

**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
January 18, 2018 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes (pgs. 2-3)

REPORTS:

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2018-02
 - Monthly Financial Report – December 2017 (pg. 4)
 - Quarterly/Year-End Financial Report – Q4 2017 (pgs. 5-9)
10. Manager's Report

BUSINESS:

11. Emergency Plan

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
January 4, 2018
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

PRESENT: Commissioner D. McNabb, Commissioner R. Scarola, Commissioner A. Hospador, 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: Carol Ehlinger, Program Manager, Team Port Orchard, Washington State Auditor RE: District's 2017 Accountability Audit, the District's progress, and the District's website

PRESENT AGENDA: The agenda for the January 4, 2018 regular meeting was presented. *Commissioner Scarola 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 December 28, 2017 regular meeting were presented. *Commissioner Hospador moved to approve the minutes as presented. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Commissioner Reports:

- Commissioner Scarola noted, given the county's accounts payable calendar and the District's new meeting schedule, the meetings will not align with the county's schedule in August and December.
- Commissioner Hospador presented an article regarding water conservation and boil order notices for Illinois American Water customers.

Emergency Preparedness Report: Nothing to report.

Financial/Administrative Report:

- Bills to Be Authorized: Voucher 2018-01, in the amount of \$37,123.32, was presented. *Commissioner Hospador moved to approve the voucher. Commissioner Scarola seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- November/December 2017 Billing Report: Presented and reviewed. AAS also reported on the first year of the online payment system implementation.

Manager's Report: A written report was presented (attached).

BUSINESS:

Elect 2018 Officers: *Commissioner Hospador moved to elect Commissioner McNabb as Board President. There was no second, therefore the motion died. Commissioner Scarola moved to nominate Commissioner Hospador as Board President. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, Commissioner Hospador was elected Board President.*

Commissioner Hospador moved to nominate Commissioner Scarola as Board Secretary. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, Commissioner Scarola was elected Board Secretary.

President Hospador appointed Commissioner McNabb as Audit Commissioner.

The meeting was adjourned at 1:45 pm.

Respectfully Submitted By:

Signature

Name and Title

Approved at the Regular Meeting of the Board on: _____

Hartstene Pointe Water Sewer District
Monthly Financial Report

December 2017

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 · Ecology Reserve	38,622.70	-	34.79	38,657.49	34.79
050 · DWSRF Loan Reserve	13,730.05	-	6,828.26	20,558.31	6,828.26
070 · USDA Revenue Bond Reserve	20,424.97	-	345.95	20,770.92	345.95
Total Reserve Funds	72,777.72	-	7,209.00	79,986.72	7,209.00
Unreserved Funds					
EFT Account - Columbia Bank	3,582.31	(29,521.76)	27,758.97	1,819.52	(1,762.79)
Petty Cash Account	2,000.00	(478.23)	45.29	1,567.06	(432.94)
Xpress Deposit Account	9,865.10	(27,842.73)	19,091.35	1,113.72	(8,751.38)
010 · Operating Fund	80,000.00	-	-	80,000.00	-
Operating Investment Fund	30,737.60	(46,419.20)	57,119.07	41,437.47	10,699.87
010 · Operating Fund - Other	110,737.60	(46,419.20)	57,119.07	121,437.47	10,699.87
Total 010 · Operating Fund	79.17	(3,429.73)	3,429.73	79.17	-
065 · Capital Project Account	126,264.18	(107,691.65)	107,444.41	126,016.94	(247.24)
Total Unreserved Funds					
Committed Funds					
020 · Water/Sewer Committed Fund	21,540.00	-	-	21,540.00	-
Asset Replacement Fund	49,540.00	-	-	49,540.00	-
Capital Improvement Fund	128,500.00	(3,429.73)	-	125,070.27	(3,429.73)
I&I Repair	178,040.00	(3,429.73)	-	174,610.27	(3,429.73)
Reservoir Repair	76,231.02	-	213.13	76,444.15	213.13
Total Capital Improvement Fund	275,811.02	(3,429.73)	213.13	272,594.42	(3,216.60)
Risk Management Fund	275,811.02	(3,429.73)	213.13	272,594.42	(3,216.60)
Total 020 · Water/Sewer Committed Fund					
Total Committed Funds					
Total Funds	474,852.92	(111,121.38)	114,866.54	478,598.08	3,745.16

[Signature]
Acct. & Admin. Services Mgr. Date 1/16/18

Audit Commissioner Date

I hereby certify that the above statement is true.

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Hartstene Pointe Water Sewer District Profit & Loss Budget vs. Actual January through December 2017

	<u>Jan - Dec 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Income				
Non-Operating Revenue				
Total 361.11 · Interest earned	3,850.40	1,273.00	2,577.40	302.47%
Capital Facilities Charges	8,600.00	4,100.00	4,500.00	209.76%
391.80 · Intergovernmental Loan Proceeds	<u>765,515.54</u>	<u>763,516.00</u>	<u>1,999.54</u>	<u>100.26%</u>
Total Non-Operating Revenue	777,965.94	768,889.00	9,076.94	101.18%
Operating Revenue				
343.40 · Water Sales and Services	314,332.02	313,572.00	760.02	100.24%
343.50 · Sewer Sales and Services	273,763.57	281,467.00	-7,703.43	97.26%
359.90 · Penalties and Fees	8,219.37	5,842.00	2,377.37	140.69%
369.90 · Miscellaneous Revenue	<u>0.00</u>	<u>500.00</u>	<u>-500.00</u>	<u>0.0%</u>
Total Operating Revenue	<u>596,314.96</u>	<u>601,381.00</u>	<u>-5,066.04</u>	<u>99.16%</u>
Total Income	1,374,280.90	1,370,270.00	4,010.90	100.29%

Hartstene Pointe Water Sewer District
Profit & Loss Budget vs. Actual
January through December 2017

	<u>Jan - Dec 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
Expense				
534 · Water Expenditures				
Total 534.30 · Supplies - Water	5,949.57	5,375.00	574.57	110.69%
534.40 · Services - Water				
Professional Services - Water				
Meter Reading	3,816.66	6,000.00	-2,183.34	63.61%
41 1010 · Attorney Fees - Water	0.00	500.00	-500.00	0.0%
41 1020 · Consultant Fees - Water	0.00	500.00	-500.00	0.0%
41 1040 · Operations - Water	29,988.00	29,988.00	0.00	100.0%
41 1041 · Operations - Non-routine Water	1,190.00	350.00	840.00	340.0%
41 1050 · Lab Testing - Water	1,597.40	472.00	1,125.40	338.43%
Total Professional Services - Water	36,592.06	37,810.00	-1,217.94	96.78%
Water Repair and Maint.				
48 1030 · Repair & Maintenance - Water				
JMS Contract	16,828.89	12,000.00	4,828.89	140.24%
48 1030 · Repair & Maintenance - Water - Other	1,915.32	10,000.00	-8,084.68	19.15%
Total 48 1030 · Repair & Maintenance - Water	18,744.21	22,000.00	-3,255.79	85.2%
Total Water Repair and Maint.	18,744.21	22,000.00	-3,255.79	85.2%
47 1010 · Electric - Water	8,692.43	11,500.00	-2,807.57	75.59%
Total 534.40 · Services - Water	64,028.70	71,310.00	-7,281.30	89.79%
534.50 · Intergov - Water				
53 1010 · Excise Tax - Water	15,530.98	15,770.00	-239.02	98.48%
53 1020 · Permit Fees - Water	758.80	774.00	-15.20	98.04%
534.50 · Intergov - Water - Other	0.00	1,122.00	-1,122.00	0.0%
Total 534.50 · Intergov - Water	16,289.78	17,666.00	-1,376.22	92.21%
594.34 · Capital Expenditures - Water				
Other	2,115.75	33,719.00	-31,603.25	6.28%
Well #1 Replacement	32,421.55	25,000.00	7,421.55	129.69%
WTP Improvements Project	861,607.58	763,516.00	98,091.58	111.67%
Total 594.34 · Capital Expenditures - Water	896,144.88	822,235.00	73,909.88	108.99%
Total 59X.34 · Debt Service - Water	116,289.41	104,455.00	11,834.41	111.33%
Total 534 · Water Expenditures	1,098,702.34	1,021,041.00	77,661.34	107.61%

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Hartstene Pointe Water Sewer District
Profit & Loss Budget vs. Actual
January through December 2017

	<u>Jan - Dec 17</u>	<u>Budget</u>	<u>\$ Over Budget</u>	<u>% of Budget</u>
535 · WW Treatment Expenditures				
Total 535.30 · Supplies - WW Treatment	6,982.73	5,000.00	1,982.73	139.66%
535.40 · Services - WW Treatment				
Professional Services - WWT				
41 3010 · Attorney Fees - WW Treatment	0.00	500.00	-500.00	0.0%
41 3020 · Consultant Fees - WW Treatment	0.00	500.00	-500.00	0.0%
41 3040 · Operations - WW Treatment	54,000.00	54,000.00	0.00	100.0%
41 3041 · Operations - Non-routine WWT	2,428.17	840.00	1,588.17	289.07%
41 3050 · Lab Testing - WW Treatment	9,397.80	7,900.00	1,497.80	118.96%
Total Professional Services - WWT	65,825.97	63,740.00	2,085.97	103.27%
WW Treatment Maint. and Repair				
48 3010 · Biosolids Disposal	11,750.55	14,000.00	-2,249.45	83.93%
48 3020 · SCADA - WW Treatment	0.00	2,000.00	-2,000.00	0.0%
48 3030 · Repair & Maint. - WW Treatment				
JMS Contract	13,531.93	20,500.00	-6,968.07	66.01%
Sewer Collection	22,446.59	15,000.00	7,446.59	149.64%
48 3030 · Repair & Maint. - WW Treatment - Other	5,171.70	5,000.00	171.70	103.43%
Total 48 3030 · Repair & Maint. - WW Treatment	41,150.22	40,500.00	650.22	101.61%
Total WW Treatment Maint. and Repair	52,900.77	56,500.00	-3,599.23	93.63%
47 3010 · Electric - WW Treatment	9,439.49	13,000.00	-3,560.51	72.61%
Total 535.40 · Services - WW Treatment	128,166.23	133,240.00	-5,073.77	96.19%
535.50 · Intergov - WW Treatment				
Total B&O/Excise Tax	4,559.45	5,000.00	-440.55	91.19%
53 3020 · Permit Fees - WW Treatment	2,046.39	2,100.00	-53.61	97.45%
Total 535.50 · Intergov - WW Treatment	6,605.84	7,100.00	-494.16	93.04%
594.35 · Capital Expenditures - WWT				
Other	16,765.43	19,500.00	-2,734.57	85.98%
Sewer Inspection Camera	10,808.77			
WW SCADA/Telemetry Upgrade	37,732.50	37,900.00	-167.50	99.56%
Total 594.35 · Capital Expenditures - WWT	65,306.70	57,400.00	7,906.70	113.78%
Total 59X.35 · Debt Service - WW Treatment	38,111.40	38,111.40	0.00	100.0%
Total 535 · WW Treatment Expenditures	245,172.90	240,851.40	4,321.50	101.79%



Hartstene Pointe Water Sewer District Profit & Loss Budget vs. Actual January through December 2017

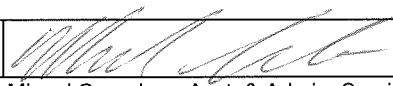
	Jan - Dec 17	Budget	\$ Over Budget	% of Budget
538 · Combined W/S Expenditures				
538.10 · Salaries & Wages				
10 0010 · Commissioner 1	3,192.00	3,534.00	-342.00	90.32%
10 0020 · Commissioner 2	3,735.00	4,094.00	-359.00	91.23%
10 0030 · Commissioner 3	3,420.00	3,534.00	-114.00	96.77%
Total 538.10 · Salaries & Wages	<u>10,347.00</u>	<u>11,162.00</u>	<u>-815.00</u>	<u>92.7%</u>
Total 538.20 · Payroll Tax	846.47	854.00	-7.53	99.12%
Total 538.30 · Supplies - Combined W/S	2,350.70	3,750.00	-1,399.30	62.69%
538.40 · Services - Combined W/S				
Management				
41 4010 · General Manager	44,982.00	45,313.00	-331.00	99.27%
41 4020 · Acct & Admin Services	33,622.50	31,000.00	2,622.50	108.46%
Total Management	<u>78,604.50</u>	<u>76,313.00</u>	<u>2,291.50</u>	<u>103.0%</u>
Other Services - Combined W/S				
Information Technology	2,934.90	2,935.00	-0.10	100.0%
Lockbox	9,232.98	10,000.00	-767.02	92.33%
Total Online Payment System	4,901.09	4,200.00	701.09	116.69%
Total Rent	1,140.48	756.00	384.48	150.86%
361.19 · Investment Service Fees	2,552.55	1,900.00	652.55	134.35%
42 0010 · Postage	1,552.38	1,500.00	52.38	103.49%
42 0020 · Telephones	7,906.26	9,000.00	-1,093.74	87.85%
44 0010 · Legal Notices & Publications	177.00	250.00	-73.00	70.8%
46 0010 · Liability Insurance	10,614.00	9,000.00	1,614.00	117.93%
49 0010 · Professional Dues	1,859.08	1,600.00	259.08	116.19%
49 0020 · Printing to Subscribers	1,721.56	1,900.00	-178.44	90.61%
Total Other Services - Combined W/S	<u>44,592.28</u>	<u>43,041.00</u>	<u>1,551.28</u>	<u>103.6%</u>
Total 43 · Travel/Mileage/Training	<u>2,299.18</u>	<u>3,500.00</u>	<u>-1,200.82</u>	<u>65.69%</u>
Total 538.40 · Services - Combined W/S	<u>125,495.96</u>	<u>122,854.00</u>	<u>2,641.96</u>	<u>102.15%</u>
538.50 · Intergov - Combined W/S				
B&O Tax - Fees/Penalties	173.11	88.00	85.11	196.72%
Other	120.40	200.00	-79.60	60.2%
State Audit	0.00	6,500.00	-6,500.00	0.0%
51 0010 · County Election Costs	220.83	210.00	10.83	105.16%
Total 538.50 · Intergov - Combined W/S	<u>514.34</u>	<u>6,998.00</u>	<u>-6,483.66</u>	<u>7.35%</u>
Total 538 · Combined W/S Expenditures	<u>139,554.47</u>	<u>145,618.00</u>	<u>-6,063.53</u>	<u>95.84%</u>
Total Expense	<u>1,483,429.71</u>	<u>1,407,510.40</u>	<u>75,919.31</u>	<u>105.39%</u>
Net Ordinary Income	-109,148.81	-37,240.40	-71,908.41	293.09%

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Hartstene Pointe Water-Sewer District

Balance Sheet 4th Quarter, 2017

ASSETS		<u>12/31/2017</u>
<u>CURRENT ASSETS</u>		
<u>Unreserved Funds</u>		
Operating Account		121,437
Capital Project Account		79
Electronic Funds Transfer Account		1,820
Xpress EFT Deposit Account		1,114
Petty Cash Account		1,567
Undeposited Funds		768
Total Unreserved Funds		<u>126,785</u>
<u>Committed Funds</u>		
Asset Replacement Fund		21,540
Capital Improvement Fund		
I&I Repair	49,540	
Reservoir Repair	125,070	
Other Capital Improvements	-	
Total Capital Improvement Fund		<u>174,610</u>
Risk Management Fund		76,444
Total Committed Funds		<u>272,594</u>
<u>Reserve Funds</u>		
Ecology Reserve		38,657
DWSRF Loan Reserve		20,558
USDA Revenue Bond Reserve		20,771
Total Reserved Funds		<u>79,987</u>
TOTAL CURRENT ASSETS		<u>\$ 479,366</u>
<u>FIXED ASSETS</u>		
<u>Land and Improvements</u>		
Water		391,662
Wastewater/Sewer		1,679,875
<u>Equipment</u>		
Water		391,042
Wastewater/Sewer		1,442,201
TOTAL FIXED ASSETS		<u>\$ 3,904,779</u>
Total Assets		<u>\$ 4,384,145</u>
LIABILITIES AND EQUITIES		
<u>LIABILITIES</u>		
USDA Revenue Bond		480,131
DWSRF Loan		1,208,853
Dept. of Ecology Loan		352,599
TOTAL LIABILITIES		<u>\$ 2,041,583</u>
<u>EQUITY</u>		
Net Income for the Period		(109,149)
Equity		2,451,710
TOTAL EQUITY		<u>\$ 2,342,562</u>
Total Liabilities & Equity		<u>\$ 4,384,145</u>

CERTIFIED CORRECT	Date 1/16/2018	
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Miceal Carnahan, Acct. & Admin. Services Manager

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