

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
July 05, 2018 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
 - FROM: Dept. of Ecology RE: April Discharge Monitoring Report (*pg. 2*)
5. Present Agenda
6. Minutes of the June 21, 2018 Regular Meeting (*pgs. 3-5*)

REPORTS:

7. Commissioner Reports
8. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-13
 - May/June Billing Report
9. Manager's Report (**pgs. 6-7**)

BUSINESS:

10. General Manager Evergreen Rural Water's Fall Conference Attendance Approval
11. Proposed Payroll Process (*pgs. 8-9*)
12. Resolution 2018-07 Establishing the Imprest Amount for the Electronic Funds Transfer Account (*pg. 10*)
13. Electronic Funds Transfer Account Policies and Procedures Revision (*pgs. 11-13*)
14. Approve RH2 Final Invoice for Water Treatment Plant Improvements Project (*sent separately*)



STATE OF WASHINGTON
DEPARTMENT OF ECOLOGY

PO Box 47775 • Olympia, Washington 98504-7775 • (360) 407-6300
711 for Washington Relay Service • Persons with a speech disability can call 877-833-6341

June 21, 2018

Mr. Marty Grabill
Wastewater Treatment Plant Manager
Hartstene Pointe Water-Sewer District
772 Chesapeake Drive
Shelton, WA 98584

Re: National Pollutant Discharge Elimination System (NPDES) Permit No. WA0038377, Hartstene Pointe Wastewater Treatment Plant

Dear Mr. Grabill:

Your April 2018 Discharge Monitoring Report (DMR) indicates your influent exceeded the following design criteria:


<u>Monitoring Date</u>	<u>Monitoring Parameter</u>	<u>Sample Measurement</u>	<u>Permit Requirement</u>
4/14/18	Flow	370,412 gpd	342,000 gpd
4/15/18	Flow	416,929 gpd	342,000 gpd

Exceeding the above design criteria is a violation of your NPDES permit. You should be aware that violations are subject to enforcement action including administrative orders to correct the problem and/or civil penalties, in accordance with Chapter 173-220-230 of the Washington Administrative Code (WAC).

If you have any questions regarding this matter (or if our information is incorrect), please contact your facility manager, David Dougherty, at 360-407-6278 or david.dougherty@ecy.wa.gov, or you can call me at 360-407-6368, or e-mail me at greg.zentner@ecy.wa.gov.

If you need technical assistance, please contact your facility manager or call our technical assistance specialist Carl Jones at 360-407-6431 or by e-mail at carl.jones@ecy.wa.gov.

Sincerely,


Gregory S. Zentner, P.E., Supervisor
Municipal Operations Unit
Water Quality Program
Southwest Regional Office

GZ:CC(hartstene pt)

cc: Mont Jeffreys, Hartstene Pointe Water-Sewer District
Dave Dougherty, Ecology
Permit Compliance File



**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
June 21, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

PRESENT: President R. Scarola, Secretary A. Hospador, Commissioner D. McNabb, General Manager (GM) D. Carnahan, Accounting and Administrative Services Manager (AAS) M. Carnahan.

CALL TO ORDER: The meeting was called to order at 1:00 pm.

SUBSCRIBER REMARKS: No subscribers present.

CORRESPONDENCE:

- FROM: Health Care Authority RE: District's application for Public Employees' Benefits Board insurance plan approved.
- FROM: Department of Retirement Systems RE: District's application for Deferred Compensation Program plan approved.
- FROM: Voluntary Employees' Beneficiary Association RE: Health Reimbursement Account plans enrollment process
- FROM: Department of Revenue RE: District's State Business License. The District's original license with the state was filed as a corporation instead of a municipality. The District needed to file a new application and will be issued a new business license and UBI number.

PRESENT AGENDA: The agenda for the June 21, 2018 regular meeting was presented. *Commissioner McNabb moved to adopt the agenda as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted as presented.*

MINUTES: The minutes of the June 7, 2018 Regular Meeting were presented. *Commissioner McNabb moved to adopt the minutes as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as presented.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb:
 - Attended the American Water Works Association's ACE Conference. He will make a report at a later meeting.
 - He and the new GM have scheduled their first asset management planning session for July 11th.
- Commissioner Hospador: Noted the intent recorded in the June 7th minutes to send Tacoma Drilling & Pump a letter of thanks for prioritizing the District's Well #2 Rehab project. The GM reported he sent an email of thanks to Tacoma Pump, and they were very appreciative of the recognition.
- Commissioner Scarola: Welcomed the new General Manager, David Carnahan, who has been invited to make a presentation at the HPMa annual meeting on Saturday, June 23rd. Commissioner Scarola will introduce him.

Emergency Preparedness Report: HPMa Emergency Preparedness committee will be procuring a 500 gallon propane tank for fuel storage, as well as a pump for transferring propane into smaller tanks.

Financial/Administrative Report:

- Bills to Be Authorized: Voucher 2018-12, in the amount of \$22,249.29, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- May Financial Report: Presented and reviewed. *Commissioner Hospador moved to approve the May Financial Report. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the May Financial Report was approved.*

Manager's Report: The GM presented his report on District operations and project updates.

BUSINESS:

Authorization to Reimburse Owner of 740 E Promontory for Expenses to Locate Sewer Line: The District does not have a policy in place regarding the District's responsibility to assist property owners in locating sewer lines for new connections. During the first week of June, Mont Jeffreys, the GM at the time, attempted to assist the contractor building the home at 740 E Promontory Rd. in locating the sewer line. The line was not precisely where the as-built plans indicated, and it took the contractor several days of digging to finally locate the line, incurring additional cost to the property owner. *Commissioner McNabb moved to authorize reimbursement, up to \$2,500, to the owner of 740 E Promontory Rd. for the cost to locate the sewer line. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.* The Board directed the GM to draft a policy regarding the responsibility to locate and/or move water boxes and sewer lines.

Meeting recessed at 2:05 pm. Meeting reconvened at 2:15 pm.

Update Petty Cash Account Signers: The District's policy is to have the current GM and Commissioners as signers on the District's Petty Cash Account held at Columbia Bank's Shelton Branch. The former GM and former commissioners need to be removed and the new GM and Commissioners added. *Commissioner McNabb moved to remove Mary Alice Cary, Nancy Nelson, Roger Ray, and Mont Jeffreys as signers on the District's Petty Cash Account, Columbia Bank Account #XXXXXXXX1030, and to add Robert Scarola, David McNabb, Andrew Hospador, and David Carnahan as current signers on the account. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed*

Resolution 2018-05 Authorizing the Establishment of the HRA VEBA Plans: Presented and discussed. *Commissioner Hospador moved to adopt Resolution 2018-05 Authorizing the Establishment of the HRA VEBA Plans. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the resolution was adopted.*

Resolution 2018-06 Adopting the District Employee Handbook: Presented and reviewed. Amendments to the Employee Handbook were discussed and made. *Commissioner Scarola moved to adopt Resolution 2018-06 Adopting the District Employee Handbook, as amended. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the resolution was adopted.*

Review 2018 Budget Impact of Proposed Staffing Transition: The estimated costs for staffing, under the transition plan, was presented and discussed. The GM proposed transferring funds from the Risk

Management Fund to cover the additional staffing costs. *Commissioner Scarola moved to authorize a transfer of up to \$30,000 from the Risk Management Fund for additional, unbudgeted staffing costs. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Authorize Employee Monthly Medical Benefit Amount: The GM proposed the Board establish a Monthly Medical Benefit of \$900 per employee for 2018. *Commissioner Scarola moved to authorize a Monthly Medical Benefit of \$900 per employee. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Approve Water Distribution Manager and Wastewater Treatment Plant Operator Positions, Wage Ranges: The GM proposed establishing and posting two open positions: a part-time Water Distribution Manager with a salary range of \$25 - \$35 per hour; a full-time Wastewater Treatment Plant Operator with a salary range of \$25 - \$35 per hour. *Commissioner Scarola moved to approve the Water Distribution Manager position and Wastewater Treatment Plant Operator position, each with a salary range of \$25 - \$35 per hour. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Wastewater Treatment Plant Operations Contract – Notice of Termination: Discussed. *Commissioner Scarola moved to terminate the District’s contract with MDE Wastewater and Water Treatment Services for wastewater operations, effective July 31, 2018. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Review Payroll System Proposal Options: The AAS presented and discussed two options for processing the District’s monthly payroll: processing payroll in-house using the Quickbooks payroll module or outsourcing payroll processing to a local CPA firm. *Commissioner Scarola moved to have a CPA firm process the District’s payroll rather than processing payroll in-house. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

The meeting was adjourned at 3:50 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____

HARTSTENE POINTE WATER-SEWER DISTRICT
General Manager's Report
July 05, 2018

Human Resources

Last week I hired Mont Jeffreys to be our WDMII. Mont's start date was July 1st. This fulfills the requirement set forth by Department of Health that we have a Water Distribution Manager Level 2 managing our distribution System.

I also hired Jeff Palmer to be our WWTP0II. Jeff's start date will be August 1st. This fulfills the requirement set forth by Department of Ecology that we have a Wastewater Treatment Plant Operator level 2 managing out Wastewater treatment plant and ensures that there will be no lapse in management.

Water

All systems are functioning normally and we are keeping up with the demands of the season.

Mont is working on a small issue with chemical injection that he will resolve promptly.

Drinking Water Treatment Upgrade

RH2 sent us the final invoice which was received on Friday the 29th of June.

Well 1/4 Replacement

Nothing new to report.

Sewer Collection

Nothing new to report.

Waste Water Treatment

Sare Electric came out on Friday June 29th and finished wiring up the jet pumps which we were able to install right away. According to Jeff Palmer our basins look healthier and livelier.

Noah will be removing the trees inside the gate sometime in the next two weeks. Cost for this is \$650.

Chlorination room project is moving along. I'm still waiting on RH2 to send a certified letter to Department of Ecology who will give us the final go ahead on this project.

Customer Service

!!!The really bad smell is not us!!! Several customers reported a bad sewer smell at multiple locations. I verified that it is not our sewer system that is creating the smell, but the extreme low tide that we've had throughout the month of June.

PUD 3 is moving their transformer at 773 E Windjammer for no charge. However, they are going to bill the Strucks to reconnect all the power meters. I'd like to propose we do something similar.

General District Business

Black Diamond Construction sent me their updated insurance with the Umbrella coverage. Dawn will begin this project ASAP.

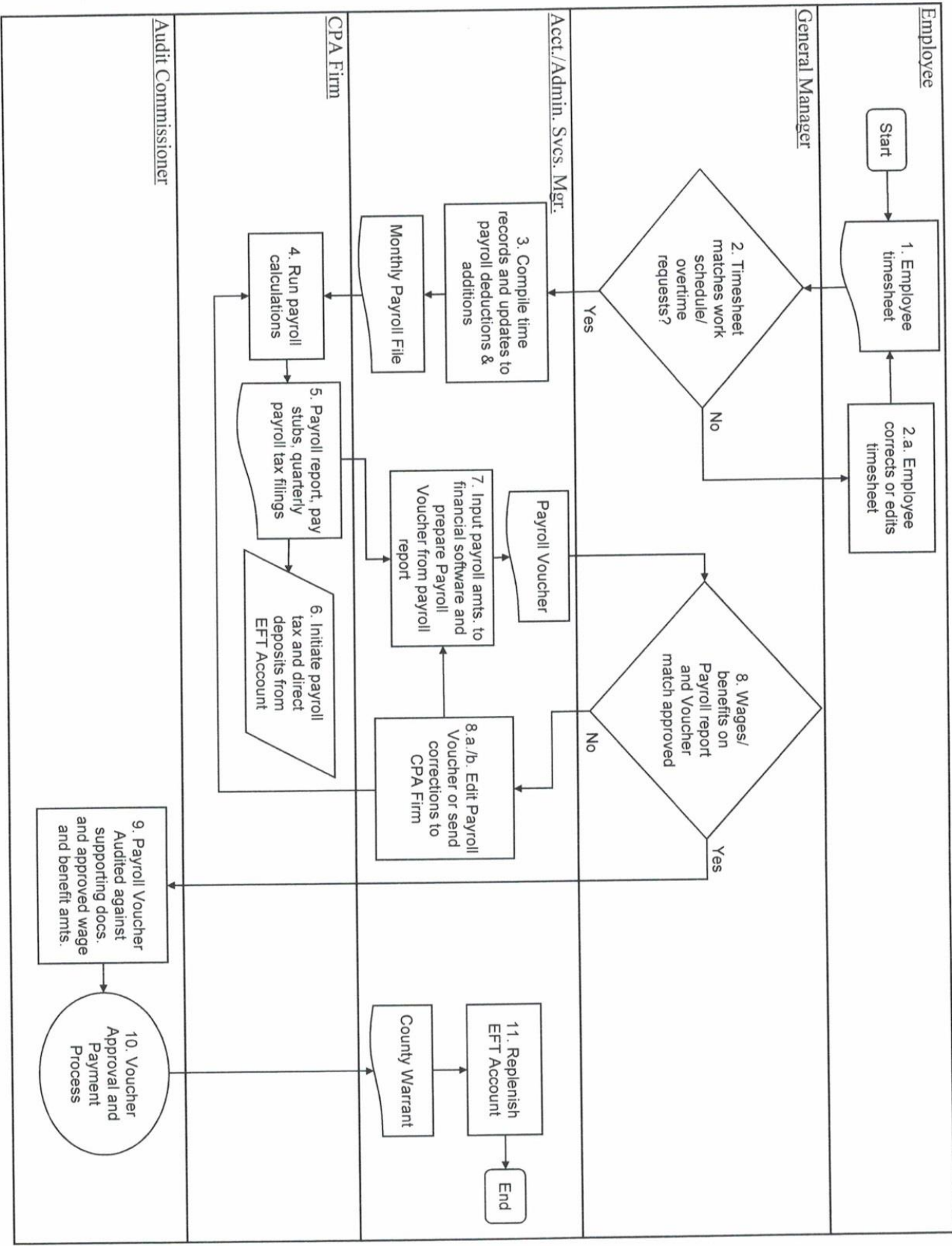
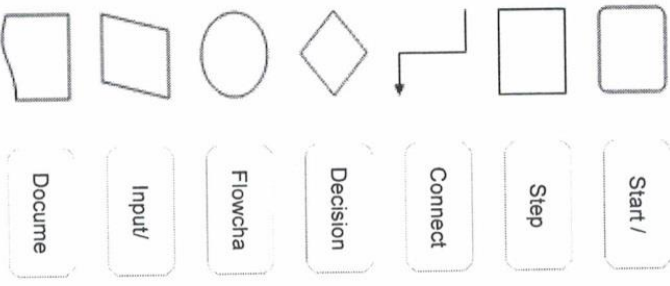
Submitted by David Carnahan

DRAFT

**Hartstene Pointe Water-Sewer District
Policies and Procedures
Payroll Process**

1. Employee Completes and submits their monthly timesheet to the General Manager (GM)
2. General Manager checks the timesheet against the work schedule, call-out schedule, and approved overtime requests.
 - a. If errors are found, the timesheet is to be corrected by the employee and re-submitted to the General Manager.
3. The Accounting & Administrative Services Manager (AAS) creates an excel file of the monthly time records summary and updates to employee payroll deductions. This file is sent to the District's CPA for monthly payroll processing.
4. The CPA Firm runs the payroll calculations
5. The CPA Firm prepares the monthly payroll report, employee pay stubs, and payroll tax filings, which are submitted to the AAS.
6. The CPA Firm initiates monthly payroll tax deposits and employee direct deposits from the District's EFT Account.
7. The AAS inputs the payroll expenses and liabilities into the District's financial software and prepares the Payroll Voucher from the payroll report.
8. The GM reviews the payroll report and payroll voucher to ensure wages and benefits match the approved amounts.
 - a. If errors are found in the Payroll Voucher, corrections are made by the AAS and the Payroll Voucher is resubmitted to the GM.
 - b. If errors are found in the payroll report, these are sent back to the CPA for corrections to the direct deposits and/or the payroll report, which are resubmitted to the AAS.
9. The Audit Commissioner audits the Payroll Voucher against supporting documentation and approved wage and benefit amounts.
10. The Payroll Voucher is submitted to the Board of Commissioners for approval and payment.
11. The County issues a warrant made payable to the District for deposit to the EFT Account to replenish to the authorized imprest amount.

Hartstene Pointe Water-Sewer District Payroll Process Flowchart



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

RESOLUTION 2018-07

**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 2015-03 was amended to establish the original Electronic
Funds Transfer account balance of \$500.00; and

WHEREAS, the District intends to utilize the Electronic Funds Transfer account
for electronic payment of wages payable, payroll taxes, and employee benefits;

NOW, THEREFORE, the Board of Commissioners hereby resolves to increase the
Electronic Funds Transfer Account imprest amount to \$30,500.00.

ADOPTED by the District Board of Commissioners at its scheduled meeting on this
5th day of July, 2018.

Hartstene Pointe Water-Sewer District
Mason County, Washington

Robert Scarola, President

David McNabb, Commissioner

Andrew Hospador, Secretary

**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. ~~The imprest amount for the account will be \$500.00 unless increased by way of resolution of the Board of Commissioners.~~ **Resolution 2018-07 established the account imprest amount of \$30,500.00.** The account balance shall not exceed ~~\$20,000~~ **\$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.** 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), **electronic payment (direct deposit) of wages payable, payroll taxes, and employee benefits**, and disbursements to vendors who require payments be made via EFT.

Instruments

Customer payments electronically transferred 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

The District will not maintain a debit card or checkbook for the EFT Receipts and Payment account.

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 ~~(\$20,000.00)~~ **\$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

The ~~Bank of America CashPro~~ **Columbia Bank** previous day 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, 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 ~~Bank of America CashPro~~ **Columbia Bank** previous day reports. The prior ~~day's~~ *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 ~~\$20,000~~ **\$50,500**, the AAS shall request that the Mason County Treasurer's Office transfer funds from the EFT Account to the Hartstene Pointe General Fund 010. The AAS 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. 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.

DRAFT