

HARTSTENE POINTE WATER-SEWER DISTRICT
MASON COUNTY, WASHINGTON

RESOLUTION 2013-01

A RESOLUTION Of the Hartstene Pointe Water-Sewer District, Mason County, Washington, Establishing a policy regarding capital assets.

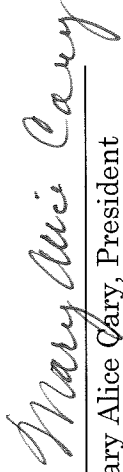
WHEREAS, the Board of Commissioners recognizes the need to establish guidelines to ensure adequate stewardship over District resources through control and accountability of capital assets, and to collect and maintain complete and accurate capital assets information; and

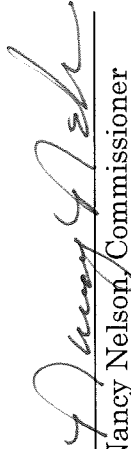
BE IT RESOLVED, by the Board of Commissioners of the Hartstene Pointe Water-Sewer District, Mason County, Washington as follows:

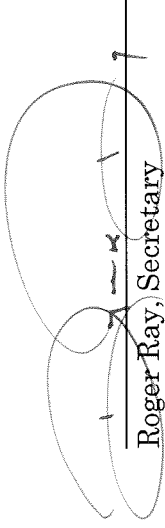
THAT: The capital asset policies in Attachment A to this Resolution are hereby adopted.

ADOPTED, by the Board of Commissioners of the Hartstene Pointe Water-Sewer District at a regular meeting held on May 9, 2013.

Hartstene Pointe Water-Sewer District
Mason County, Washington


Mary Alice Cary, President


Nancy Nelson, Commissioner


Roger Ray, Secretary

Hartstene Pointe Water-Sewer District
Capital Assets Policy

1. Purpose

This policy is established to provide guidelines to ensure adequate stewardship over District resources through control and accountability of capital assets, and to collect and maintain complete and accurate capital assets information.

2. Definitions

Fixed Assets

Fixed assets are tangible, non-consumable items including, but not limited to: land, buildings, machinery, equipment, and vehicles owned by the District valued at \$5,000 or more with a life expectancy of over one year. The value of the fixed asset includes the purchase price plus sales tax as well as costs to acquire (shipping and handling), install (excluding site preparation costs), secure, and prepare an item for its intended use. The original purchase of a software program is considered a fixed asset if it meets the \$5,000 threshold established above. Improvements to an existing asset that extends the life of the asset are capitalized.

Small & Attractive Assets

Assets valued at less than \$5,000 that are defined as high risk for theft. These assets are not normally consumed within one year. These assets may include items in one or more of the following categories:

- a. Portable and marketable, either alone or as a component unit;
- b. Assets that can be utilized for personal gain;
- c. Assets repeatedly reported as lost and/or stolen within the industry and society.

3. Capitalization Threshold

All assets with a cost of \$5,000 or more and a life expectancy exceeding one year shall be capitalized. Although *Small & Attractive Assets* (assets costing less than \$5,000) do not meet the District's capitalization threshold, they are considered assets for purposes of marking and identification, recordkeeping, and tracking. Exceptions to this policy are water service meters and associated equipment, which have no cost threshold.

4. Improvement/Repair/Maintenance Expenses

Routine repair and maintenance costs will be expensed as they are incurred and will not be capitalized. Major repairs will be capitalized if they result in betterments/improvements to the District's capital assets. To the extent that a project replaces the "old" part of a capital asset, outlays will not be capitalized; and to the extent that the project is betterment/improvement, outlays will be capitalized.

5. Tagging New Assets

All assets fitting descriptions of a fixed asset, small and attractive asset, and/or high-risk asset (other than infrastructure, vehicles, small tools, and computer components) shall be

recorded on asset listings maintained by the General Manager and Accounting and Administrative Services Manager.

All assets that are sold, traded-in, or disposed of shall be removed from the fixed asset inventory and the tag listing.

6. Disposal of Surplus Items

Before an asset is sold or otherwise disposed of, it must first be determined if the asset had originally been purchased with grant monies. If this is the case, the District must refer to the grant agreement and follow prescribed procedures for disposition. The Board of Commissioners must first declare an asset surplus before it can be sold or otherwise disposed of. If the asset is to be sold, it will then be sold in accordance with applicable state law. If the asset is no longer in working order and cannot reasonably be repaired for re-sale, the General Manager, along with one other member of the management team or a District Commissioner, will properly dispose of the asset. The department manager and witness will sign an Affidavit of Destruction/Disposition. The Affidavit of Destruction/Disposition will be retained by the Accounting and Administrative Services Manager, who shall remove the asset from any listings.

7. Lost, Stolen, or Missing Property

When suspected or known losses of capital assets or small and attractive items occur, staff should conduct a search for the missing property. If the missing property is not found:

- Notify the General Manager and Accounting and Administrative Services Manager
- Have the individual deemed to be primarily responsible for the asset, as well as that individual's supervisor, complete and sign a statement to include a description of events surrounding the disappearance of the property, who was notified of the loss, and steps taken to locate the property
- The Accounting and Administrative Services Manager shall report known or suspected losses of capital assets to the State Auditor's office in accordance with RCW 43.09.185, and a copy of the report shall be provided to the Board of Commissioners.

HARTSTENE POINTE WATER-SEWER DISTRICT
AFFIDAVIT OF ASSET DESTRUCTION/DISPOSITION

STATE OF WASHINGTON) ss,
County of Mason)

I, _____, being first duly sworn upon oath, state that I have destroyed/disposed of _____, asset no. _____, in the proper manner detailed below, and that said destruction/disposition was witnessed by _____.

Destruction/Disposition Method:

Sale* Recycled Thrown Away

Date of Destruction/Disposition: _____

Name of Recycle Service if applicable: _____

Any additional pertinent information: _____

*If sold through a District sale process or action, provide the following detail:

Auction Business Name: _____ Date Sent: _____

Scheduled Sale Date: _____ Name of Contact: _____

Signed: _____
Subscribed and sworn to/before me this _____ day of _____, _____.

Notary Public in and for the State of Washington

Residing at _____

My Commission expires _____

Witness Signature: _____