

**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584
March 7, 2024 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the February 15, 2024 Regular Meeting (2-3)
7. Minutes of the March 2, 2024 Special Meeting (4-6)

REPORTS:

8. Water Board Bible Review: Chapter One
9. Commissioner Reports
10. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Voucher 2024-10
 - Bills to Be Reviewed:
 - Voucher 2024-08
 - Voucher 2024-09
11. General Manager's Report
12. Monthly Financial Report: December 2023 (7-8)
13. Monthly Financial Report: January 2024 (9-10)
14. Monthly Billing Report: March 2024 (11)

BUSINESS:

15. Schedule Board Retreat
16. Schedule Public Hearing
17. Authorize GM to Purchase Influent Flow Meter (12-14)
18. Review District Funds Structure (15-16)
19. Review Voucher Audit Procedure (17)

OLD BUSINESS

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
February 15, 2024
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584**

MINUTES

PRESENT: Acting Chair Secretary S. Swart, Audit Commissioner Carl Anderson, General Manager (GM) J. Palmer, Project & Accounts Manager (PM) J. Sartori, Ron W. from Century West Engineering; Commissioner E. J. Anderson excused absence

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

SUBSCRIBER REMARKS: Two subscribers present

CORRESPONDENCE: Commissioner Swart emailed HPMA board president to inform of the upcoming public hearing

PRESENT AGENDA: *Commissioner C. Anderson moved to adopt the agenda. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the agenda was adopted as presented.*

MINUTES:

The minutes of the February 1, 2024 regular meeting were presented. *Commissioner C. Anderson moved to approve the minutes. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the minutes were approved.*

REPORTS:

Wastewater Infrastructure Rehabilitation Project Updates: Ron W. from Century West Engineering presented updates to the project ahead of the next public hearing

Water Board Bible Review, Chapter One: Commissioners tabled this for a future meeting when all three commissioners could be present

Commissioner Reports:

- Commissioner Swart Reported on WASWD OPR/OPM training
- Commissioner Swart shared an article on Pt. Townsend raising sewer rates due to infrastructure project costs
- Commissioner Swart shared a Commissioner Ethics handout
- Commissioner Swart reported on AWWA request for letters to Congressmen regarding S. 1430
- Commissioner Swart posed questions to GM regarding the Consumer Confidence Report

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2024-07 in the amount of \$7,879.00 was presented. *Commissioner C. Anderson moved to approve voucher 2024-07 in the amount of \$7,879.00. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the voucher was approved.*
- Bills to Be Authorized:

- PM presented Voucher 2024-06

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

BUSINESS:

Schedule a Public Hearing: *Commissioner C. Anderson moved to schedule a special meeting on Saturday, 3/2/2024 at 9:00am to be held at the HPMA Clubhouse at 202 E Pointes Dr. E., Shelton, WA 98584, for the purpose of conducting a public hearing, updating residents regarding the Wastewater Infrastructure Rehabilitation Project. Commissioner Swart seconded. Hearing w aye votes and 0 nay votes, the special meeting is scheduled.*

Review District Funds Structure: Commissioners tabled this for a future meeting when all three commissioners could be present

Voucher Audit Procedures Review: Commissioners tabled this for a future meeting when all three commissioners could be present

Commissioner C. Anderson moved to adjourn the meeting. Commissioner Swart seconded. Hearing 2 aye votes and 0 nay votes, the meeting adjourned at 3:10 pm.

Respectfully Submitted By:

Signature

Stacy Swart, Secretary, Commissioner #3
Name and Title

Approved at the Regular Meeting of the Board on: 3-7-2024

HARTSTENE POINTE WATER-SEWER DISTRICT
SPECIAL MEETING of the BOARD OF COMMISSIONERS
March 2, 2024
HPMA CLUBHOUSE 202 E POINTES DR E SHELTON WA 98584

MINUTES

PRESENT: President E.J. Anderson, Secretary S. Swart, Audit Commissioner Carl Anderson, General Manager (GM) J. Palmer, Project & Accounts Manager (PM) J. Sartori, Matt M. and Ron W. from Century West Engineering

CALL TO ORDER: The meeting was called to order at 9:02 am

SUBSCRIBER REMARKS: About fifty-five (55) subscribers present

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

BUSINESS:

Wastewater Infrastructure Rehabilitation Project (WIRP) Updates: Matt M. and Ron W. from Century West Engineering shared a presentation with updates regarding the WIRP and then fielded questions.

Resident asked about contingencies planned to address lift station operations in the event of power outages. Matt M. outlined options for backup power under consideration.

Resident asked if WA Dept. of Ecology is aware of the concerns regarding the bluff sewerage. Matt M. informed that Ecology has shared the same concerns as the District for years.

Resident asked who installed the wastewater infrastructure. GM informed that the system was installed around fifty (50) years ago by Weyerhaeuser employees and likely without any county agency oversight.

Resident asked if there are any vacant lots in the bluff region. GM estimated there might be three or four vacant lots in the pertinent area.

Resident asked about “passive” vs. grinder pump solution to reroute bluff sewage and if reinforcing the bluff sewerage could be an option considered to save costs. Matt M. conveyed that a gravity solution had been considered, which would have come at a much greater cost because of the underground depth sewer mains would have to be laid. He also noted that the reinforcing the bluff sewerage is not viable and the old infrastructure along the bluff must be abandoned.

Resident asked what a “cultural survey” is. Matt M. outlined the process of cultural surveys, used to determine if there are any historical artifacts that may be present in the area. PM noted that cultural surveys are a requirement from Ecology.

Resident asked about the capacity grinder pumps could hold before backing up into homes. Matt noted that there are safe guards built into the grinder pumps to mitigate potential sewage backup and that backup power solutions are being considered. District staff will also monitor grinder pump operations.

Resident asked about the timeline for decision-making regarding aspects of the project. Matt M. shared that there will be future meetings, perhaps in April and June, with one focused on the bluff area and affected residences.

Resident asked how long it would take to fill a grinder pump. Matt M. informed that it depends on how much water and sewage is going down drains accumulating in the grinder pump. He noted that during a power outage, usually not much water or sewage is accumulating until power is restored.

Resident asked if sewer pipes would be moved from entering the bluff infrastructure to Pointes Drive East infrastructure. Matt M. confirmed that as correct.

Resident asked if residences will have an opportunity to give input on grinder pumps and powering them. Matt M. shared that mailers will be sent with options and meetings scheduled allowing homeowner input on where best to relocate laterals.

Resident asked if the grinder pumps would be protected against cyberattacks generator power. Matt M. informed that backup power options would not be connected to any telemetry systems and not vulnerable to remote attacks.

Resident asked if there will be anyone on hand to help “old ladies” start household generators. GM noted that this is not within the responsibilities of District staff.

Resident asked if there will be an increase in rates, would that be considered a special assessment or a simple rate increase. While not known at this time, it is something that can be researched.

Resident asked about Ecology funding. Matt M. noted that he has worked with Ecology and FEMA as funding sources for other projects.

Resident asked about the funding impact. Matt M. and GM conveyed that this is not yet known. This information will be shared as it becomes known.

Resident asked about a sliding scale for rate payers based on household income. Commissioner Swart noted that this type of structure is not legal.

Resident asked if vacant lot owners pay an assessment, if one will be assessed. PM noted that vacant lot owner who apply for new service pay capital facilities charges to share in the debt service, assets and future improvements, which would include their share of an assessment.

Resident asked if \$14M will cover all project costs. Matt M. said that when budgeting for this project or any project, he and his team over-estimate costs. This way, any surprise costs do not cause the project to be underfunded.

Resident asked if CIPP lining would line laterals or to houses. Matt M. said that there are a number of factors that will determine that and it will depend on each area’s individual circumstances.

Resident asked if there are budgets that can be provided. Matt M. said that PM could provide. PM will publish on the District’s website on the WIRP webpage.

Resident asked when the financial impact will be known. Matt M. said he is not sure yet, but will be known closer to the start of the project.

Resident asked if the bidding process is public. Matt M. informed that there will be public bidding processes.

Resident asked how long the loan term would be. GM informed that it could be as long as thirty (30) years.

Resident asked about the life span of the CIPP lining. Ron W. indicated upwards of fifty (50) years.

Resident asked if there is no grant, is the upper limit of costs to residents known. PM noted that is not yet known.

Resident asked when to expect the next meeting. Matt M. said the goal is to have a meeting mid-April. Resident thanked commissioners and engineers for the work that has gone into this project and agreed that the need to move forward with this project is urgent.

Resident asked if it is possible to form a local improvement district. Matt M. informed that likely is not possible to do within the context of the water-sewer District.

Commissioner C. Anderson moved to adjourn the meeting. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 10:45 am.

Respectfully Submitted By:

Signature

Stacy Swart, Secretary, Commissioner #3
Name and Title

Approved at the Regular Meeting of the Board on: 3-7-2024

Hartstene Pointe Water Sewer District
Monthly Financial Report - Fund Activity

December 2023

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	42,867.07	-	181.06	43,048.13	181.06
050 - DWSRF Loan Reserve	14,966.87	-	6,606.70	21,573.57	6,606.70
060 - Bond Fund	0.00	-	-	0.00	-
070 - USDA Revenue Bond Reserve	44,732.75	-	188.94	44,921.69	188.94
Total Reserve Funds	102,566.69	-	6,976.70	109,543.39	6,976.70
Unreserved Funds					
EFT Account - Umpqua Bank	32,652.73	(68,226.06)	39,379.23	3,805.90	(28,846.83)
Petty Cash Account	2,581.04	(684.12)	-	1,896.92	(684.12)
Xpress Deposit Account	6,204.87	(48,774.44)	43,328.17	758.60	(5,446.27)
010 - Operating Fund					
<i>Operating Investment Fund</i>	120,000.00	-	-	120,000.00	-
<i>010 - Operating Fund - Other</i>	73,420.13	(68,896.36)	91,689.83	96,213.60	22,793.47
Total 010 - Operating Fund	193,420.13	(68,896.36)	91,689.83	216,213.60	22,793.47
065 - Capital Project Account	0.00	-	-	0.00	-
Total Unreserved Funds	234,858.77	(186,580.98)	174,397.23	222,675.02	(12,183.75)
Committed Funds					
020 - Water/Sewer Committed Fund					
Asset Replacement Fund	27,344.37	-	-	27,344.37	-
Capital Improvement Fund					
<i>I&I Repair</i>	68,634.19	-	470.00	69,104.19	470.00
<i>Reservoir Repair</i>	96,694.26	-	-	96,694.26	-
Total Capital Improvement Fund	165,328.45	-	470.00	165,798.45	470.00
Risk Management Fund	186,200.28	-	1,633.55	187,833.83	1,633.55
Total 020 - Water/Sewer Committed Fund	378,873.10	-	2,103.55	380,976.65	2,103.55
Total Committed Funds	378,873.10	-	2,103.55	380,976.65	2,103.55
Total Funds	716,298.56	(186,580.98)	183,477.48	713,195.06	(3,103.50)

I hereby certify that the above statement is true.

Project & Accounts Manager

Date

Audit Commissioner

Date

**Hartstene Pointe Water Sewer District
 Profit & Loss Budget vs. Actual
 December 2023**

	Profit & Loss	Budget v Actual			
	Dec '23	Jan-Dec '23 (100% of Yr)	Total 2023 Budget	\$ Over (Under) Budget	% of Total Budget
Ordinary Income/Expense					
Income					
Non-Operating Revenue	5,429.04	67,111.66	19,335.00	47,776.66	347.1%
Operating Revenue	82,528.10	1,018,846.75	1,030,006.00	-11,159.25	98.92%
Total Income	87,957.14	1,085,958.41	1,049,341.00	36,617.41	103.49%
Gross Profit	87,957.14	1,085,958.41	1,049,341.00	36,617.41	103.49%
Expense					
534 · Water Expenditures	10,383.96	271,516.65	295,934.00	-24,417.35	91.75%
535 · WW Treatment Expenditures	20,596.18	423,946.70	251,799.00	172,147.70	168.37%
538 · Combined W/S Expenditures	29,580.32	390,444.47	400,294.00	-9,849.53	97.54%
591.38 · Leases	1,000.00	12,000.00			
Total Expense	61,560.46	1,097,907.82	948,027.00	149,880.82	115.81%
Net Ordinary Income	26,396.68	-11,949.41	101,314.00		
Net Income	26,396.68	-11,949.41	101,314.00		

Hartstene Pointe Water Sewer District Monthly Financial Report - Fund Activity

January 2024

	Beginning Balances	Payments & Transfers Out	Deposits & Transfers In	Ending Balances	Fund Balance Change
Reserve Funds					
030 - Ecology Reserve	43,048.13	-	187.53	43,235.66	187.53
050 - DWSRF Loan Reserve	21,573.57	-	6,411.28	27,984.85	6,411.28
060 - Bond Fund	0.00	-	-	0.00	-
070 - USDA Revenue Bond Reserve	44,921.69	-	195.70	45,117.39	195.70
Total Reserve Funds	109,543.39	-	6,794.51	116,337.90	6,794.51
Unreserved Funds					
EFT Account - Umpqua Bank	3,805.90	(81,637.63)	110,220.06	32,388.33	28,582.43
Petty Cash Account	1,896.92	(812.93)	1,683.63	2,767.62	870.70
Xpress Deposit Account	758.60	(49,150.05)	52,404.01	4,012.56	3,253.96
010 - Operating Fund					
<i>Operating Investment Fund</i>	120,000.00	-	-	120,000.00	-
<i>010 - Operating Fund - Other</i>	96,213.60	(121,065.35)	101,068.93	76,217.18	(19,996.42)
Total 010 - Operating Fund	216,213.60	(121,065.35)	101,068.93	196,217.18	(19,996.42)
065 - Capital Project Account	0.00	-	-	0.00	-
Total Unreserved Funds	222,675.02	(252,665.96)	265,376.63	235,385.69	12,710.67
Committed Funds					
020 - Water/Sewer Committed Fund					
Asset Replacement Fund	27,344.37	-	9,000.00	36,344.37	9,000.00
Capital Improvement Fund					
<i>I&I Repair</i>	69,104.19	-	20,365.00	89,469.19	20,365.00
<i>Reservoir Repair</i>	96,694.26	-	13,326.43	110,020.69	13,326.43
Total Capital Improvement Fund	165,798.45	-	33,691.43	199,489.88	33,691.43
Risk Management Fund	187,833.83	-	7,778.92	195,612.75	7,778.92
Total 020 - Water/Sewer Committed Fund	380,976.65	-	50,470.35	431,447.00	50,470.35
Total Committed Funds	380,976.65	-	50,470.35	431,447.00	50,470.35
Total Funds	713,195.06	(252,665.96)	322,641.49	783,170.59	69,975.53

I hereby certify that the above statement is true.

Project & Accounts Manager

Date

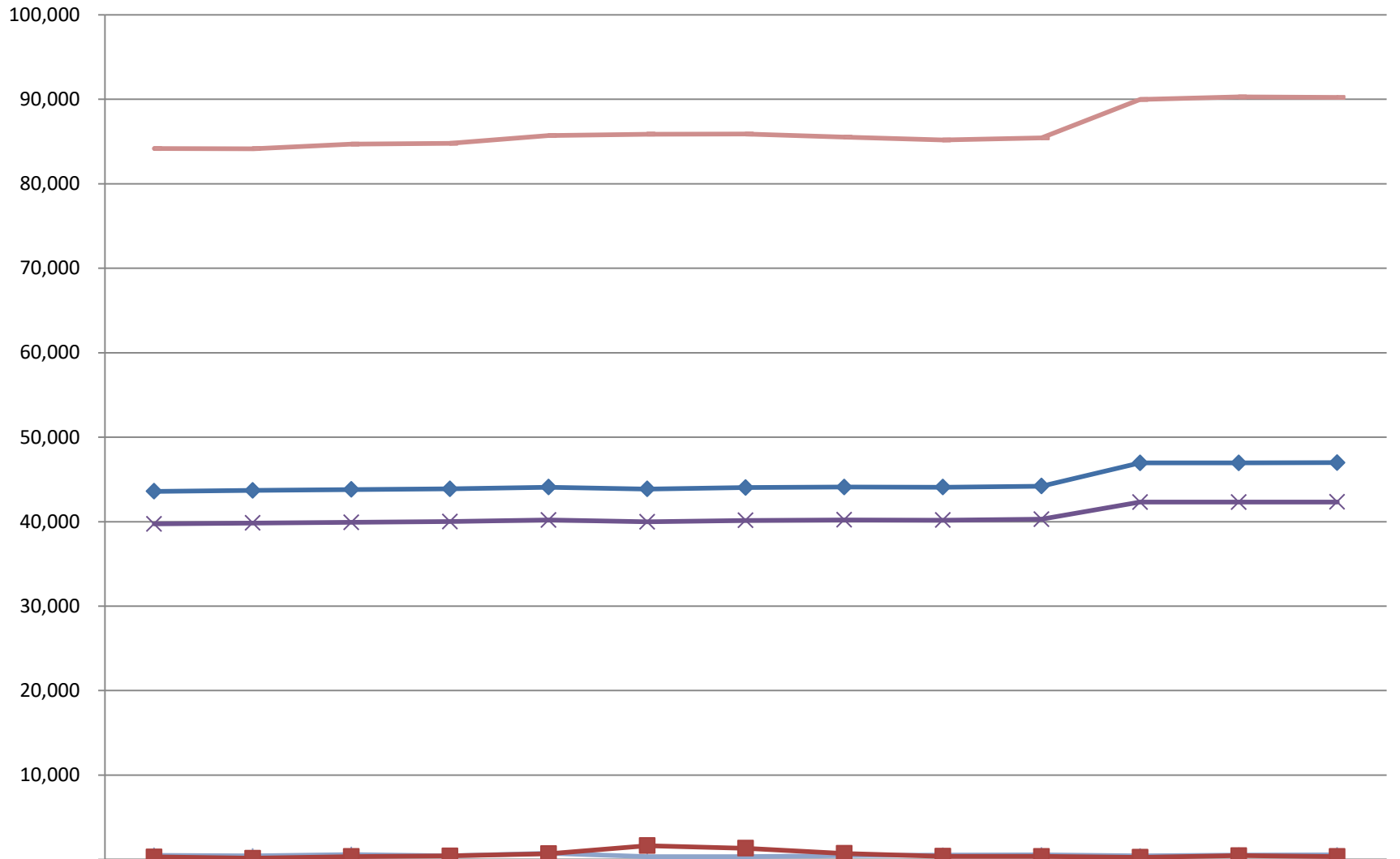
Audit Commissioner

Date

**Hartstene Pointe Water Sewer District
Profit & Loss Budget vs. Actual
January 2024**

	Profit & Loss	Budget v Actual			
	Jan '24	Jan '24 (8.3% of Yr)	Total 2024 Budget	\$ Over (Under) Budget	% of Total Budget
Ordinary Income/Expense					
Income					
Non-Operating Revenue	9,986.35	9,986.35	33,735.00	-23,748.65	29.6%
Operating Revenue	92,957.28	92,957.28	1,080,940.00	-987,982.72	8.6%
Total Income	102,943.63	102,943.63	1,114,675.00	-1,011,731.37	9.24%
Gross Profit	102,943.63	102,943.63	1,114,675.00	-1,011,731.37	9.24%
Expense					
534 · Water Expenditures	14,324.85	14,324.85	378,313.00	-363,988.15	3.79%
535 · WW Treatment Expenditures	13,987.22	13,987.22	341,528.00	-327,540.78	4.1%
538 · Combined W/S Expenditures	32,757.13	32,757.13	420,383.00	-387,625.87	7.79%
591.38 · Leases	1,000.00	1,000.00	12,300.00	-11,300.00	8.13%
Total Expense	62,069.20	62,069.20	1,152,524.00	-1,090,454.80	5.39%
Net Ordinary Income	40,874.43	40,874.43	-37,849.00		
Net Income	40,874.43	40,874.43	-37,849.00		

Regular Utility Billing



	Mar 2023	Apr 2023	May 2023	June 2023	July 2023	Aug 2023	Sept 2023	Oct 2023	Nov 2023	Dec 2023	Jan 2024	Feb 2024	Mar 2024
◆ Water Service	43,592	43,701	43,797	43,886	44,087	43,862	44,041	44,102	44,074	44,197	46,959	46,959	46,976
✕ Sewer Service	39,736	39,835	39,922	40,004	40,187	39,982	40,145	40,200	40,175	40,287	42,308	42,308	42,323
+ Late/Misc. Fees	516	437	602	446	738	359	364	488	532	563	432	534	556
■ Consumption	320	165	355	440	690	1,655	1,335	725	385	375	260	470	355
— Total Charges	84,164	84,139	84,676	84,777	85,701	85,858	85,885	85,515	85,166	85,422	89,959	90,271	90,210



**COAST CONTROLS
& AUTOMATION, INC**
Automation solutions that work for you

1920 Summit Lk Shore Rd NW
Olympia, WA 98502

info@coastcontrolsinc.com ~
360-310-0107 www.coastcontrolsinc.com

Quote
00054926

Date: 11/2/2023

Bill To:

Hartstene Pointe Water Sewer District
772 E Chesapeake Dr
Shelton, WA 98584-7015

Ship To:

Hartstene Pointe Water Sewer District
772 E Chesapeake Dr
Shelton, WA 98584-7015

YOUR NO.		SHIP VIA	TERMS		PG.
		Prepaid & Add	Net 30		1
QTY.	ITEM NO.	DESCRIPTION	PRICE	EXTENDED	TX.
		Influent meter replacement			
1	Complete System	Packaged Services	\$3,200.00	\$3,200.00	X
1	FMR20-CAPBNVCEXR03R	Endress+Hauser FMR20-4UJ9/0 FMR20-CAPBNVCEXR03+R3 Approval: CSA C/US General Purpose Power Supply; Output; Operation: 2-wire; 4-20mA HART; HART/Bluetooth (App) configuration Antenna; Max. Measuring Range: 80mm/3"; 20m liquid -40oC...80oC/-40...176oF Process Connection Rear Side; Material: Thread ASME MNPT1; PVDF; FNPT1/2 conduit connection Process Connection Front Side; Material: Mounting customer side w/o flange Cable Length: 20m/65ft >>Accessory Enclosed: Mounting bracket adjustable, 316L			
1	PD6200-6R5'	Precision Digital ProVu Series Rate/Total Display two relay plus 4-20 mA output, 6 digit LED Display, accepts analog inputs, 85-265 VAC power reqmt., NEMA 4x front face, panel mountable, front face programmable.			
1	PDA2301	Precision Digital Enclosure NEMA 4X Plastic Enclosure Cutouts: One (1)			

We appreciate your business.

Manufacturer warranties apply. Orders cancelled after shipment will be charged a 50% restocking fee. Items sold in accordance with US laws. Any diversion to the contrary is prohibited. Past due accounts accrue 1.5% finance charge. A 2% processing fee is applied when payment is made by credit card.

SALE AMT.
FREIGHT
SALES TAX
TOTAL AMT.
PAID TODAY

BALANCE DUE

Calibration/Verification Certificate

Customer:
 Name: Hartstene Point Water-Sewer District
 Address: 772 E Chesapeake Dr
Shelton, WA 98584

Instrument being verified:
 Type: Badger 2100
 Location: WWTP Influent

Results:
 Flowmeter Pass
 Output Signal Fail
 Sensor Pass

Calibration Instrument Details:
 Calibrated level using flow target

Flowmeter Conditions:

Type of Flume Parshall
 Flume Size 3"
 Empty Distance Found Sensor Offset 8.3"
 Empty Distance Left 7.61"

Calibration Data:

Target Set At	Units	Observed Level Reading	Units	
0.200	feet	0.200	Feet	
Target Flow Rate	Units	Observed Meter Flow		SCADA
36.420	GPM	36.00	GPM	

Findings: Could not set output to calibrate correctly. Recommend replacement of level sensor.

Notes:

Tested by: Alex Hopseger

Date: 11-1-23





1920 Summit Lk Shore Rd NW
 Olympia, WA 98502
 info@coastcontrolsinc.com ~
 360-310-0107 www.coastcontrolsinc.com

Quote
 00054926

Date: 11/2/2023

Bill To:

Hartstene Pointe Water Sewer District
 772 E Chesapeake Dr
 Shelton, WA 98584-7015

Ship To:

Hartstene Pointe Water Sewer District
 772 E Chesapeake Dr
 Shelton, WA 98584-7015

YOUR NO.		SHIP VIA	TERMS		PG.
		Prepaid & Add	Net 30		2
QTY.	ITEM NO.	DESCRIPTION	PRICE	EXTENDED	TX.
		Material: Plastic Meter Mounting: Through front panel Orientation: Horizontal Warranty: 1 year Approvals: UL/C-UL			
1	Miscellaneous	Miscellaneous electrical wire, conduit, terminations, etc.			
1	labor	Labor and travel time plus mileage to setup, install and commission new meter.			

We appreciate your business.

Manufacturer warranties apply. Orders cancelled after shipment will be charged a 50% restocking fee. Items sold in accordance with US laws. Any diversion to the contrary is prohibited. Past due accounts accrue 1.5% finance charge. A 2% processing fee is applied when payment is made by credit card.

SALE AMT.	\$3,200.00	
FREIGHT	\$0.00	X
SALES TAX	\$272.00	
TOTAL AMT.	\$3,472.00	
PAID TODAY	\$0.00	
BALANCE DUE	\$3,472.00	

Hartstene Pointe Water-Sewer District

District Funds Policies

The District shall utilize “proprietary fund accounting” as the organizational structure for its financial activities. The following funds have been established with the Mason County Treasurer’s Office for budgeting and accounting purposes.

- **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 by 2025. 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.
 - *Inflow & Infiltration:* For future repairs to the district’s water and sewer mains/laterals. The District Commissioners purpose to allocate \$20,000 from each year’s budget to contribute to this reserve. “Metered Water Charges” will contribute to this fund and transfers will be swept into this fund from 010 Operating Fund monthly.
 - *Reservoir Fund:* For future repairs to reservoir. The target balance for this sub-fund shall be \$150,000 by 2027.
 - *Asset Replacement Fund:* For the replacement of short-lived equipment. This reserve 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. For the life of the loan, monthly transfers shall be made to the DWSRF Loan Reserve so that the annual payment amount is accrued by October of each year, in accordance with the loan contract.
- **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 to the Washington State Auditor’s Office, all funds are rolled into one general fund, designated as fund 401.

HARTSTENE POINTE WATER-SEWER DISTRICT

AUDIT REVIEW RECORD

Date Reviewed: 2/15/24 Cash/Budget Acct: 690-005-010

Voucher Number: 2024-07 Dated: 2/15/24

Voucher Total: \$ 41,607.93

Exceptions:

Audited By:

Carl Anderson, Audit Commissioner

Notes:

- \$176.93 to BUILDERS FIRSTSOURCE for Tools & Supplies
- \$330.00 to CARISA AMES for Cleaning Services
- \$30,126.12 to HPWSD for EFT Account Replenishment
- \$966.98 to HPWSD for Petty Cash Account Replenishment
- \$105.07 to JARED DISHON for Reimbursements
- \$7,879.00 to JAYSONCASTILLO OR KRISTEN SCHULTZ for CFCs Refund

Approved for Payment at _____ Meeting

Warrants verified against approved voucher: _____(Date) _____(Initials)

Audit Commissioner Voucher Request Audit Procedures:

All goods and services are paid by County-issued warrant. Warrants are requested using a Voucher that shows the District fund to charge, the name of the vendor to be paid, that vendor's County issued identification code, the District issued voucher number and the signature of at least one District Commissioner authorizing the obligation of District funds.

1. The Audit Commissioner shall review each County-issued Voucher request form prior to presentation and authorization for payment at a Board of Commissioners' Regular Meeting. The Audit Commissioner shall use the following procedures for review:
 - a. At least 30 minutes prior to a Regular Meeting of the Board of Commissioners, the Audit Commissioner will collect Voucher Requests from the location agreed upon between the Audit Commissioner and the Accounting & Administrative Services Manager;
 - b. assure the expenditure is appropriate and was anticipated in the annual budget or identified at a prior Board meeting or was expended from the Petty Cash Fund in an appropriate manner;
 - c. assure the total amount of each Voucher request matches an approved invoice;
 - d. assure the warrant is to be drawn from the proper District fund;
 - e. assure the budget line item to be debited is appropriate for the expenditure;
 - f. assure the beginning and ending fund balance to be debited is sufficient to cover the expenditure;
 - g. assure the last batch of warrants issued agree with the prior approved voucher.
2. Review shall be documented using the District-issued Audit Review Form.
3. Any exceptions to normal review, processing and approval procedures shall be noted on the Audit Review Form. Examples of exceptions include but are not limited to Voucher Requests approved outside a Regular Board meeting.
4. Any special instructions shall be noted on the Audit Review Form. Examples of special instructions include but are not limited to; holding release of warrants pending approval at a Regular Board meeting.