

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
District Office
772 E Chesapeake Drive, Shelton, WA 98584
May 25, 2017 1:00 P.M.**

AGENDA

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

REPORTS:

7. Commissioner Reports
8. Emergency Preparedness Report
9. Financial/Administrative Report:
 - Bills to Be Authorized: Voucher 2017-14
 - Annual Report External Review
10. Manager's Report

BUSINESS:

11. 2016 Annual Report Review and Approval (pg. 5-15)
12. Limited English Proficiency Requirements and Draft Language Access Plan (pg. 16-26)
13. Well 1R Equipping Engineer

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
May 11, 2017
District Office, 772 E Chesapeake Drive, Shelton, WA 98584**

MINUTES

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

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

SUBSCRIBER REMARKS: No subscribers present

CORRESPONDENCE:

- FROM: Department of Ecology RE: February Discharge Monitoring Report. The district exceeded 85% of the flow design and the effluent pH was 5.7, lower than the required 6.0.
- FROM: Retail Lockbox RE: Deposit Error. The AAS contacted the District's lockbox provider after two customers contacted the district about checks which had not cleared as of three weeks after they were mailed. Retail Lockbox investigated and discovered that the checks received on 4/10 had not been deposited due to a technical error.
- FROM: Connie Rivera, Department of Commerce RE: DWSRF Loan Reimbursement. As the Department of Commerce nears the end of their biennial budget period, loan reimbursement vouchers will not be paid until after July 1st, unless the District can demonstrate a hardship.

PRESENT AGENDA: The agenda for the May 11, 2017 regular meeting was presented. *Commissioner McNabb moved to approve the agenda as presented. Commissioner Hospador seconded. Hearing no objections, the agenda was approved.*

MINUTES: The minutes of the April 27, 2017 regular meeting were presented. *Commissioner McNabb moved to approve the minutes. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Commissioner Reports:

- Commissioner McNabb: requested an excused absence for the May 25, 2017 regular meeting, which was granted. President Cary will audit the voucher in Commissioner McNabb's absence.
- Commissioner Hospador:
 - Received correspondence from the CERT committee regarding their work for the community's emergency preparedness.
 - Received information about the upcoming Citizen Corps Expo on September 23rd at Renton Technical College. He is considering attending.

Emergency Preparedness Report:

- HPMA CERT Team has purchased eight CB radios, which Commissioner Hospador has had the opportunity to test. Robert Scarola and Jim States have been testing their range and effectiveness at the Pointe, and HPMA will be testing them and possibly purchasing some as well. The radios cost approximately \$80 each.
- CERT Team plans to meet the second Tuesday of every month.

Financial/Administrative Report:

- Bills to Be Authorized:
 - Early Voucher 2017-12, in the amount of \$31,583.86, was presented. *Commissioner Hospador moved to approve the voucher. President Cary seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
 - Voucher 2017-13, in the amount of \$20,222.75, was presented. *Commissioner Hospador moved to approve the voucher. President Cary seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
 - Voucher CP 47, in the amount of \$160,833.52, was presented. *Commissioner Hospador moved to approve the voucher. President Cary seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- *President Cary moved to direct the AAS to respond to the correspondence from Connie Rivera to indicate a hardship and request reimbursement of \$160,833.52 under the District's DWSRF loan. Commissioner McNabb seconded. Hearing 3 aye votes and 0 nay votes, the motion was approved.*
- Billing Report: Presented and reviewed.

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

BUSINESS:

2016 Annual Report External Review: With the District's last financial statements audit, the State Auditor's Office recommended the District have its annual report and notes reviewed by someone knowledgeable of BARS and not involved in its preparation. In years past, the finance director of a local fire district has provided this review for the District, however they are unavailable this year. BIAS provided a quote of \$750 to perform this service. The District had previously received a quote from a local CPA firm that started at \$750. *Commissioner McNabb moved to contract with BIAS, in the amount of \$750, to perform a review of the District's 2016 Annual Report. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion passed.*

Sewer Camera Report and Video: GM presented a video taken with the District's new sewer line inspection camera.

Community Outreach/HPMA 4th of July: Discussed. The Board would like to have activities for kids and possibly to take part in the parade.

Meeting adjourned at 2:45 pm.

Respectfully Submitted By:

Andrew Hospador, Secretary

Approved at the Regular Meeting of the Board on: _____

Hartstene Pointe Water-Sewer District

Schedule 01

For the year ended December 31, 2016

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
2965	401	Operations	3081000	Reserved Cash and Investments - Beginning	\$98,953
2965	401	Operations	3088000	Unreserved Cash and Investments - Beginning	\$572,047
2965	401	Operations	3434000	Water Sales and Services	\$319,570
2965	401	Operations	3435000	Sewer/Reclaimed Water Sales and Services	\$269,817
2965	401	Operations	3590000	Non-Court Fines and Penalties	\$8,144
2965	401	Operations	3611000	Investment Earnings	\$1,913
2965	401	Operations	3699100	Miscellaneous Other	\$65
2965	401	Operations	3918000	Intergovernmental Loans	\$67,448
2965	401	Operations	5340030	Water Utilities	\$4,427
2965	401	Operations	5340040	Water Utilities	\$59,006
2965	401	Operations	5340050	Water Utilities	\$16,322
2965	401	Operations	5350030	Sewer/Reclaimed Water Utilities	\$2,481
2965	401	Operations	5350040	Sewer/Reclaimed Water Utilities	\$115,596
2965	401	Operations	5350050	Sewer/Reclaimed Water Utilities	\$6,783
2965	401	Operations	5380010	Combined Water/Sewer/Solid Waste Utilities	\$11,373
2965	401	Operations	5380020	Combined Water/Sewer/Solid Waste Utilities	\$697
2965	401	Operations	5380030	Combined Water/Sewer/Solid Waste Utilities	\$1,959
2965	401	Operations	5380040	Combined Water/Sewer/Solid Waste Utilities	\$122,666
2965	401	Operations	5380050	Combined Water/Sewer/Solid Waste Utilities	\$6,529
2965	401	Operations	5913470	Debt Repayment - Water Utilities	\$24,910

MCAG	Fund #	Fund Name	BARS Account	BARS Name	Amount
2965	401	Operations	5913570	Debt Repayment - Sewer/Reclaimed Water Utilities	\$31,957
2965	401	Operations	5923480	Interest and Other Debt Service Cost - Water Utilities	\$14,420
2965	401	Operations	5923580	Interest and Other Debt Service Cost - Sewer/Reclaimed Water Utilities	\$6,155
2965	401	Operations	5943460	Capital Expenditures/Expenses - Water Utilities	\$223,210
2965	401	Operations	5943560	Capital Expenditures/Expenses - Sewer/Reclaimed Water Utilities	\$100,667
2965	401	Operations	5081000	Reserved Cash and Investments - Ending	\$123,046
2965	401	Operations	5088000	Unreserved Cash and Investments - Ending	\$465,753

**Hartstene Pointe Water-Sewer District
Schedule of Liabilities
For the Year Ended December 31, 2016**

ID. No.	Description	Due Date	Beginning Balance	Additions	Reductions	Ending Balance
General Obligation Debt/Liabilities						
263.83	WA St. Water Pollution Control Revolving Fund	12/27/2027	416,995	-	31,957	385,038
	Total General Obligation Debt/Liabilities:		416,995	-	31,957	385,038
Revenue and Other (non G.O.) Debt/Liabilities						
263.82	Drinking Water State Revolving Fund Loan	10/1/2036	290,719	67,448	-	358,167
252.11	USDA Revenue Bond, 2012	9/5/2032	530,641	-	24,910	505,731
	Total Revenue and Other (non G.O.) Debt/Liabilities:		821,360	67,448	24,910	863,898
	Total Liabilities:		1,238,355	67,448	56,867	1,248,936

**Hartstene Pointe Water-Sewer District
Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

Federal Agency (Pass-Through Agency)	Federal Program	CFDA Number	Other Award Number	Expenditures			Passed through to Subrecipients	Note
				From Pass- Through Awards	From Direct Awards	Total		
Drinking Water State Revolving Fund Cluster								
Office Of Water, Environmental Protection Agency (via WA State Department of Commerce)	Capitalization Grants for Drinking Water State Revolving Funds	66.468	DM12-952-126	1,924	-	1,924	-	1,2,3, 4
Total Drinking Water State Revolving Fund Cluster:				1,924	-	1,924	-	
Total Federal Awards Expended:				1,924	-	1,924	-	

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The accompanying notes are an integral part of this schedule.

Hartstene Pointe Water-Sewer District

**Notes to the Schedule of Expenditures of Federal Awards
For the Year Ended December 31, 2016**

Note 1 – Basis of Accounting

This schedule is prepared on the same basis of accounting as the District's financial statements. The District uses the cash basis accounting system.

Note 2 – Program Costs

The amounts shown as current year expenditures represent only the federal grant portion of the program costs. Entire program costs, including the state funding portion, are more than shown. Such expenditures are recognized following, as applicable, either the cost principles in the OMB Circular A-87, Cost Principles for State, Local, and Indian Tribal Governments, or the cost principles contained in Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

Note 3 – Federal Loans

The District was approved by the EPA and the PWB to receive a loan totaling \$1,110,135 to improve its drinking water system. In 2016 the PWB approved an increase in the loan amount of \$194,334, bringing to total loan amount to \$1,304,479. The amount listed for this loan includes the proceeds used during the year.

Both the current and prior year loans are also reported on the District's Schedule of Liabilities.

Note 4 – Indirect Cost Rate

The District has elected to use the 10-percent de minimis indirect cost rate allowed under the Uniform Guidance.

The amount expended in 2016 includes \$0 claimed as an indirect cost recovery. Only direct project costs were charged as program costs.

Hartstene Pointe Water-Sewer District
Notes to the Financial Statements
For the year ended December 31, 2016

Note 1 - Summary of Significant Accounting Policies

The Hartstene Pointe Water-Sewer District was incorporated in May of 2008 and operates under the laws of the state of Washington applicable to a Water-Sewer District. The District is a special purpose local government and provides water, sewer collection, and wastewater treatment services.

The District reports financial activity in accordance with the *Cash Basis Budgeting, Accounting and Reporting System* (BARS) Manual prescribed by the State Auditor's Office under the authority of Washington State law, Chapter 43.09 RCW. This manual prescribes a financial reporting framework that differs from generally accepted accounting principles (GAAP) in the following manner:

- Financial transactions are recognized on a cash basis of accounting as described below.
- Component units are required to be disclosed, but are not included in the financial statements.
- Government-wide statements, as defined in GAAP, are not presented.
- All funds are presented, rather than a focus on major funds.
- The *Schedule of Liabilities* is required to be presented with the financial statements as supplementary information.
- Supplementary information required by GAAP is not presented.
- Ending balances are not presented using the classifications defined in GAAP.

A. Fund Accounting

Financial transactions of the government are reported in individual funds. Each fund uses a separate set of self-balancing accounts that comprises its cash and investments, revenues and expenditures. The government's resources are allocated to and accounted for in individual funds depending on their intended purpose. Each fund is reported as a separate column in the financial statements. The following fund types are used:

PROPRIETARY FUND TYPES:

Enterprise Funds

These funds account for operations that provide goods or services to the general public and are supported primarily through user charges.

B. Basis of Accounting and Measurement Focus

Financial statements are prepared using the cash basis of accounting and measurement focus. Revenues are recognized when cash is received and expenditures are recognized when paid.

C. Budgets

Budgets are not required by statute for Water Sewer Districts. It has been the policy of the District to adopt annual appropriated budgets for enterprise funds. These budgets are appropriated at the fund level. The budget constitutes the legal authority for expenditures at that level. Annual appropriations for these funds lapse at the fiscal year end.

Annual appropriated budgets are adopted on the same basis of accounting as used for financial

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reporting.

The appropriated and actual expenditures for the legally adopted budgets were as follow:

Fund/Department	Final Appropriated Amounts	Actual Expenditures	Variance
Water Sewer Fund	\$1,248,500	\$749,157	-\$499,343

D. Cash and Investments

See Note 2, *Deposits and Investments*.

E. Capital Assets

Capital assets are assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets and inventory are recorded as capital expenditures when purchased.

F. Long-Term Debt

See Note 3, *Debt Service Requirements*.

G. Risk Management

The District is a member of the Water and Sewer Risk Management Pool (Pool). Chapter 48.62 RCW authorizes the governing body of any one or more governmental entities to form together into or join a pool or organization for the joint purchasing of insurance, and/or joint self-insuring, and/or joint hiring or contracting for risk management services to the same extent that they may individually purchase insurance, self-insurance, or hire or contract for risk management services. An agreement to form a pooling arrangement was made pursuant to the provisions of Chapter 39.34 RCW, the Interlocal Cooperation Act. The Pool was formed in November 1987 when water and sewer districts in the State of Washington joined together by signing an Interlocal Governmental Agreement to pool their self-insured losses and jointly purchase insurance and administrative services. The Pool currently has 62 members. The Pool's fiscal year is November 1st through October 31st.

The Pool allows members to jointly purchase insurance coverage, establish a plan of self-insurance coverage, and provide related services, such as risk management and loss prevention. The Pool provides the following forms of group purchased insurance coverage for its members: Property (including Building, Electronic Data Processing, Boiler and Machinery, and Mobile Equipment); General Liability; Automotive Liability; Excess Liability, Crime; Public Officials Liability; Identity Fraud Reimbursement Program; and bonds of various types. All coverages are on an "occurrence" basis.

Members make an annual contribution to fund the Pool. The Pool purchases insurance policies from unrelated underwriters as follows:

TYPE OF COVERAGE	MEMBER DEDUCTIBLE	SELF-INSURED RETENTION/GROUP	EXCESS LIMITS
Property Loss:			
Buildings and Contents	\$1,000 - \$25,000 and See (C) below	\$25,000	\$1,000,000,000
Flood	See (A) below	See (A) below	\$50,000,000
Earthquake	See (B) below	See (B) below	\$110,000,000 (\$75,000,000 shared)

			by all members, \$25,000,000 dedicated to Alderwood, \$5,000,000 dedicated to Sammamish Plateau, and \$5,000,000 dedicated to Cascade Water Alliance)
Terrorism	\$1,000 - \$25,000	\$25,000 Primary layer	\$100,000,000 Primary layer
Boiler & Machinery	\$1,000 - \$350,000 depending on object	\$25,000 - \$350,000 depending on object	\$100,000,000
Auto - Physical Damage	\$1,000-\$25,000	\$25,000	\$10,000,000
Liability:			
Commercial General Liability	\$1,000 - \$25,000	\$200,000	\$10,000,000
Auto Liability	\$1,000 - \$25,000	\$200,000	\$10,000,000
Public Officials Errors and Omissions	\$1,000 - \$25,000	\$200,000	\$10,000,000
Employment Practices	\$1,000 - \$25,000	\$200,000	\$10,000,000
Other:			
Public Officials Bonds	Various	N/A	Various
Crime	\$1,000 - \$25,000	\$25,000	\$2,000,000
Identity Fraud	\$0	\$0	\$25,000
A. \$100,000 member deductibles, per occurrence, in Flood zones except Zones A&V; \$250,000 member deductible per occurrence, in Flood Zones A&V.			
B. Member deductible for earthquakes is 5% subject to \$100,000 minimum Earthquake Shock. The deductible will apply per occurrence on a per unit basis, as defined in the policy form, subject to the stated minimum.			
C. Member deductible for Cyber liability is \$100,000 and where applicable the dollar amount of the business interruption loss during the policy's required 8 hour waiting period			

Pool members are responsible for a deductible on each coverage and the Pool is responsible for the remainder of the self-insured retention listed in the table above except where noted as follows. The insurance carriers then cover the loss to the maximum limit of the policy. Each member is responsible for the full deductible applicable to the perils of earthquake and flood (the Pool is not responsible for any deductible or self-insured retention for earthquake and flood claims). Each member is also responsible for the full deductible applicable to the Cyber Liability, and that part of a Boiler & Machinery deductible, which exceeds \$25,000.

Upon joining, the members contract to remain in the Pool for one full policy period. Following completion of one full policy period, members must give six months' notice before terminating participation (e.g. to withdraw from the Pool on November 1, 2017, written notice must be in possession of the Pool by April 30, 2017). The Interlocal Governmental Agreement is renewed automatically each year. Even after termination of relationship with the Pool, a member is still responsible for contributions to the Pool for any unresolved, unreported, and in process claims, for the period that the District was a signatory to the Interlocal Governmental Agreement.

The Pool is fully funded by its member participants. Claims are filed by members with the Pool who determines coverage and performs claims adjustment in consultation with Arcadia Claims Services

and Adjusters Northwest.

The Pool is governed by a Board of Directors, which is comprised of one designated representative from each participating member. An Executive Committee is elected at the annual meeting, and is responsible for overseeing the business affairs of the Pool and providing policy direction to the Pool's Executive Director.

The Water Sewer Risk Management Pool financial statements can be found online at www.wsrmp.org.

H. Reserved Portion of Ending Cash and Investments

Beginning and Ending Cash and Investments is reported as reserved when it is subject to restrictions on use imposed by external parties or due to internal commitments established by the Board of Commissioners. When expenditures that meet restrictions are incurred, the District intends to use reserved resources first before using unreserved amounts.

Reservations of Ending Cash and Investments consist of \$123,046.

Note 2 – Deposits and Investments

District Fund Policy:

The following funds have been established with the Mason County Treasurer's Office.

- 690-005-010 – General Operating Fund: The General Operating Fund accounts for all financial resources and transactions, except those required to be accounted for in another fund. The minimum fund balance shall be targeted at 25% of the annual operating and maintenance budget. Projected variances from the 25% minimum target shall be disclosed during the annual budget process or during the current year if unanticipated circumstances occur that negatively impact current year revenue and/or expenditure projections. Fund balance targets may be modified during the annual budget process to reflect extraordinary circumstances (e.g., projected future extraordinary expenditure demands, projected revenue uncertainty, etc.). At least 20% of the annual operating and maintenance budget is to be invested in the State Investment Pool.
- 690-005-020 – Water/Sewer Committed Fund: The Water/Sewer Committed Fund accounts for monies held for specified purposes but not designated for debt service. Use of monies held within this fund is subject to a vote of the District Commission. The Water/Sewer Committed Fund is divided into three sub-funds:
 - Risk Management Fund: For operating shortfalls due to unforeseen cost increases, unanticipated revenue losses, or unforeseen emergency expenditures. The minimum balance for this sub-fund shall be targeted at \$200,000. The sub-fund must maintain no less than 12.5% of annual operating revenue in order to meet requirements set forth in the District's DWSRF Loan contract.
 - Capital Improvement Fund: For the accrual of monies to fund capital projects laid out in the District's six year Capital Improvement Plan.
 - Asset Replacement Fund: For the replacement of short-lived equipment. This fund receives a \$9,000 annual contribution from the General Operating Fund, per the District's USDA Bond Covenants.
- 690-005-030 – Ecology Loan Reserve: Used to hold in reserve an amount equal to one full year of debt service payments (\$38,111.40) for the District's Department of Ecology Loan. The balance of this fund is invested in the State Investment Pool.
- 690-005-050 – DWSRF Loan Reserve: The District shall make regular transfers from the General

Operating Fund into this fund such that by September 30th of each year the fund balance equals the annual DWSRF loan debt service payment. The balance of this fund is to be invested in the State Investment Pool until withdrawn for disbursement for the annual debt service payment. All interest earned on funds held within this fund shall accrue and be applied toward reducing the amount of the Drinking Water State Revolving Fund loan.

- 690-005-060 – Hartstene Pointe Bond Fund: Used to make semi-annual debt service payments of \$19,665. District must transfer the payment amount from the General Operating Fund into the Bond Fund at least 5 days prior to payment due dates (March 5 and September 5). The payment is electronically transferred from this fund to the USDA on the payment due date.
- 690-005-065 – Hartstene Pointe Capital Project Fund: Used to accept construction loan funds and pay contractors for financed capital projects.
- 690-005-070 – Water Revenue Bond, 2012 Debt Service Reserve: Used to hold one full year of USDA Bond debt service payments (\$39,330). Per bond covenants, monthly transfers of \$327.75 should be made from the General Operating Fund into this fund so that the balance is reached no later than September 2022. The balance of this fund is to be invested in the State Investment Pool.

For the purposes of annual financial reporting, all funds are rolled into one general fund, designated as fund 401.

District Investments:

The District invests its cash as detailed in the above funds policy. The interest on these investments is prorated to the various invested funds.

All deposits and certificates of deposit are covered by the Federal Deposit Insurance Corporation and/or WA Public Deposit Commission. All investments are insured, registered or held by the District or its agent in the government’s name.

Investments are reported at fair value. Investments by type at December 31, 2016 are as follows:

Type of Investment	District’s own Investments	Investments held by District as an agent for other local governments, individuals, or private organizations	Total
WA State Investment Pool	\$438,168.06	\$0	\$438,167.06

Note 3 – Debt Service Requirements

Debt Service

The accompanying Schedule of Liabilities (09) provides more details of the outstanding debt and liabilities of the District and summarizes the District’s debt transactions for year ended December 31, 2016.

The District currently has two loans and one bond:

1. Washington State Water Pollution Control Revolving Fund
 - a. Maturity date: 12/21/2027
 - b. Interest rate: 1.5%
 - c. Semi-annual payment: \$19,055.70
2. USDA Water Revenue Bond

- a. Maturity date: 09/05/2032
- b. Interest rate: 2.75%
- c. Semi-annual payment: \$19,665.00
- 3. Drinking Water State Revolving Fund Loan
 - a. Maturity date: 10/01/2036
 - b. Interest rate: 1.5%
 - c. Loan authorization amount: \$1,304,479
 - d. Loan draw totals to date: \$810,667.73

The debt service requirements for general obligation loans, revenue bonds, and revenue obligation loans, are as follows:

Year(s)	Principal	Interest	Total
2017	93,094	31,565	124,659
2018	94,819	29,840	124,659
2019	96,579	28,080	124,659
2020	98,374	26,285	124,659
2021	100,205	24,454	124,659
2022-2026	529,837	93,460	623,297
2037-2031	425,069	45,782	470,851
2032-2036	<u>264,385</u>	<u>11,035</u>	<u>275,420</u>
Totals	<u>\$1,702,362</u>	<u>\$290,501</u>	<u>\$1,992,863</u>



Rural Development

May 10, 2017

Washington State
Office

1835 Black Lake Blvd
SW, Suite B; Olympia,
WA 98512

Voice 360.704.7740
Fax 855.843.6124

Hartstene Pointe Water/Sewer District
772 E Chesapeake Dr.
Shelton, WA 98584

Subject: Compliance with Limited English Proficiency (LEP) Requirements –
Action by September 1, 2017

Dear Hartstene Pointe Water/Sewer District:

In accordance with Title VI of the Civil Rights Act of 1964, 7 CFR 15, and Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency" and related case law, recipients of Federal funds shall not discriminate on the basis of race, color, or national origin. This letter focuses on the borrowers' obligation to not discriminate on the basis of "national origin". United States Department of Justice has determined that this obligation includes providing meaningful access to Federally funded programs to persons with Limited English Proficiency (LEP). USDA published guidelines to help those who participate in Federally assisted programs to comply with their obligation to provide meaningful access to LEP individuals. We are required to provide notification of this requirement to all existing recipients. The Assurance Agreement (RD Form 400-4) attached to your project assures compliance with Title VI (42 U.S.C. 2000d), 7 CFR Part 15 and 7 CFR Part 1901.202.

The guidance notes that the implementation of a comprehensive system to serve LEP persons is a process and that a system will evolve over time as it is implemented and periodically reevaluated. During our periodic Civil Rights Compliance Reviews, borrowers' efforts to provide LEP persons with meaningful access to their services will be evaluated. As borrowers take reasonable steps, USDA will look favorably on intermediate progress to maintain compliance. To comply with the requirements, Rural Development (RD) recipients are to examine the services provided, identify any need for services to those with Limited English Proficiency (LEP), and develop and implement a system to provide such services to enable persons with LEP have meaningful access to RD funded programs.

The USDA RD LEP Implementation Strategy for Assisted Programs (available at: <http://www.rd.usda.gov/about-rd/offices/civil-rights>) outlines a step-by-step approach for the four-factor analysis and developing your Language Assistance Plan (LAP) recommended by the LEP guidance. Additionally to assist you, there are information webinars scheduled for you to select from as follows:

- 1) May 16, 2017 starting at 1:00pm (PDT)/4:00pm (EDT)
- 2) May 17, 2017 starting at 1:00pm (PDT)/4:00pm (EDT)
- 3) May 18, 2018 starting at 1:00pm (PDT)/4:00pm (EDT)

Participants must register for the webinar of their choice at the following link:

USDA is an equal opportunity provider and employer.

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form (PDF), found online at http://www.ascr.usda.gov/complaint_filing_cust.html, or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at program.intake@usda.gov.

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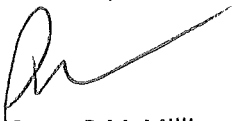
<https://www.eventbrite.com/e/usda-rural-development-limited-english-proficiency-lep-compliance-tickets-28539845446>

To comply with the LEP requirements, you must complete the 4-Factor Analysis and implement any needed language assistance measures in your programs and services no later than:

➤ **September 1, 2017**

We look forward to discussing your efforts to address LEP needs in your community as part of your regularly scheduled compliance reviews. If you have any questions or concerns, please contact Ambrea Cormier at (360) 704-7705 or email at ambrea.cormier@wa.usda.gov.

Sincerely,



Peter B McMillin
Program Director

*For more information on your responsibilities as a partner with USDA Rural Development, please see Publication PA-2206, "Complying with Civil Rights Requirements" at the following link:
<https://www.rd.usda.gov/files/RD-ComplyingWithCRRequirements.pdf>*

Limited English Proficiency
Language Access Plan (LAP)

For

Harstene Pointe Water-Sewer District



March 25, 2017

Policy

Hartstene Pointe Water-Sewer District is committed to providing meaningful access to its programs and services to persons who, as a result of their national origin, are limited in English proficiency. It is our policy to ensure no person is subjected to prohibited discrimination based on national origin in any program receiving Federal financial assistance from USDA Rural Development (RD).

Mary Alice Cary, Board President

Date

Andrew Hospador, Secretary

Date

David McNabb, Commissioner

Date

Purpose

This Language Access Plan (LAP) sets forth the policy and procedures for ensuring that persons with Limited English Proficiency (LEP) have meaningful access to our programs and activities receiving Federal financial assistance from the U.S. Department of Agriculture/Rural Development (USDA/RD). This LAP applies to all programs and activities of recipients receiving Federal financial assistance from the USDA Rural Development.

Authorities

Section 601 of Title VI of the Civil Rights Act of 1964, 42 U.S.C 2000d *et seq.*, and its implementing regulations provide that no person in the United States shall, on the grounds of race, color, or national origin, be excluded from participation in, be denied the benefits of, or be otherwise subjected to discrimination under any program or activity that receives Federal financial assistance. The Supreme Court, in *Lau v. Nichols*, 414 U.S. 563 (1974), interpreted Title VI regulations promulgated by the former U.S. Department of Health, Education, and Welfare to hold that Title VI prohibits conduct that has a disproportionate effect on LEP persons because such conduct constitutes national origin discrimination.

Executive Order 13166, "Improving Access to Services for Persons with Limited English Proficiency," reprinted at 65 FR 50121 (August 16, 2000), directs each Federal agency to examine the services it provides and develop and implement a system by which LEP persons can

meaningfully access those services. The Executive Order states that recipients must take reasonable steps to ensure meaningful access to their programs and activities by LEP persons. Federal agencies were instructed to publish guidance for their respective recipients in order to assist them with their obligations to LEP persons under Title VI. The Executive Order recommended uniform guidance to recipients on the preparation of a plan to improve access to its federally assisted programs and activities by eligible LEP persons. Each plan shall be consistent with the standards set forth in the U.S. Department of Justice's Policy Guidance Document entitled, "Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons" (DOJ LEP Guidance"), reprinted at 67 FR 41455 (June 18, 2002). The DOJ LEP Guidance was drafted and organized to function as a model for similar guidance by other Federal agencies.

Consistent with the DOJ LEP Guidance, USDA published its Final "Guidance to Federal Financial Assistance Recipients Regarding the Title VI Prohibition Against National Origin Discrimination Affecting Persons with Limited English Proficiency" on November 28, 2014. The Guidance does not create new obligations for recipients, but provides guidance to recipients in meeting their existing LEP obligations. It clarifies the responsibilities of recipients and will assist them with fulfilling their responsibilities to LEP persons under Title VI and its regulations.

7 CFR Part 1901 Subpart E which contains policies and procedures for implementing the regulations of the U.S. Department of Agriculture issued pursuant to Title VI of the Civil Rights Act of 1964, Title VIII of the Civil Rights Act of 1968, Executive Order 11246, and the Equal Credit Opportunity Act of 1974, as they relate to Rural Development. Nothing herein shall be interpreted to prohibit preferences to American Indians on Indian Reservations.

Definitions/ Key Terms

1. Federally Assisted Programs and Activities: Programs and activities of an entity that receives Federal financial assistance.
2. Interpretation: The process by which the spoken word is used when transferring meaning between languages.
3. Limited English Proficient (LEP) Persons: Persons who do not speak English as their primary language and have a limited ability to read, speak, write, or understand English are limited English proficient, or LEP.
4. Qualified Interpreter: An individual who is competent to provide interpretation services at a level of fluency, comprehension, impartiality and confidentiality appropriate to the specific nature, type, and purpose of the information at issue.
5. Recipient: Any State, political subdivision of any State, or instrumentality of any State or political subdivision, any public or private agency, institution, or organization, or other entity, or any individual, in any State, to whom Federal financial assistance is extended,

directly or through another recipient, including any successor, assign, or transferee thereof, but such term does not include any ultimate beneficiary.

6. Translation: The process of transferring ideas expressed in writing from one language to another language.
7. Vital Document: Paper or electronic written material that contains information that is critical for accessing a program or activity, or is required by law, such as consent forms, applications, and notices of rights.

Hartstene Pointe Water-Sewer District Program/Mission

The Hartstene Pointe-Water Sewer District is dedicated to providing quality water and sewer service to the Hartstene Pointe community, located on the northern tip of Harstine Island, WA. We promise to provide clean water in the most efficient and cost effective manner possible. We take seriously our role in protecting the pristine waters of Puget Sound by maintaining a quality waste water treatment facility that meets or surpasses state and federal guidelines.

Hartstene Pointe Water-Sewer District 4-Factor Analysis

The Hartstene Pointe Water-Sewer District conducted a 4-Factor Analysis to determine:

1. The number and proportion of LEP persons served or encountered in the eligible service population of the District;
2. The frequency with which LEP persons come into contact with the District;
3. The importance of the District's programs and services to LEP persons; and
4. The resources available to the District and costs.

Factor 1: The most recent Census estimates, shown below, identified the language groups in our service area are Spanish and German, with no individuals in these language groups who speak English less than "very well."

B16001: LANGUAGE SPOKEN AT HOME BY ABILITY TO SPEAK ENGLISH FOR THE POPULATION 5 YEARS AND OVER - Universe: Population 5 years and over
 2011-2015 American Community Survey 5-Year Estimates
 Supporting documentation on code lists, subject definitions, data accuracy, and statistical testing can be found on the American Community Survey website in the Data and Documentation section. Sample size and data quality measures (including coverage rates, allocation rates, and response rates) can be found on the American Community Survey website in the Methodology section.

	Census Tract 9611, Mason County, Washington	
	Estimate	Margin of Error
Total:	5,480	+/-509
Speak only English	5,328	+/-526
Spanish or Spanish Creole:	132	+/-112
Speak English "very well"	132	+/-112
Speak English less than "very well"	0	+/-17
German:	18	+/-29
Speak English "very well"	18	+/-29
Speak English less than "very well"	0	+/-17

Factor 2: Interviews with agency staff who typically come in contact with the public indicated that there have been no experiences with, or customers using, other languages. There were no District-kept records found indicating past interactions with members of the public who are LEP.

Factor 3: The District's services of water and sewer service are very important to the health and welfare of the District's customers. Lack of access to clean water and/or sewer services creates a health risk.

Factor 4: The District has approximately 440 connections and one full-time general manager/water operator, one part-time accounting and administrative services manager, one part-time field technician, and one part-time wastewater operator. The District is very limited in its resources due to its size.

The District identified the following free resources:

- Google Translate online translation tool
- I Speak... Language Identification Guide, Department of Homeland Security

Part 1: LEP Individuals Who Need Language Assistance

Hartstene Pointe Water-Sewer District conducted an assessment of the number or proportion of LEP individuals eligible to be served or encountered and the frequency of encounters, as described in the previous section.

The District's assessment of the number or proportion of LEP individuals eligible to be served or encountered and the frequency of encounters indicate that there are currently no known LEP language groups in our service area.

Part 2: Language Assistance Measures

The District will post the I Speak... Language Identification Guide at the District Office in order to identify the language spoken by an LEP person who comes to the District Office. Additionally, the District staff can use Google Translate to assist with translation and interpretation.

Part 3: Staff Training

Staff members responsible for contact with the general public will be knowledgeable of the District's Language Access Plan. Refresher information will be provided to our staff when updates are made to the LAP to ensure consistency.

Part 4: Vital Document Translations

None of the District's documents will be translated because no language groups were identified in Part 1.

USDA Rural Development recipients may use the "Safe Harbor" provision for translation of vital written materials found in the USDA LEP Guidance:

Size of Language Group	Written Language Assistance
1,000 or more in the eligible population in the market area or among current beneficiaries.	Translated vital documents
5% or more of the eligible population or beneficiaries and 50 or more in number	Translated vital documents
5% or more of the eligible population or beneficiaries and fewer than 50 in number	Translated written notice of right to receive free oral interpretation of documents
Less than 5% of the eligible population or beneficiaries and less than 1,000 in number	No written translation is required

Part 5: Notice to LEP Persons

Because the Hartstene Pointe Water-Sewer District could not identify any LEP language groups in its service area, no notice of language services will be provided.

Part 6: Monitoring and Updating

Periodically, Hartstene Pointe Water-Sewer District will review the Language Access Plan to ensure it remains current to the LEP populations in our service area. At a minimum, the LAP will be reviewed every five (5) years to ensure our LEP policies and procedures remain current and result in effective language services and meaningful access.

Monitoring and updating reviews shall evaluate changes in:

- Current LEP populations in the service area or population affected or encountered.
- Frequency of encounters with LEP language groups.
- Nature and importance of activities to LEP persons.
- Availability of resources, including technological advances and sources of additional resources, and the costs imposed.
- Whether existing assistance is meeting the needs of LEP persons?
- Whether staff is aware of and understands the LAP and how to implement?
- Whether identified sources for assistance are still available and viable?

A

Amharic
እኔ አማርኛ ነው ምናረው.
Arabic
أنا أتحدث اللغة العربية
Armenian
Ես խոսում եմ հայերեն

B

Bengali
আমি বাংলা কথা বলতে পারি
Bosnian
Ja govorim bosanski
Bulgarian
Аз говоря български
Burmese
ကျွန်တော်/ကျွန်ုပ် ကြိမ်ဘာ ခန့် ပြောတတ်ပါတယ်။

C

Cambodian
ខ្ញុំនិយាយភាសាខ្មែរ

Cantonese
我講廣東話 (Traditional)
我讲广东话 (Simplified)

Catalan
Parlo català
Croatian
Govorim hrvatski
Czech
Mluvím česky

D

Danish
Jeg taler dansk
Dari
من دری حرف می زنم
Dutch
Ik spreek het Nederlands

E

Estonian
Ma räägin eesti keelt

F

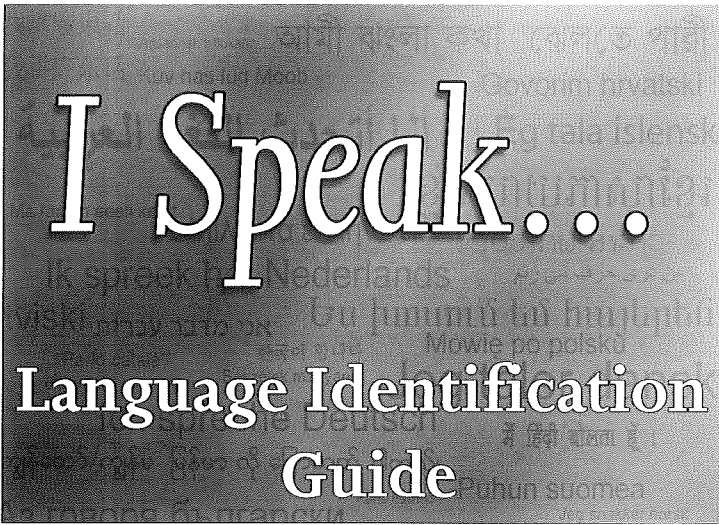
Finnish
Puhun suomea
French
Je parle français

G

German
Ich spreche Deutsch
Greek
Μιλώ τα ελληνικά
Gujarati
હું ગુજરાતી બોલું છું

H

Haitian Creole
M pale kreyòl ayisyen
Hebrew
אני מדבר עברית
Hindi
मैं हिंदी बोलता हूँ।
Hmong
Kuv has lug Moob
Hungarian
Beszélek magyarul



Q

Qanjohal
Ayin ti chi wal q' anjob' al
Quiche
In kinch'aw k'um ch'e quiche

R

Romanian
Vorbesc românește
Russian
Я говорю по-русски

S

Serbian
Ja govorim srpski
Sign Language



Slovak
Hovorím po slovensky

Slovenian
Govorim slovensko

Somali
Waxaan ku hadlaa af-Soomaali

Spanish
Yo hablo español

Swahili
Ninaongea Kiswahili

Swedish
Jag talar svenska

T

Tagalog
Marunong akong mag-Tagalog

Tamil
நான் தமிழ் பேசுவேன்

Thai
พูดภาษาไทย

Turkish
Türkçe konuşurum

U

Ukrainian
Я розмовляю українською мовою

Urdu
میں اردو بولتا ہوں

V

Vietnamese
Tôi nói tiếng Việt

W

Welsh
Dwi'n siarad

X

Xhosa
Ndithetha isiXhosa

Y

Yiddish
איך רעד יידיש

Yoruba
Mo nso Yooba

Z

Zulu
Ngiyisikhuluma isiZulu

I

Icelandic
Ég tala íslensku
Ilocano
Agsaonak ti Ilokano
Indonesian
saya bisa berbahasa Indonesia
Italian
Parlo italiano

J

Japanese
私は日本語を話す

K

Kackchiquel
Quin chagüic ká chábal' ruin' ri
Korean
한국어 합니다

Kurdish
man Kurdii zaanin
Kurmanci
man Kurmaanji zaanin

L

Laotian
ຂອບປາກພາສາລາວ

Latvian
Es runāju latviski

Lithuanian
Aš kalbu lietuviškai

M

Mam
Bán chiyola tuj kíyol mam

Mandarin
我講國語 (Traditional)
我讲国语/普通话 (Simplified)

Mon
အဲပဲဒီ အကုတ် ခတ်

N

Norwegian
Jeg snakker norsk

P

Persian
من فارسی صحبت می کنم

Polish
Mówię po polsku

Portuguese
Eu falo português do Brasil (for Brazil)

Eu falo português de Portugal (for Portugal)

Punjabi
ਮੈਂ ਪੰਜਾਬੀ ਬੋਲਦਾ/ਬੋਲਦੀ ਹਾਂ।

Executive Order 13166 requires DHS to take reasonable steps to provide meaningful access to its programs and activities for persons with limited English proficiency and - as also required by Title VI of the Civil Rights Act of 1964 - to ensure that recipients of federal financial assistance do the same.

I Speak is provided by the Department of Homeland Security Office for Civil Rights and Civil Liberties (CRCL). Other resources at www.lep.gov

Contact the DHS Office for Civil Rights and Civil Liberties' CRCL Institute at CRCLTraining@dhs.gov for digital copies of this poster or a "I Speak" booklet.

Download copies of the DHS LEP plan and guidance to recipients of financial assistance at www.dhs.gov/crcl



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