

**HARTSTONE POINTE WATER-SEWER DISTRICT
SPECIAL MEETING**

**District Office
772 E Chesapeake Drive, Shelton, WA 98584
October 10, 2019 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda

REPORTS:

6. Commissioner Reports

BUSINESS:

7. Review & Discuss Preliminary Budget

DRAFT

Hartstene Pointe Water-Sewer District

2020 Budget Overview

				Budget		Projections			
	2017 Actual	2018 Actual	2019 Projected	2019	2020	2021	2022	2023	2024
Beginning Unreserved Funds Balance	465,469	399,379	440,789	440,789	513,563	519,625	554,859	581,318	645,482
Revenues	622,923	652,923	736,391	700,898	789,700	839,779	866,478	894,102	922,680
Expenditures	671,371	711,468	656,974	903,713	779,110	800,017	835,490	825,411	767,358
Net Income (Loss)	(48,448)	(58,545)	79,417	(202,815)	10,591	39,762	30,987	68,692	155,322
Ending Unreserved Funds Balance	399,379	440,789	513,563	389,755	519,625	554,859	581,318	645,482	800,209
10/7/19									
									Page 1

Hartstene Pointe Water-Sewer District

Revenues

	History				Budget		Difference		Projections			
	2017 Actual	2018 Actual	2019 Jan - Jul	2019 Projected	2019	2020	\$ Change	% Change	2021	2022	2023	2024
Rates												
Residential Water (Bi-monthly)	118.00	124.24	133.80	133.80	133.80	144.10	10.30	7.70%	156.30	161.00	165.80	170.80
Residential Sewer (Bi-monthly)	101.92	114.86	123.70	123.70	123.70	133.20	9.50	7.68%	144.50	148.80	153.30	157.90
Total Residential Bi-monthly Bill	219.92	239.10	257.50	257.50	257.50	277.30	19.80	7.69%	300.80	309.80	319.10	328.70
Total Residential Monthly Charge	109.96	119.55	128.75	128.75	128.75	138.65	9.90	7.69%	150.40	154.90	159.55	164.35
Prepaid Connection - Water (Bi-monthly)	50.00	52.62	56.70	56.70	56.70	61.10	4.40	7.76%	66.30	68.30	70.30	72.40
Prepaid Connection - Sewer (Bi-monthly)	41.60	46.88	50.50	50.50	50.50	54.40	3.90	7.72%	59.00	60.80	62.60	64.50
Total Prepaid Connection Bi-monthly Bill	91.60	99.50	107.20	107.20	107.20	115.50	8.30	7.74%	125.30	129.10	132.90	136.90
Total Prepaid Connection Monthly Charge	45.80	49.75	53.60	53.60	53.60	57.75	4.15	7.74%	62.65	64.55	66.45	68.45
Water Connection & Capital Facilities Charge	1,950	2,050	3,490	3,490	3,490	2,580	(910)	-26.07%	2,580	2,580	2,580	2,580
Sewer Connection & Capital Facilities Charge	2,850	2,950	3,810	3,810	3,810	3,880	70	1.84%	3,880	3,880	3,880	3,880
Total Connection & Capital Facilities Charge	4,800	5,000	7,300	7,300	7,300	6,460	(840)	-11.51%	6,460	6,460	6,460	6,460
Connections												
# of Residential Connections		434	436	439	443	448	5	1.13%	449	450	451	452
# of Prepaid Connections		19	18	21	23	23	0	0.00%	18	18	18	18
# of New Connections (not Prepaid)	2	2	4	3	1	3	2	200.00%	1	1	1	1
Revenues												
Total Water Revenues	314,332	331,947	205,692	355,514	356,144	395,773	39,629	11.13%	428,233	442,076	456,247	471,029
Total Sewer Revenues	273,764	302,138	193,609	332,021	329,053	365,549	36,496	11.09%	395,655	408,326	421,591	435,191
Total Penalties & Fees	8,219	4,530	2,773	4,754	4,666	5,264	598	12.81%	5,696	5,880	6,069	6,266
Capital Facilities Charges & Connection Fees	8,600	5,000	25,550	33,700	7,300	19,380	12,080	165.48%	6,460	6,460	6,460	6,460
Interest Income	3,850	9,099	6,068	10,403	3,735	3,735	0	0.00%	3,735	3,735	3,735	3,735
Miscellaneous Revenues	14,158	210	0	0	0	0	0	0.00%	0	0	0	0
Total Revenues	\$622,923	\$652,923	\$433,692	\$736,391	\$700,898	\$789,700	\$88,802	12.67%	\$839,779	\$866,478	\$894,102	\$922,680

Additional Revenues Needed:

% increase:

Bi-monthly bill increase:

Total Increase/month:

Total Annual Increase:

Total Proposed Bi-monthly bill:

Total Proposed monthly rate:

% Water Revenue:

% Wastewater Revenue:

10/7/19

Hartstene Pointe Water-Sewer District

Expenditures

	History				Budget		Difference		Projections			
	2017 Actual	2018 Actual	2019 Jan-Jul	2019 Projected	2019	2020	\$ Change	% Change	2021	2022	2023	2024
Operations												
Staff	12,070	11,193	173,983	298,257	308,229	378,014	69,785	22.64%	362,459	362,459	362,459	362,459
Water	85,752	75,107	25,700	44,056	43,215	44,854	1,639	3.79%	43,837	45,371	46,959	48,603
Wastewater Treatment/Sewer	131,197	141,607	33,369	57,205	76,624	59,640	(16,983)	-22.16%	61,727	63,888	66,124	68,438
Combined W/S, Administrative	128,402	129,232	31,105	53,323	50,930	70,639	19,708	38.70%	76,883	79,647	82,521	85,511
Total Operations	357,422	357,139	264,158	452,842	478,998	553,147	74,149	15.48%	544,906	551,365	558,063	565,011
Capital Improvements	48,153	153,441	43,289	43,289	263,872	66,104	(197,768)	-74.95%	96,237	126,237	110,444	45,444
Loan Payments	154,401	160,791	160,791	160,843	160,843	159,858	(985)	-0.61%	158,873	157,888	156,903	156,903
Total Expenditures	\$559,976	\$671,371	\$468,238	\$656,974	\$903,713	\$779,110	-\$124,604	-13.79%	\$800,017	\$835,490	\$825,411	\$767,358
				Total Water Expenditures:	402,598				209,483	237,614	238,163	222,973
				Total Wastewater Expenditures:	268,071				217,086	219,174	251,334	253,570
				Total Combined W/S, Administrative Expenditures:	325,052				295,760	302,005	304,769	307,643
				% Water:	62.53%				45.87%	48.58%	46.74%	45.65%
				% Wastewater:	47.65%				46.84%	46.27%	48.32%	49.36%
10/7/19												

Hartstene Pointe Water-Sewer District
Combined Water/Sewer, Administrative Operations Costs

	History				Budget		Difference		Projections			
	2017 Actual	2018 Actual	2019 Jan - Jul	2019 Projected	2019	2020	\$ Change	% Change	2021	2022	2023	2024
Combined W/S, Administrative Operations Expenditures												
538.30 · Supplies - Combined W/S												
Tools/Equip/Supplies	1,423	7,041	2,659	4,559	1,500	4,787	3,287	219.14%	4,955	5,128	5,308	5,493
Office Supplies	928	1,574	1,038	1,779	1,200	1,868	668	55.66%	1,933	2,001	2,071	2,143
Total 538.30 · Supplies - Combined W/S	2,351	8,615	3,697	6,338	2,700	6,655	3,955	146.48%	6,888	7,129	7,378	7,637
538.40 · Services - Combined W/S												
General Manager - Contracted	44,982	27,364	0	0	0	0	0	#DIV/0!	0	0	0	0
Acct & Admin Services - Contracted	33,623	41,680	0	0	0	0	0	#DIV/0!	0	0	0	0
Attorney Fees	0	285	4,418	4,418	1,000	4,500	3,500	350.00%	2,500	2,500	2,500	2,500
Accounting Consulting	0	0	2,678	3,120	3,120	3,120	0	0.00%	3,229	3,342	3,459	3,580
Payroll Services	0	0	1,375	2,358	0	2,476	2,476	#DIV/0!	2,562	2,652	2,745	2,841
Intergov (previously 538.50)												
B&O Tax - Fees/Penalties	173	76	38	66	70	70	0	0.00%	72	75	78	80
Other	120	165	54	54	210	210	0	0.00%	217	225	233	241
State Audit	0	5,480	0	6,000	6,000	0	(6,000)	-100.00%	6,250	0	6,500	0
County Election Costs	221	0	0	0	224	224	0	0.00%	232	240	248	257
Total Intergov	514	5,721	92	6,120	6,504	504	(6,000)	-92.25%	522	540	559	578
Lockbox	9,233	5,180	547	775	730	813	83	11.42%	842	871	902	933
Online Payment System	4,901	1,985	1,081	1,853	1,675	2,544	869	51.91%	2,633	2,726	2,821	2,920
IT/Software Applications	2,935	3,143	3,143	3,143	3,421	10,000	6,579	192.31%	10,500	11,025	11,576	12,155
Rent	1,140	840	490	694	882	926	44	5.00%	959	992	1,027	1,063
Merchant Service Fees	2,553	1,856	1,179	2,021	1,800	2,122	322	17.91%	2,165	2,208	2,252	2,297
Postage	1,552	1,161	935	1,595	1,400	3,363	1,963	140.23%	3,430	3,499	3,569	3,640
Telephone/Internet	7,906	7,280	4,392	6,223	7,200	7,200	0	0.00%	7,344	7,491	7,641	7,794
Legal Notices & Publications	177	144	0	0	225	225	0	0.00%	233	241	249	258
Liability Insurance	10,614	9,191	275	9,466	9,651	9,989	338	3.50%	10,134	10,640	11,172	11,731
Professional Dues	1,859	2,530	247	1,742	1,733	1,794	61	3.50%	10,338	10,700	11,075	11,462
Printing	1,722	1,527	1,268	1,500	1,890	2,854	964	51.00%	2,997	3,146	3,304	3,469
Other Miscellaneous Services	0	3,015	1,479	1,479	2,000	1,553	(447)	100.00%	1,608	1,664	1,722	1,782
Travel/Mileage/Training and Education	2,299	7,715	5,185	7,347	5,000	10,000	5,000	100.00%	8,000	8,280	8,570	8,870
Total 538.40 · Services - Combined W/S	126,051	120,617	27,408	51,496	48,231	63,984	15,753	32.66%	69,995	72,518	75,143	77,874
Total Combined W/S, Administrative Operations	128,402	129,232	31,105	57,834	50,931	70,639	19,708	38.70%	76,883	79,647	82,521	85,511

10/7/19

Hartstene Pointe Water-Sewer District

Staff Costs

	History				Budget		Projections			
	2017 Actual	2018 Actual	2019 Jan - Jul	2019 Projected	2019	2020	2021	2022	2023	2024
<u>Water Distribution Manager II - 0.5 FTE</u>										
Employee Wages	0	19,860	24,510	42,017	54,054	40,040	0	0	0	0
Benefits & Payroll Tax	0	5,618	10,252	17,574	18,404	16,740	0	0	0	0
Total WDM II Compensation	0	25,478	34,762	59,591	72,458	56,780	0	0	0	0
<u>WW Treatment Plant Operator II - 1.0 FTE</u>										
Employee Wages	0	19,825	37,328	63,990	66,830	74,256	74,256	74,256	74,256	74,256
Benefits & Payroll Tax	0	3,436	9,641	16,527	20,863	21,857	21,857	21,857	21,857	21,857
Total WWTPO II Compensation	0	23,260	46,968	80,517	87,693	96,113	96,113	96,113	96,113	96,113
<u>General Manager - 1.0 FTE</u>										
Employee Salary	0	28,333	36,250	62,143	62,500	85,000	85,000	85,000	85,000	85,000
Benefits & Payroll Tax	0	9,947	16,010	27,445	28,943	31,439	31,439	31,439	31,439	31,439
Total GM Compensation	0	38,280	52,260	89,588	91,443	116,439	116,439	116,439	116,439	116,439
<u>Project/Account Manager - 1.0 FTE</u>										
Employee Wages	0	8,010	22,896	39,250	31,200	74,256	74,256	74,256	74,256	74,256
Benefits & Payroll Tax	0	4,491	8,795	15,077	14,449	21,857	21,857	21,857	21,857	21,857
Total Clerk Compensation	0	12,501	31,691	54,327	45,649	96,113	96,113	96,113	96,113	96,113
<u>Trainee/Laborer</u>										
Employee Salary	0	0	0	0	0	0	26,000	26,000	26,000	26,000
Benefits & Payroll Tax	0	0	0	0	0	0	15,225	15,225	15,225	15,225
Total T/L Compensation	0	0	0	0	0	0	41,225	41,225	41,225	41,225
Commissioners										
Commissioner 1										
Per Diem	3,192	3,218	1,792	3,072	3,712	3,712	3,712	3,712	3,712	3,712
Payroll Tax	244	246	137	235	284	284	284	284	284	284
Commissioner 2										
Per Diem	3,735	4,542	2,491	4,270	4,252	4,252	4,252	4,252	4,252	4,252
Payroll Tax	286	347	191	327	325	325	325	325	325	325
Commissioner 3										
Per Diem	3,420	4,072	3,456	5,925	3,712	3,712	3,712	3,712	3,712	3,712
Payroll Tax	262	312	264	453	284	284	284	284	284	284
Total Commissioner Compensation	11,139	12,737	8,331	14,282	12,569	12,569	12,569	12,569	12,569	12,569
Total Staff Costs	\$11,139	\$112,257	\$174,011	\$298,305	\$309,812	\$378,014	\$362,459	\$362,459	\$362,459	\$362,459

10/7/19

Hartstene Pointe Water-Sewer District

Water Operations Costs

	History				Budget		Difference		Projections			
	2017 Actual	2018 Actual	2019 Jan - Jul	2019 Projected	2019	2020	\$ Change	% Change	2021	2022	2023	2024
Water Operations Expenditures												
534.30 · Supplies - Water												
31 1010 · Supplies - Water												
35 1010 · Tools/Equip - Water	957	3,108	1,631	2,796								
31 1010 · Supplies - Water - Other	1,981	2,930	442	758								
Supplies - Water	2,938	6,037	2,073	3,554	3,000	3,000	0	0.00%	3,105	3,214	3,326	3,443
Chemicals - Water	3,011	4,434	2,103	3,605	4,000	4,000	0	0.00%	4,140	4,285	4,435	4,590
Total 534.30 · Supplies - Water	5,950	10,471	4,176	10,917	7,000	7,000	0	0.00%	7,245	7,499	7,761	8,033
534.40 · Services - Water												
Meter Reading - Contracted	3,817	1,879	0	0	0	0	0	#DIV/0!	0	0	0	0
Attorney Fees - Water	0	0	0	0	0	0	0	#DIV/0!	0	0	0	0
Consultant Fees - Water	0	0	0	0	0	0	0	#DIV/0!	0	0	0	0
Intergov Fees <i>(previously under 534.50)</i>												
53 1010 · Excise Tax - Water	15,531	19,294	10,544	18,076	17,911	18,980	1,069	5.97%	19,644	20,332	21,044	21,780
53 1020 · Permit Fees - Water	759	764	764	764	790	802	12	1.54%	830	859	889	921
534.50 · Intergov - Water - Other	0	0	0	0	0	0	0	#DIV/0!	0	0	0	0
Total Intergov Fees	16,290	20,058	11,308	18,840	18,701	19,782	1,081	5.78%	20,475	21,191	21,933	22,701
Water Operations - Contracted	29,988	18,243	0	0	0	0	0	#DIV/0!	0	0	0	0
Non-routine Water Operations - Contracted	1,190	0	0	0	0	0	0	#DIV/0!	0	0	0	0
Lab Testing - Water	1,597	1,770	604	1,200	1,470	1,500	30	2.04%	1,553	1,607	1,663	1,721
Repair & Maintenance - Water												
SCADA System - Water	0	0	2,469	2,469	2,500	2,500	0	0.00%	2,588	2,678	2,772	2,869
Jeffreys Mgmt. Services Contract	16,314	9,656	0	0	0	0	0	#DIV/0!	0	0	0	0
Other	1,915	3,121	1,547	2,652	4,000	4,000	0	0.00%	4,140	4,285	4,435	4,590
Total 48 1030 Repair & Maintenance - Water	18,229	12,777	4,016	6,884	6,500	6,500	0	0.00%	4,140	4,285	4,435	4,590
47 1010 · Electric - Water	8,692	9,909	5,596	9,593	9,544	10,072	528	5.53%	10,425	10,790	11,167	11,558
Total 534.40 · Services - Water	79,803	64,636	21,524	36,517	36,215	37,854	1,639	4.53%	36,592	37,873	39,198	40,570
Total Water Operations Expenditures	\$85,752	\$75,107	\$25,700	\$47,434	43,215	\$44,854	1,639	3.79%	\$43,837	\$45,371	\$46,959	\$48,603

10/7/19

Hartstene Pointe Water-Sewer District
Wastewater Treatment Operations Costs

	History				Budget		Difference		Projections			
	2017 Actual	2018 Actual	2019 Jan - Jul	2019 Projected	2019	2020	\$ Change	% Change	2021	2022	2023	2024
Wastewater Treatment Operations Expenditures												
535.30 · Supplies - WW Treatment												
31 3010 · Supplies - WW Treatment	8,193	5,528	7,355	7,500	2,000	5,300	3,300	165.00%	5,486	5,677	5,876	6,082
31 3011 · Chemicals - WW Treatment	1,220	762	1,523	1,523	2,000	2,000	0	0.00%	2,070	2,142	2,217	2,295
Total 535.30 · Supplies - WW Treatment	9,413	6,290	8,879	9,023	4,000	7,300	3,300	82.50%	7,556	7,820	8,094	8,377
535.40 · Services - WW Treatment												
Attorney Fees - Wastewater	0	0	0	0	0	0	0	#DIV/0!	0	0	0	0
Consultant Fees - Wastewater	0	0	0	0	0	0	0	#DIV/0!	0	0	0	0
Intergov - WW Treatment (<i>previously 535.5</i>)												
B&O/Excise Tax												
B&O Tax - Wastewater Treatment	3,930	3,555	2,895	4,963								
53 2010 · Excise Tax - Sewer	810	1,005	28	48								
Total B&O/Excise Tax	4,740	4,559	2,923	5,011	6,581	5,262	(1,319)	-20.04%	5,446	5,637	5,834	6,038
53 3020 · Permit Fees - WW Treatment	2,043	2,046	469	1,904	2,142	1,999	(143)	-6.69%	2,069	2,141	2,216	2,294
Total Intergov - WW Treatment	6,783	6,606	3,392	6,915	8,723	7,261	(1,462)	-16.76%	7,515	7,778	8,050	8,332
41 3040 · WWT Operations - Contracted	48,954	54,000	0	0	0	0	0	#DIV/0!	0	0	0	0
41 3041 · Non-Routine WWT Operations - Contracted	5,208	2,428	0	0	0	0	0	#DIV/0!	0	0	0	0
41 3050 · Lab Testing - WW Treatment	8,776	9,398	4,430	7,594	7,500	7,974	474	6.32%	8,253	8,542	8,841	9,150
WW Treatment Maint. and Repair												
48 3010 · Biosolids Disposal	4,980	11,751	6,724	11,527	25,000	15,750	(9,250)	-37.00%	16,301	16,872	17,462	18,073
48 3020 · SCADA - WW Treatment	3,640	0	2,469	2,469	6,800	3,000	(3,800)	-55.88%	3,105	3,214	3,326	3,443
Jeffreys Mgmt. Services Contract	9,482	14,077	0	0	0	0	0	#DIV/0!	0	0	0	0
Other	7,155	5,172	127	218	8,500	2,500	(6,000)	-70.59%	2,588	2,678	2,772	2,869
Sewer Collection System	18,921	22,447	485	831	3,500	3,500	0	0.00%	3,623	3,749	3,881	4,016
Total WW Treatment Maint. and Repair	44,178	53,446	9,805	15,045	43,800	24,750	(19,050)	-43.49%	25,616	26,513	27,441	28,401
47 3010 · Electric - WW Treatment	7,885	9,439	6,864	11,767	12,600	12,355	(245)	-1.94%	12,787	13,235	13,698	14,178
Total 535.40 · Services - WW Treatment	121,785	135,318	24,491	41,321	72,623	52,340	(20,283)	-27.93%	54,172	56,068	58,030	60,061
Total WWT Operations Expenditures	\$131,197	\$141,607	\$33,369	\$50,344	\$76,623	\$59,640	(16,983)	-22.16%	\$61,727	\$63,888	\$66,124	\$68,438

10/7/19

Hartstene Pointe Water-Sewer District

Capital Improvement Plan

	Total Project Costs	History				Budgets			Projections					
		2017 Actual	2018 Actual	2019 Jan - Jul	2019 Projected	2018 Budget	2019 Budget	2020 Budget	2021	2022	2023	2024	2025	2026 - 2045
Water														
Pressure Reducing Valve Replacement	0							0						
Reservoir Repair - Canceled	0					150,000		0						
Reservoir Mixer	15,950		15,950			12,000		0						
Test Pump Well #3								10,000						
Well 1 Treatment Building Re-roof			6,840			5,000		0						
Well 4	214,765	32,422	80,201	20,310	26,441	45,000	102,142	0						
Storage Shed								4,000						
Reservoir Cathodic Protection	0		0	0	0	20,000	0	0						
Install Generator Well 4	40,817		0	20,310	20,310	30,000	20,507	0						
Well 2 Rehabilitation			19,683			0		0						
Install Ferric Chloride Well 4	30,000			2,669			30,000	0						
Marina Line Shutoff Valve	5,000						5,000	0						
New Radio Read Water Meters	200,000						0	28,882	50,793	50,793	35,000			
Water Lateral Line Replacements (27 yrs, 20 lines/yr.)	600,000						22,222	0	22,222	22,222	22,222	22,222	22,222	22,222
Total Water Capital Improvements	1,106,532	32,422	122,674	43,289	46,751	262,000	179,871	42,882	73,015	73,015	57,222	22,222	22,222	22,222
Wastewater Treatment/Sewer														
WAS Pump Station Improvements	0							0						
Sewer Inspection Camera	0							0						
WW SCADA/Telemetry Upgrade	0							0						
WWT Pumps - Rehab and Replace	8,664	1,832	6,832			0		0						
Install CL2 Total Monitoring System		10,036	10,036			0		0						
Replace Gaseous Cl2 System - Canceled	7,726	3,863	3,863			15,000	0	0						
Upgrade WW SCADA for Data Collection	4,000						4,000	0						
Effluent Analyzer	0		10,036				0	0						
I&I Lateral Replacements	600,000						22,222	22,222	22,222	22,222	22,222	22,222	22,222	444,444
Repair Leaking Manholes (5 yrs., 2 manholes/yr.)	5,000						1,000	1,000	1,000	1,000	1,000	1,000	1,000	1,000
Lift Station Generators (3 total)	90,000						30,000	0	0	30,000	30,000			
Total WWT/Sewer Capital Improvements	715,390	15,731	30,767	0	0	15,000	57,222	23,222	23,222	53,222	53,222	23,222	23,222	445,444
Combined W/S														
Lease/Rent/Purchase Mini Excavator	26,000						26,000	0						
Lease/Rent/Purchase New Work Truck	15,000						15,000	0						
Lease/Rent/Purchase Trailer	5,000						5,000	0						
Fiber Optic Connections at Wells and Reservoir	3,000			2,898	2,898		3,000	0						
Total Combined W/S Capital Improvements	49,000	0	0	0	2,898	0	49,000	0	0	0	0	0	0	0
Total Capital Improvements	\$1,870,922	\$48,153	\$153,441	\$43,289	\$49,649	\$277,000	\$286,094	\$66,104	\$96,237	\$126,237	\$110,444	\$45,444	\$45,444	\$467,667
							2018 Budget Carryover:	\$77,351	\$236,445					
							From Reservoir Repair Fund:	123,000						
							From I&I Fund:	69,222	23,222					
							From Asset Replacement Fund:	0	0	57,540	9,000	9,000	9,000	9,000
							CIP Expenditures from Existing Funds:	\$269,573	259,667	57,540	9,000	9,000	9,000	9,000
							CIP Expenditures from Current Revenues:	\$16,520	-\$193,563	\$38,697	\$117,237	\$101,444	\$36,444	\$36,444

10/7/2019