

**HARTSTONE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING  
CONDUCTED VIA TELECONFERENCE  
Per State of Emergency Declared in Washington State and Mason County  
January 7, 2021 1:00 P.M.**

**AGENDA**

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
  - Wittenberg CPA Agreement for 2021 (2-5)
5. Present Agenda
6. Minutes of the December 17, 2020 Regular Meeting (6-7)

**REPORTS:**

7. Commissioner Reports
8. Financial/Administrative Report:
  - Bills to Be Authorized:
    - Voucher 2021-01
  - Bills to Be Reviewed:
    - Voucher 2020-51

**BUSINESS:**

- No Business Expected



# Wittenberg<sup>CPA, PS</sup>

Accounting Services & Financial Consulting

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December 28, 2020

To the Board of Directors of  
Hartstene Pointe Water-Sewer District  
772 E Chesapeake Dr  
Shelton, WA 98584

COPY

This letter confirms our agreement with *Hartstene Pointe Water-Sewer District* (the Company) for professional services for the year ending **December 31, 2021**. Specifically, this letter confirms the terms and conditions under which we agree to perform these services, and the objectives as well as limitations of the services requested from us by the Company.

## Scope of Services

*Hartstene Pointe Water-Sewer District* has asked our firm to perform "other accounting services" for the year ending **December 31, 2021**. We will provide accounting and payroll services as requested by the Company on a (*monthly/quarterly/annual*) basis. We will also prepare all excise and payroll tax reports, as required by the Federal and State of Washington taxing authorities.

We will process payroll based on *Hartstene Pointe Water-Sewer District* specific compensation and hourly timesheet detail, as provided by the Company. We will not audit, examine or review these time records. It is management's responsibility to substantiate and authorize all employee time records. If an amount appears unusual or out of the ordinary, we will call it to your attention, but we are not responsible for the discovery of any errors, irregularities, or fraud that may occur. The checks are to be pre-signed/signed by a designated individual of the Company.

We will prepare, on a quarterly basis, the federal and state payroll tax returns for the Company. You are responsible for authorizing federal and state payroll tax deposits. If there is payroll tax due with the quarterly report, we will notify you. On an annual basis we will reconcile all payroll tax returns with the payroll withholding records, and prepare the year-end payroll tax returns, including federal and state unemployment tax returns, as required.

We will not be responsible for the signing of checks, nor the authorization of electronic fund transmissions. We will also not be responsible to assess whether service providers to which the Company pays fees for services to are contractors versus employees. **Please refer to the attached Client Services Schedule for specific agreed upon services to be provided.**

Upon Mutual Agreement, *Hartstene Pointe Water-Sewer District* will provide Wittenberg CPA access to the accounting software, via remote access, by our firm, in order to perform the accounting services, set forth in the "Client Services Schedule".

Our firm's remote access to your accounting software will be on an as-needed basis, in order to perform the procedures identified in the "Client Services Schedule" and will be for your convenience. However, by your signature below, you understand that the accounting records are solely the responsibility of *Hartstene Pointe Water-Sewer District*. Our work in connection with this engagement is not intended to result in the submission or issuance of financial statements by Wittenberg CPA as defined in the Statements on Standards for Accounting and Review Services, issued by the American Institute of Certified Public Accountants.

The timing of our accounting work will be coordinated with the personnel of *Hartstene Pointe Water-Sewer District*, in order to avoid as many disruptions to the Company's normal workflow as possible. However, we will need to complete financial records and reports on a timely basis, and we expect a significant amount of help from the personnel of the Company. Upon your request we will furnish a written list of required information needed from you to complete the engagement in an efficient and effective manner.

The Company cannot rely on our engagement to disclose errors, irregularities, or illegal acts, including fraud or defalcations, which may exist. However, we will inform the appropriate level of management of any material errors, irregularities or illegal acts that come to our attention, unless they are clearly inconsequential.

In accordance with the terms and conditions of this agreement, *Hartstene Pointe Water-Sewer District* shall be responsible for the accuracy and completeness of all data, information and representations provided to us for purposes of this engagement. Because of the importance of oral and written management representations to the effective performance of our services, *Hartstene Pointe Water-Sewer District* releases and indemnifies our firm and its personnel from any, and all, claims, liabilities, costs and expenses attributable to any misrepresentation by management and its representatives.

## **Fees**

Our fees will be based on the actual time spent at our standard hourly rates. Our standard hourly rates vary according to the degree of responsibility involved. We reserve the right to increase or decrease our fees, based upon the value of the services rendered. The Company acknowledges and agrees that we are not required to continue work in the event of the Company's failure to pay on a timely basis for services rendered, as required by this engagement letter. The Company further acknowledges and agrees that in the event we stop work or withdraw from this engagement, as a result of the Company's failure to pay on a timely basis for services rendered, we shall not be liable for any damages that may occur as a result of our ceasing to render services.

Unless directed otherwise, we will send monthly invoices for our services, which are due and payable upon receipt by the Company. Such invoices must be paid within 20 days after invoice date, or they will accrue finance charges at the maximum legal rate on any unpaid balance from the date of presentation. In the event that collection efforts are required to secure payment of past due accounts, the client is responsible for any and all costs associated with such collection efforts.

## **Confidentiality**

As your CPA firm we collect information provided by you from your worksheets, documents and discussions, and information that we develop as part of the engagement. As your CPA firm we are required to keep all information about our engagement confidential, so we will not disclose any information about you, unless we have your approval or are required to do so by law. This policy will

apply, even if you are no longer a client of our firm.

It is our policy to keep records related for this engagement for seven years, however, Wittenberg CPA does not keep any original client records, so we will return those to you at the completion of the services rendered, under this engagement. When records are returned to you, it is your responsibility to retain and protect your records (which includes any work product we provide to you, as well as any records that we return) for possible future use, including potential examination by any government or regulatory agencies. Wittenberg CPA does not accept responsibility for hosting client information; therefore, you have the sole responsibility for ensuring you retain and maintain in your possession all your financial and non-financial information, data and records. By your signature below, you acknowledge and agree that upon the expiration of the seven-year period, Wittenberg CPA shall be free to destroy our records related to this engagement.

### **Mediation / Arbitration**

If any dispute arises among the parties hereto, the parties agree to first try in good faith to settle the dispute by mediation administered by the American Arbitration Association, under its Rules for Professional Accounting and Related Services Disputes, before resorting to litigation. The costs of any mediation proceeding shall be shared equally by all parties.

Client and accountant both agree that any dispute over fees charged by the accountant to the client will be submitted for resolution by arbitration, in accordance with the Rules for Professional Accounting and Related Services Disputes of the American Arbitration Association, and such arbitration shall be binding and final.

### **Conclusion**

This letter constitutes the entire agreement between our firm and *Hartstene Pointe Water-Sewer District*, and it may not be modified, except through a written agreement between your Company and our firm. We will issue a separate engagement letter for income tax services that we will provide for the Company. This engagement does not include income tax planning, or the rendering of advice on tax savings opportunities. We do not agree to perform any other service for *Hartstene Pointe Water-Sewer District*, unless specifically described in this letter.

If this letter correctly states our agreement *Hartstene Pointe Water-Sewer District* for the offering of professional services, please sign and return this letter to us, at your earliest convenience.

Very truly yours,  
Wittenberg CPA, PS

I am currently the \_\_\_\_\_ for *Hartstene Pointe Water-Sewer District* and have the authority to execute this agreement on behalf of the Company. I agree that this letter correctly describes the terms and conditions under which you agree to perform services *Hartstene Pointe Water-Sewer District*, and the objectives as well as limitations of the services requested.

\_\_\_\_\_  
Signed

\_\_\_\_\_  
Date

Title

<b>PAYROLL SERVICES</b>	<b>FREQUENCY</b>
❖ Payroll Preparation	monthly
❖ Federal Tax Deposits	monthly
❖ Quarterly Tax Reports	quarterly
❖ Forms W-3 & W-2 Preparation	annually
❖ New Hire Reporting Procedures	as needed
 <b>BUSINESS TAX PREPARATION</b>	
❖ Combined Excise Tax Returns	n/a
❖ Local B&O Tax Returns	n/a
 <b>ACCOUNTING SERVICES</b>	
❖ Accounting Data Entry into General Ledger	n/a
❖ Bank Reconciliations	n/a
❖ Accounts Payable - Bill Paying	n/a
❖ Accounts Receivable - Invoicing & Deposits, Statements	n/a
❖ General Ledger Review	n/a
 <b>FINANCIAL STATEMENTS AND REPORTS</b>	
❖ Budget Reports	n/a
❖ Client Specific Report Preparation	n/a
❖ Financial Statement Preparation	n/a
❖ Budget Report Preparation	n/a
 <b>OTHER SERVICES</b>	
❖ Accounting Maintenance	as requested
❖ Accounting Software Support and Set Up	as requested
❖ Forms 1096 & 1099 preparation	annually
❖ Personal Property Tax Affidavit Preparation and Review	as requested
❖ Audit Support Services	as requested

**NOTES:**

Your timely cooperation is needed in supplying our firm with the data necessary for us to provide services to you in an efficient and effective manner.

While every attempt will be made to collect the data necessary to comply with governmental agency reporting schedules, our firm will not be held responsible if data is not provided by you in a timely manner.

Client Initial: \_\_\_\_\_  
*Hartstene Pointe Water-Sewer District*

Date: \_\_\_\_\_

Firm Initial: \_\_\_\_\_  
*Wittenberg CPA, PS*

Date: \_\_\_\_\_

**HARTSTENE POINTE WATER-SEWER DISTRICT  
REGULAR MEETING of the BOARD OF COMMISSIONERS  
December 17, 2020  
Conducted Via Teleconference  
Per State of Emergency Declared in Washington State and Mason County**

**MINUTES**

**PRESENT:** President E. J. Anderson, Secretary S. Swart, Audit Commissioner A. Hospador, General Manager (GM) D. Carnahan, Project & Accounts Manager (PM) J. Sartori.

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

**SUBSCRIBER REMARKS:** PM noted an interaction with a property owner.

**CORRESPONDENCE:**

- Commissioner Swart noted a letter written in response to a subscriber.

**PRESENT AGENDA:** *Commissioner Hospador moved to adopt the agenda as presented. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the agenda was adopted.*

**MINUTES:** The minutes of the December 3, 2020 regular meeting were presented. *Commissioner Hospador moved to approve the minutes as presented. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved.*

**REPORTS:**

**Commissioner Reports:**

- Commissioner Hospador noted research that indicates water pressure is higher at certain times of the day than others.

**Water Board Bible Review:** Commissioners reviewed and discussed chapter 10 from the *Water Board Bible*.

**Financial/Administrative Report:**

- Bills to Be Authorized:
  - Voucher 2020-50, in the amount of \$30,282.90, was presented in full. *Commissioner Hospador moved to approve voucher 2020-50 in the amount of \$30,282.90. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*
- Bills to Be Reviewed:
  - PM presented voucher 2020-49 for review
- PM requested \$16,000 of 010 Operating Fund be approved for liquidation, in order to pay obligations until the fund is replenished. Funds will be re-invested as funds become available.

- *Commissioner Anderson moved to authorize PM to liquidate \$16,000 of the invested funds in the 010 Operating Fund to meet obligations. Commissioner Hospador seconded. Hearing 3 aye votes and 0 nay votes, the motion is approved.*

**General Manager’s Report:** GM presented his report on the current state of the District.

**BUSINESS:**

**Discuss Commissioner Seats Up for Election in 2021:** Commissioners noted that seats #2 and #3 will be up for election in 2021 and noted that the week to file with the county auditor’s office is the week of May 17.

**Discuss Current Professional Memberships:** Commissioners and GM discussed the professional memberships that the District is currently a part of. *Commissioner Hospador moved not to renew AWWA membership for 2021. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the motion is approved.*

**Discuss/Approve Public Notice of Intent to File Application:** *Commissioner Hospador moved to approve Intent. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the Intent is approved.*

*Commissioner Hospador moved to adjourn the meeting. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:05 pm.*

Respectfully Submitted By:

\_\_\_\_\_  
*Signature*

\_\_\_\_\_  
*Name and Title*

Approved at the Regular Meeting of the Board on: 1-7-2021