revenues of the District in 2016 plus the estimated 2016 starting fund balance of are adequate to fund 2016 expenditures;

**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, 2016 through December 31, 2016 for the Hartstene Pointe Water-Sewer District.

**ADOPTED** by the District Board of Commissioners at its scheduled meeting on November 12, 2015.

Hartstene Pointe Water-Sewer District  
Mason County, Washington

  
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Roger Ray, President

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Nancy Nelson, Commissioner

  
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Mary Alice Cary, Commissioner

## Hartstene Pointe Water-Sewer District 2016 Budget Overview

	2016					
	Proposed Budget	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
<b>Fund Beginning Balances</b>						
<b>Uncommitted Funds:</b>						
Operating Account	185,640	109,551	96,935	93,445	74,202	67,056
Petty Cash	2,000	2,000	2,000	2,000	2,000	2,000
Capital Project Account	73,531	0	0	0	0	0
EFT Account	500	500	500	500	500	500
<b>Committed Funds:</b>						
Asset Replacement Fund	30,000	24,800	12,800	13,800	22,800	31,800
Capital Improvement Fund	151,000	242,000	110,000	130,000	152,000	176,000
Risk Management Fund	141,767	151,980	162,208	172,451	182,710	192,984
<b>Total Uncommitted and Committed Fund Balances:</b>	<b>584,439</b>	<b>530,831</b>	<b>384,443</b>	<b>412,196</b>	<b>434,212</b>	<b>470,340</b>
<b>Reserve Funds:</b>						
Ecology Reserve (Loan #1)	38,170	38,227	38,284	38,342	38,399	38,457
USDA Revenue Bond Reserve (Loan #2)	12,782	16,715	20,648	24,581	28,514	32,447
DWSRF Loan Reserve (Loan #3)	48,000	-	-	-	-	-
<b>Revenues</b>						
<b>Operating Revenues</b>						
Water Sales	311,040	311,748	312,456	313,164	313,872	314,580
Sewer Sales	258,120	258,708	259,296	259,884	260,472	261,060
Penalties/Fees	7,399	7,416	7,433	7,450	7,466	7,483
Connection Fees/Misc.	4,600	4,600	4,600	4,600	4,600	4,600
Interest	670	700	480	522	555	609
<b>Total Operating Revenues</b>	<b>581,829</b>	<b>583,172</b>	<b>584,265</b>	<b>585,620</b>	<b>586,966</b>	<b>588,333</b>
<b>Non-Operating Revenues</b>						
<i>Debt Proceeds</i>	570,000	-	-	-	-	-
<b>Total Revenues</b>	<b>\$ 1,151,829</b>	<b>\$ 583,172</b>	<b>\$ 584,265</b>	<b>\$ 585,620</b>	<b>\$ 586,966</b>	<b>\$ 588,333</b>

**Hartstene Pointe Water-Sewer District**  
**2016 Budget Overview**

	2016					
	Proposed Budget	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
<b>Operating Expenses</b>						
Comm. Pay/Payroll taxes	10,677	10,677	10,677	10,677	10,677	10,677
Supplies	29,600	26,052	26,573	27,105	27,647	28,200
Services	336,704	287,759	293,514	299,384	305,372	311,479
Intergovernmental	23,209	33,824	34,501	35,191	35,895	36,613
<b>Total Operating Expenses</b>	<b>\$ 400,190</b>	<b>\$ 358,312</b>	<b>\$ 365,265</b>	<b>\$ 372,356</b>	<b>\$ 379,590</b>	<b>\$ 386,968</b>
<b>Scheduled Debt Service</b>						
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
<b>Total Debt Service</b>	<b>\$ 117,257</b>	<b>\$ 117,257</b>	<b>\$ 117,257</b>	<b>\$ 117,257</b>	<b>\$ 117,257</b>	<b>\$ 117,257</b>
<b>Net Income (Loss) After Operating and Debt Service</b>	<b>\$ 634,382</b>	<b>\$ 107,603</b>	<b>\$ 101,743</b>	<b>\$ 96,006</b>	<b>\$ 90,119</b>	<b>\$ 84,107</b>
<b>Capital Expenditures</b>						
Wastewater/Sewer Capital Expenditures	136,000	25,000	20,000	20,000	-	-
Drinking Water Capital Expenditures	26,000	225,000	50,000	50,000	50,000	50,000
<i>Financed Capital Expenditures (Loan #3)</i>	570,000	-	-	-	-	-
<b>Total Capital Expenditures</b>	<b>\$ 732,000</b>	<b>\$ 250,000</b>	<b>\$ 70,000</b>	<b>\$ 70,000</b>	<b>\$ 50,000</b>	<b>\$ 50,000</b>
<b>Total Expenditures</b>	<b>\$ 1,249,447</b>	<b>\$ 725,569</b>	<b>\$ 552,522</b>	<b>\$ 559,613</b>	<b>\$ 546,847</b>	<b>\$ 554,225</b>
<b>Total Net Income (Loss) Before Transfers</b>	<b>\$ (97,618)</b>	<b>\$ (142,397)</b>	<b>\$ 31,743</b>	<b>\$ 26,006</b>	<b>\$ 40,119</b>	<b>\$ 34,107</b>

**Hartstene Pointe Water-Sewer District  
2016 Budget Overview**

Fund Transfers (To/From)	2016					
	Proposed Budget	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Petty Cash	-	-	-	-	-	-
Capital Project Account	(73,531)	-	-	-	-	-
Asset Replacement Fund	(5,200)	(12,000)	1,000	9,000	9,000	6,000
Capital Improvement Fund	91,000	(132,000)	20,000	22,000	24,000	26,000
Risk Management Fund	10,213	10,228	10,243	10,259	10,274	10,289
Ecology Reserve (Loan #1)	57	57	57	58	58	58
USDA Revenue Bond Reserve (Loan #2)	3,933	3,933	3,933	3,933	3,933	3,933
DWSRF Loan Reserve (Loan #3)	(48,000)	-	-	-	-	-
EFT Account	-	-	-	-	-	-
<b>Total Transfers</b>	<b>(21,528)</b>	<b>(129,782)</b>	<b>35,234</b>	<b>45,249</b>	<b>47,265</b>	<b>46,280</b>

**Total Operating Account Gain (Loss) After Transfers**     \$ (76,090)     \$ (12,616)     \$ (3,490)     \$ (19,243)     \$ (7,146)     \$ (12,173)

<b>Fund Ending Balances</b>						
<b>Uncommitted Funds:</b>						
Operating Account	109,551	96,935	93,445	74,202	67,056	54,883
Petty Cash	2,000	2,000	2,000	2,000	2,000	2,000
Capital Project Account	0	0	0	0	0	0
EFT Account	500	500	500	500	500	500
<b>Total Uncommitted Fund Balance</b>	<b>112,050</b>	<b>99,435</b>	<b>95,945</b>	<b>76,702</b>	<b>69,555</b>	<b>57,383</b>
<b>Committed Use Funds:</b>						
Asset Replacement Fund	24,800	12,800	13,800	22,800	31,800	37,800
Capital Improvement Fund	242,000	110,000	130,000	152,000	176,000	202,000
Risk Management Fund	151,980	162,208	172,451	182,710	192,984	203,274
<b>Total Committed Funds:</b>	<b>418,780</b>	<b>285,008</b>	<b>316,251</b>	<b>357,510</b>	<b>400,784</b>	<b>443,074</b>

**Total Uncommitted and Committed Funds:**     \$ 530,831     \$ 384,443     \$ 412,196     \$ 434,212     \$ 470,340     \$ 500,456

Hartstene Pointe Water-Sewer District  
2016 Budget Overview

	2016 Proposed Budget	Projected 2017	Projected 2018	Projected 2019	Projected 2020	Projected 2021
Reserved Funds:						
Ecology Reserve (Loan #1)	38,227	38,284	38,342	38,399	38,457	38,515
USDA Revenue Bond Reserve (Loan #2)	16,715	20,648	24,581	28,514	32,447	36,380
DWSRF Loan Reserve (Loan #3)	-	-	-	-	-	-

**Hartstene Pointe Water-Sewer District**  
**2016 Operating and Maintenance Expenditure Detail**

	2016			
	2015 Budget	Proposed Budget	2017 Projected	2018 Projected
<b>10 · Commiss. Comp. and Payroll Taxes</b>				
10 0010 · Commissioner District 1	3,876	3,306	3,306	3,306
10 0020 · Commissioner District 2	3,876	3,306	3,306	3,306
10 0030 · Commissioner District 3	3,876	3,306	3,306	3,306
66000 · Payroll Expenses	890	759	759	759
<b>Total 10 · Commiss. Comp./Payroll Taxes</b>	<b>12,518</b>	<b>10,677</b>	<b>10,677</b>	<b>10,677</b>
<b>30 · Supplies</b>				
<b>Treatment Supplies</b>				
31 3010 · Supplies, Tools/Equipment - Treatment	21,500	4,200	7,000	7,140
31 3011 · Chemicals - Treatment	2,300	3,400	3,468	3,537
<b>Total Treatment Supplies</b>	<b>23,800</b>	<b>7,600</b>	<b>10,468</b>	<b>10,677</b>
<b>Water Supplies</b>				
31 1010 · Supplies, Tools/Equip - Water	6,000	13,000	9,000	9,180
31 1011 · Chemicals - Water	3,500	3,500	3,570	3,641
<b>Total Water Supplies</b>	<b>9,500</b>	<b>16,500</b>	<b>12,570</b>	<b>12,821</b>
<b>Combined W/S Supplies</b>				
Combined W/S Tools/Equip/Supplies	1,400	4,800	2,300	1,326
31 4010 · Office Supplies	650	700	714	728
<b>Total Combined W/S Supplies</b>	<b>2,050</b>	<b>5,500</b>	<b>3,014</b>	<b>2,054</b>
<b>Total 30 · Supplies</b>	<b>35,350</b>	<b>29,600</b>	<b>26,052</b>	<b>25,553</b>
<b>40 · Services</b>				
<b>41 · Professional Services</b>				
<b>Prof. Serv. Combined W/S</b>				
41 4010 · General Manager	43,155	45,313	45,313	45,313
41 4020 · Acct & Admin Services	22,000	29,000	29,000	29,000
Bank Fees	-	1,200	1,224	1,248
Information Technology	20,000	2,700	2,754	2,809
41 20XX · Customer Serv. Combined W/S	17,990	12,730	12,985	13,244
<b>Total Prof. Serv. Combined W/S</b>	<b>103,145</b>	<b>90,943</b>	<b>91,275</b>	<b>91,615</b>
<b>Professional Services - Treatment</b>				
41 3010 · Attorney Fees - Treatment	500	500	500	500
41 3020 · Consultant Fees - Treatment	1,000	500	1,000	1,000
41 3040 · Operations - Treatment	36,750	38,588	38,588	38,588
41 3041 · Operations - Non-routine Treat	7,000	4,200	4,200	4,200
41 3050 · Lab Testing - Treatment	11,629	10,710	10,924	11,143
<b>Total Professional Services - Treatment</b>	<b>56,879</b>	<b>54,498</b>	<b>55,212</b>	<b>55,430</b>
<b>Professional Services - Water</b>				
41 1010 · Attorney Fees - Water	500	500	500	500
41 1020 · Consultant Fees - Water	1,000	500	1,000	1,000
41 1040 · Operations - Water	28,770	30,209	30,209	30,209
41 1041 · Operations - Non-routine Water	1,000	420	420	420
41 1050 · Lab Testing - Water	800	1,700	300	950
Meter Reading	6,000	6,000	6,000	6,000
<b>Total Professional Services - Water</b>	<b>38,070</b>	<b>39,329</b>	<b>38,429</b>	<b>39,079</b>
<b>Total 41 · Professional Services</b>	<b>198,094</b>	<b>184,769</b>	<b>184,916</b>	<b>186,123</b>

	2016			
	2015 Budget	Proposed Budget	2017 Projected	2018 Projected
<i>47 · Utilities</i>				
47 1010 · Electric - Water	12,000	12,750	13,005	13,265
47 3010 · Electric - Treatment	10,000	10,200	10,404	10,612
<b>Total 47 · Utilities</b>	<b>22,000</b>	<b>22,950</b>	<b>23,409</b>	<b>23,877</b>
<i>48 · Repair and Maintenance</i>				
Treatment Maint. and Repair	43,000	28,000	28,560	29,131
Water Repair and Maint.	40,000	75,000	25,000	25,500
<b>Total 48 · Repair and Maintenance</b>	<b>83,000</b>	<b>103,000</b>	<b>53,560</b>	<b>54,631</b>
<i>Other Services Combined W/S</i>				
Credit Card Processing Service Fees	1,466	2,000	1,805	1,842
42 0010 · Postage	1,800	1,900	1,542	1,573
42 0020 · Telephones	5,600	8,500	8,670	8,843
49 0020 · Printing to Subscribers	3,000	2,000	2,040	2,081
43 · Travel/Mileage/Training	2,500	2,550	2,601	2,653
44 0010 · Legal Notices & Publications	275	81	83	84
46 0010 · Liability Insurance	7,700	7,854	8,011	8,171
Auto Insurance	2,085	-	-	-
49 0010 · Professional Dues	950	1,100	1,122	1,144
<b>Total Other Services Combined W/S</b>	<b>25,377</b>	<b>25,985</b>	<b>25,874</b>	<b>26,392</b>
<b>Customer Refund - Sewer</b>	-	-	-	-
<b>Customer Refund - Water</b>	-	-	-	-
<b>Total 40 · Services</b>	<b>328,470</b>	<b>336,704</b>	<b>287,759</b>	<b>291,023</b>
<i>50 · Intergovernmental Charges</i>				
<i>Intergov Treatment</i>				
53 2010 · Tax - Sewer/Wastewater	4,980	3,872	3,881	3,889
53 3020 · Permit Fees - Treatment	1,980	2,070	2,111	2,153
<b>Total Intergov Treatment</b>	<b>6,959</b>	<b>5,941</b>	<b>5,992</b>	<b>6,043</b>
<i>Intergov. Combined W/S</i>				
53 30XX - B&O Tax	271	180	180	180
51 0010 · County Election Costs	204	208	212	216
Intergov. Combined W/S - Other	441	449	458	468
51 30XX · State Audit - Combined W/S	4,500	-	10,500	-
<b>Total Intergov. Combined W/S</b>	<b>5,415</b>	<b>838</b>	<b>11,351</b>	<b>865</b>
<i>Intergov. Water</i>				
53 1010 · Excise Tax - Water	8,698	15,642	15,678	15,713
53 1020 · Permit Fees - Water	773	788	804	820
<b>Total Intergov. Water</b>	<b>9,471</b>	<b>16,430</b>	<b>16,482</b>	<b>16,533</b>
<b>Total 50 · Intergovernmental Charges</b>	<b>21,846</b>	<b>23,209</b>	<b>33,824</b>	<b>23,441</b>
<b>Total Operating Expenditures</b>	<b>398,184</b>	<b>400,190</b>	<b>358,312</b>	<b>350,694</b>

**Capital Expenditure Detail**

	2016	2017	2018	2019	2020	2021
<b>Wastewater/Sewer Collection Capital Expenditures</b>						
<i>Inflow &amp; Infiltration Abatement (transfer to reserves)</i>						
WWTP Sludge Pump Upgrade	16,000	18,000	20,000	22,000	24,000	26,000
Replace Gaseous Cl2 System	75,000					
WWTP Jet Pumps Refurbish	10,000					
Spare Lift Station Pumps	16,000					
Rebuild Effluent Pump	15,000					
Lift Station Generators		25,000	20,000	20,000		
Phase 3 WWT SCADA/Lift Station Telemetry Upgrade	20,000					
<b>Total Wastewater/Sewer Capital Expenditures</b>	<b>136,000</b>	<b>25,000</b>	<b>20,000</b>	<b>20,000</b>	<b>-</b>	<b>-</b>
<b>Drinking Water Capital Expenditures</b>						
Reservoir Mixer	11,000					
Reservoir Cathodic Protection	10,000					
Booster Pump Generator		15,000				
Wells 2 and 3 Inspection, Rehab, and Test Pump		35,000				
Reservoir Interior Painting/Repair		150,000				
Well 1 Replacement		10,000	50,000	50,000		
Well Generator		15,000			50,000	50,000
Lateral Replacements	5,000					
<b>Total Drinking Water Capital Expenditures</b>	<b>26,000</b>	<b>225,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>	<b>50,000</b>
<b>Total Capital Expenditures/Major Repairs</b>	<b>162,000</b>	<b>250,000</b>	<b>70,000</b>	<b>70,000</b>	<b>50,000</b>	<b>50,000</b>



## Asset Replacement Plan

	2016	2017	2018	2019	2020	2021
<b>Asset Replacements</b>						
Well #1 Pump						
Pressure Reducing Valves	5,000					
Influent and Effluent Samplers (2)		14,000				
SCADA Computer	1,200					
Laptop	1,000					
Office Computer PC		1,000				
New Decant Valves		6,000				
Office Copy Machine			8,000			
Chemical Feed Pumps						3,000
Small Booster Pump	5,000					
Influent Gate Actuator Motor Spare	2,000					
<b>Total Asset Replacements</b>	<b>14,200</b>	<b>21,000</b>	<b>8,000</b>	<b>-</b>	<b>-</b>	<b>3,000</b>
Transfers to Asset Replacement Fund	9,000	9,000	9,000	9,000	9,000	9,000
Transfers from Asset Replacement Fund	14,200	21,000	8,000	-	-	3,000
<b>Cumulative Transfers to (from) Asset Replacement Fund</b>	<b>(5,200)</b>	<b>(12,000)</b>	<b>1,000</b>	<b>9,000</b>	<b>9,000</b>	<b>6,000</b>