



Water-Sewer Update

November 2011

Commissioners

Roger Ray

Mary Alice Cary

William Parisio

General/Water

Manager

Mont Jeffreys

Waste Water Operator

George Campbell

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The Board of Commissioners meetings are held on the 2nd & 4th Thursdays of the month at 1 PM in the Hartstene Pointe Maintenance Association Conference Room. All meetings are open to the public.

Hartstene Pointe Water-Sewer District is not associated with or governed by the Hartstene Pointe Maintenance Association. Please direct water-sewer service related questions to HPWSD

Hartstene Pointe Water Sewer District is an equal opportunity provider

Commissioners Present 2012 Budget

The District's proposed 2012 operating budget was presented to subscribers at a budget hearing held October 22 in the Hartstene Pointe Clubhouse. No rate increases are proposed. Ongoing operations represent 66% or \$436,858 of the \$665,858 budget; an increase of 9.25%. Budgeted revenues are \$494,760. \$229,000 in capital improvements will be paid from the 2011 ending fund balance. A 2012 ending fund balance of \$97,003 is expected plus deposits of \$28,000 into District reserve accounts. Commissioners plan to adopt the 2012 budget at their November 10th meeting.

With only two full years of history operating the system, budgeting annual expenses proves to be challenging. Based on 2010 and 2011 spending, a more realistic picture of ongoing operation costs is clearer. The District began 2011 under new management; contracting general management, water operations and accounting services with Jeffreys Management Services. Waste water treatment services are provided by Broadband Environmental Services. Customer service continues to be provided by West Sound Utility District in Port Orchard. Commissioners estimate savings of 30% by contracting these services versus hiring employees. *(cont.)*

2012 Budget at a Glance

Commissioner Compensation	\$ 10,660
Operating Supplies and Equipment	\$ 29,500
Professional Services	\$ 29,000
Professional Services - Operations	\$ 136,600
Laboratory Fees	\$ 12,000
Communications/Public Notices	\$ 8,000
Travel/Training	\$ 6,000
Operating Rentals and Leases	\$ 9,000
Utility Services (Electricity)	\$ 18,500
Insurance	\$ 3,505
Repairs & Maintenance	\$ 80,000
Miscellaneous (dues, printing, bio solids disposal)	\$ 5,500
Excise tax, permit fees, annual audit	\$ 25,250
Debt Service	\$ 63,343
Capital Improvements Water	\$ 129,000
Capital Improvements Sewer	\$ 100,000
TOTAL 2012 Operating Budget	\$ 665,858

2012 Budget Continued...

Areas of increase include cost of electricity and phone service (\$9,000), laboratory testing fees (\$6,500), and tools (\$4,000). Commissioners increased legal expenses by \$8,000 as efforts continue to recover the cost of emergency repairs made in 2008 to the treatment outfall pipe. New expenditures in 2012 include the first of semi-annual loan payments to US Department of Agriculture estimated at \$24,419 each.

The new water and sewer service rates that took effect January, 2011 provided cash needed for 2012 capital projects. A carryover of \$269,101 will cover work necessary to remain in compliance with the Washington State Departments of Ecology and Health. In his presentation at the hearing, Board Chair, Roger Ray told subscribers "When we first took over we knew the physical condition of the facilities were poor but have found the situation is more dire than we expected." Necessary work includes refurbishing the waste water treatment plant head works and preliminary engineering and design for upgrades to the drinking water treatment system. The cost to replace automated water and sewer treatment control and communications will be spread between the remainder of 2011 and in 2012.

A more detailed version of the 2012 budget is available by calling (360) 427-2413 or email, hpwatersewer@aol.com. Written comments on the 2012 budget are due November 4.

Office Construction Completed

Construction of a new District Office was completed in October. An 800 sq. ft. storage building located at the treatment plant site was remodeled into office space. The office will provide a centralized location to conduct District business and store records. Previously, work space and District records were scattered among Commissioners' homes and District contractors' offices. Commissioners plan to conduct regular monthly meetings at the location starting January, 2012. With a centralized location for operations the District now has an official phone number. Persons wanting to contact Commissioners or the General Manager regarding District business should call (360) 427-2413. Billing questions and emergency or after hours calls should continue to be directed to our Customer Service provider, West Sound Utility District who can be reached 24 hours a day (360) 876-2545.

Water System Upgrade Projects to Break Ground November 7

Contractors plan to be on site beginning November 7 to begin work on much anticipated water system upgrades. Northern Conn-Agg, contractors providing water meter installation will begin work on or around November 7. The work is expected to take 10 months. A six week delay in delivery of electrical control panel equipment has moved the start date of the water reservoir booster pump station to early January. The booster pump project will last approximately 30 days.

Board of Commissioners Meetings to Relocate in 2012

Starting January 12, 2012, the twice monthly Board of Commissioners meetings will be moved from the Hartstene Pointe Clubhouse to the new District Offices, 772 Chesapeake Drive. The office is located inside the gated area next to the Pointe tennis courts. Commission meetings are held on the second and fourth Thursday of each month at 1:00pm. All meetings are open to the public. Reasonable accommodations are made to persons with disabilities with advance notice.