

**HARTSTONE POINTE WATER-SEWER DISTRICT
REGULAR MEETING
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584
October 15, 2026 1:00 P.M.**

AGENDA

1. Call to Order
2. Roll Call
3. Subscriber Remarks
4. Correspondence
5. Present Agenda
6. Minutes of the October 1, 2026 Regular Meeting (2-3)

REPORTS:

7. Commissioner Reports
8. Financial/Administrative Report:
 - Bills to Be Authorized:
 - Voucher 2026-50
 - Bills to Be Reviewed:
 - Voucher 2026-49
9. Operations Report (4-5)

ITEMS REQUIRING BOARD ACTION:

10. Discussion with Engineer, if Needed
11. Review & Approve Engineer's Proposal to Update Water & Sewer Standards
12. Discuss District Role in Mediation of Homeowner versus PRC Issues
13. Review Preliminary 2027 Budget, Schedule Meetings (6-18)
14. Review & Discuss Changes to District's Fund's Policy (19-20)
15. Review Chapter Six (6) of the *Water Board Bible*

ANY OTHER BUSINESS (for new or overlooked items not included in the agenda)

**HARTSTENE POINTE WATER-SEWER DISTRICT
REGULAR MEETING of the BOARD OF COMMISSIONERS
October 1, 2026
DISTRICT OFFICE 119 E LIBERTY RD SHELTON WA 98584**

MINUTES

PRESENT: Secretary C. Anderson, President S. Swart, Audit Commissioner S. Birgh (via teleconference), Operations Manager (OM) Jaron S, Finance & Administrative Manager (F&AM) Joe S.

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

SUBSCRIBER REMARKS: No subscribers present

CORRESPONDENCE: No correspondence

PRESENT AGENDA: *Commissioner Anderson moved to adopt the agenda. Commissioner Birgh seconded.* F&AM requested to amend the Financial/Administrative Report to:

- Bills to Be Authorized:
 - Voucher 2026-47
 - Voucher 2026-48
- Bills to Be Reviewed:
 - Voucher 2026-46

Hearing 3 aye votes and 0 nay votes, the agenda was adopted as amended.

MINUTES:

The minutes of the September 17, 2026 regular meeting were presented. *Commissioner Birgh moved to approve the minutes. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as presented.*

The minutes of the September 18, 2026 special meeting were presented. *Commissioner Birgh moved to approve the minutes. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the minutes were approved as presented.*

REPORTS:

Commissioner Reports:

- Commissioner Anderson completed a ditch digging project for a resident on Pointes Drive East
- Commissioner Anderson commented on potential hydroseeding volume issue
- Commissioner Swart refreshed commissioners on components of the Open Public Meeting Act

Financial/Administrative Report:

- Bills to Be Authorized:
 - Voucher 2026-47 in the amount of \$19,686.53 was presented. *Commissioner Birgh moved to approve voucher 2026-47 in the amount of \$19,686.53. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.*

- Voucher 2026-48 in the amount of \$56,149.15 was presented. ***Commissioner Birgh moved to approve voucher 2026-48 in the amount of \$56,149.15. Commissioner Swart seconded. Hearing 3 aye votes and 0 nay votes, the voucher was approved.***
- Bills to Be Reviewed:
 - F&AM presented Voucher 2026-46 for Review

Operation Manager’s Report: OM shared his report on the current state of District operations

ITEMS REQUIRING BOARD ACTION:

Discussion with Engineer: Commissioners and staff discussed issues with engineer, Matt M.

Discuss Cleanout Height Trip Hazard Mitigation along Bluff: OM discussed issue with commissioners

Review & Approve Engineer’s Proposal to Update Water & Sewer Standards: Commissioners reviewed the proposal. Engineer is going to provide standards. Item tabled for next meeting.

Review Chapter Five (5) of the *Water Board Bible*: Commissioners reviewed & discussed the chapter.

Commissioner Birgh moved to adjourn the meeting. Commissioner Anderson seconded. Hearing 3 aye votes and 0 nay votes, the meeting adjourned at 2:50 pm.

Meeting Minutes Drafted By: PM

Respectfully Submitted By:

Signature

Carl Anderson, Secretary, Commissioner #1
Name and Title

Approved at the Regular Meeting of the Board on: 10-15-2026

HARTSTENE POINTE WATER-SEWER DISTRICT

Operations Report

10/15/2026

OPERATIONS

Water:

Well 2 is slowly losing its flowrate. After the acid treatment, we were getting around 45gpm, and we are now getting around 32gpm. I am working with Nicholson Drilling to figure out a solution. **The flowrate is now down to 28gpm, and has excessive inlet pressure. Waiting on a callback from Nicholson Drilling.**

I attended the Mason Water Group meeting on 10/13. I met the GM of Northwest Water Systems. Northwest Water Systems has a variety of services, including water system engineering. I have asked him for a quote for them to help and stamp our WSP. I am hoping for a competitive bid, hopefully lower than our previous quote that we received.

I have scheduled Keith from ERWOW to leak detect the areas around the CDF. He will be onsite on 10/23.

Wastewater:

Due to the pump clog at the Bluff lift station, per Reiner Pumps' input, I turned the VFD ramp up time down from 10 seconds to 2 seconds. This will increase the amount of torque on startup of the pump, which will prevent future clogs. We have been monitoring for water hammer due to the change in ramp up time, but we have not detected any, and Reiner Pumps is not worried about water hammer due to the size of the pumps. The deceleration time for the pumps remains the same.

Staff has installed the SBR#2 decant float assembly, including new fittings, hose, and float.

Unfortunately, the butterfly valves that I purchased were a different style than we needed. Those will need to be replaced soon. I will send the valves back, and buy the correct ones for our application. This turned out to be a full week affair. Day one was spent lowering the basin, and cutting the old hose off of the float assembly. Day two was spent raising the level of the basin, disconnecting the float from the wall, and floating it over to the headworks side to remove it from the basin. Day three was spent assembling the float assembly, and connecting it back to its place. Day four was spent draining the basin again, and installing the new hose and fittings into the wall. Days five and six were spent filling the basin back up for normal operation.

The wastewater treatment is out of whack due to the decant float assembly installation, and we will be working on getting the WWTP back into normal operation within the next couple of weeks.

The pump at LS 8 finally failed on 10/10. Mark and I pumped it down with the vac trailer, and pulled the pump. We noticed that the impeller was grinding on the wear plate, so we adjusted it, but it did not solve the problem. It was pulling over 80 amps. I have contacted our electrician and Reiner Pumps again about it, and we have a potential solution of installing a VFD to convert the single phase power to the three phase spare pump that we have. We would then run the cable above ground into the cabinet. This will hold us until the lift station rehab.

We installed rubber corks into the manholes with odor issues. We will be monitoring the effectiveness of this before we purchase a manhole odor elimination device. Matt is also looking into this for us as well.

AAA is scheduled to come back out to haul our digester on 10/22. I anticipate that we may have one more haul by the end of the year.

STAFF

Joe will be out from 10/20-10/25.

I will be starting my leadership training on 10/26 for every Monday and Wednesday from 8-11 until 11/10.

Mark and Kelly are both signed up for the Q.U.E.S.T. program.

OTHER

I completed the employee evaluations for Kelly and Mark. Both received it well. I will follow up with them both in 3 months to determine their progress on the goals that I have set for them.

The service truck was sent in for service and repairs on 10/13, and the Ranger was sent in on 10/15 for general maintenance.

I had a site visit with Dean from Correct Equipment. He was there on behalf of Primex, to look at our sites that we do not currently have on the Primex SCADA. Correct Equipment will be putting a quote together for us to compare with the quote that we are getting from Evolution Controls, and we want to make sure that we are comparing apples to apples. I have also asked him for a quote for continuous pH, temp, and total chlorine at the WWTP, to compare to the Coast Controls quote.

Submitted by Jaron Sartori

Hartstene Pointe Water-Sewer District
2027 Preliminary Budget Overview

	2024 Actual	2025 Actual	2026 Projected	Budget		Projections			
				2026	2027	2028	2029	2030	2031
Beginning Unreserved Funds Balance	633,019	869,174	1,052,184	1,012,219	1,086,765	1,361,748	1,946,616	2,329,559	2,491,454
Revenues & Other Net Increases	2,430,610	1,170,888	1,483,041	1,424,296	1,427,717	1,785,190	1,841,915	1,900,540	1,961,096
Grant & Loan Proceeds		9,317,249	5,125,683	1,724,747	0				
Expenditures	2,188,427	10,340,448	6,579,230	2,887,587	1,199,025	1,197,637	1,456,153	1,735,685	1,516,091
Net Income (Loss)	242,183	147,690	29,494	261,456	228,692	587,553	385,762	164,854	445,006
Ending Unreserved Funds Balance	869,174	1,052,184	1,086,765	997,263	1,361,748	1,946,616	2,329,559	2,491,454	2,933,352

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Harstene Pointe Water-Sewer District
Beginning Fund Balances

	History			Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Actual	2026	2027	\$ Change	% Change	2028	2029	2030	2031
Beginning Fund Balances											
Reserve Funds											
030 - Ecology Loan Reserve	43,048	45,261	47,162	47,424	48,848	1,686	3.56%	(0)	(0)	(0)	(0)
050 - DWSRF Loan Reserve	21,574	21,097	20,399	25,774	11,848	(8,551)	-33.18%	11,848	11,848	11,848	11,848
070 - USDA Revenue Bond Reserve	44,922	47,231	49,214	49,009	50,993	1,779	3.63%	53,550	56,235	59,053	62,013
Unreserved Funds											
010 - Operating Fund (incl. revolving funds)	252,043	369,522	484,305	461,047	615,122	130,817	28.37%	850,283	1,394,900	1,737,428	1,858,738
020 - Committed Funds											
Asset Replacement Fund	27,344	45,344	54,344	54,344	63,344	9,000	16.56%	72,344	81,344	90,344	99,344
Capital Improvement Fund											
Inflow & Infiltration	69,104	114,757	139,207	0	0	(139,207)	#DIV/0!	0	0	0	0
Reservoir Repair	96,694	123,347	136,674	136,674	150,000	13,326	9.75%	163,326	176,653	189,979	203,306
Other	0	0	0	0	0	0	0.00%	0	0	0	0
Risk Management Fund	187,834	216,203	237,654	360,154	258,298	20,644	5.73%	275,794	293,719	311,807	330,065
Total 020 - Committed Funds	380,977	499,651	567,879	551,172	471,643	(96,237)	-17.46%	511,465	551,716	592,131	632,715
065 - Capital Projects Account	0	0	0	0	0	0	0.00%	0	0	0	0
Total Beginning Unreserved Fund Balances	633,019	869,174	1,052,184	1,012,219	1,086,765	34,580	3.42%	1,361,748	1,946,616	2,329,559	2,491,454

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Hartstene Pointe Water-Sewer District
Ending Fund Balances

	History			Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
Ending Fund Balances											
Reserve Funds											
030 - Ecology Loan Reserve	45,261	47,162	48,848	47,424	(0)	(47,424)	-100.00%	(0)	(0)	(0)	(0)
050 - DWSRF Loan Reserve	21,097	20,399	11,848	25,774	11,848	(13,926)	-54.03%	11,848	11,848	11,848	11,848
070 - USDA Revenue Bond Reserve	47,231	49,214	50,993	51,694	53,550	1,856	3.59%	56,235	59,053	62,013	65,121
Unreserved Funds											
010 - Operating Fund (incl. revolving funds)	369,522	484,305	615,122	371,379	850,283	478,904	128.95%	1,394,900	1,737,428	1,858,738	2,259,878
020 - Committed Funds											
Asset Replacement Fund	45,344	54,344	63,344	63,344	72,344	9,000	14.21%	81,344	90,344	99,344	108,344
Capital Improvement Fund											
Inflow & Infiltration	114,757	139,207	0	0	0	0	#DIV/0!	0	0	0	0
Reservoir Repair	123,347	136,674	150,000	150,000	163,326	13,326		176,653	189,979	203,306	216,632
Other	0	0	0	0	0	0	0.00%	0	0	0	0
Risk Management Fund	216,203	237,654	258,298	412,540	275,794	(136,746)	-33.15%	293,719	311,807	330,065	348,497
Total 020 - Committed Funds	499,651	567,879	471,643	625,884	511,465	(114,419)	-18.28%	551,716	592,131	632,715	673,473
065 - Capital Projects Account	0	0	0	0	0	0	0.00%	0	0	0	0
Total Ending Unreserved Fund Balances	869,174	1,052,184	1,086,765	997,263	1,361,748	364,485	36.55%	1,946,616	2,329,559	2,491,454	2,933,352

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Hartstene Pointe Water-Sewer District
Revenues & Other Net Increases

	History				Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Jan - Aug	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
1 Rates												
2 Residential Water (Monthly)	99.90	99.90	87.60	87.60	87.60	87.60	0.00	0.00%	91.10	93.80	96.60	99.50
3 Residential Sewer (Monthly)	90.00	98.90	161.40	161.40	161.40	161.40	0.00	0.00%	223.90	230.60	237.50	244.60
4 Total Residential Monthly Charge	189.90	198.80	249.00	249.00	249.00	249.00	0.00	0.00%	315.00	324.40	334.10	344.10
5 Prepaid Connection - Water (Monthly)	41.50	43.50	41.60	41.60	41.60	41.60	0.00	0.00%	45.10	46.50	47.90	49.30
6 Prepaid Connection - Sewer (Monthly)	37.50	39.50	45.60	45.60	45.60	45.60	0.00	0.00%	49.50	51.00	52.50	54.10
7 Total Prepaid Connection Monthly Charge	79.00	83.00	87.20	87.20	87.20	87.20	0.00	0.00%	94.60	97.50	100.40	103.40
8 Water - Metered Charges	11,729	4,705	4,120	4,944	4,933	5,043	110	2.23%	5,472	5,636	5,805	5,979
9 Water Connection & Capital Facilities Charge	4,435	4,405	4,425	4,425	4,675	4,675	0	0.00%	4,675	4,675	4,675	4,675
10 Sewer Connection & Capital Facilities Charge	5,565	7,075	7,655	7,655	7,905	7,905	0	0.00%	7,905	7,905	7,905	7,905
11 Total Connection & Capital Facilities Charge	10,000	11,480	12,080	12,080	12,580	12,580	0	0.00%	12,580	12,580	12,580	12,580
12 Connections												
13 # of Residential Connections	458	464	470	470	458	458	0	0.00%	459	460	461	462
14 # of Prepaid Connections	20	14	9	9	20	20	0	0.00%	18	18	18	18
15 # of New Connections (not Prepaid)	3	0	1	2	1	1	0	0.00%	1	1	1	1
16 Revenues												
17 Total Water Revenues	573,361	569,901	338,378	504,001	496,366	496,476	110	0.02%	511,520	527,820	544,738	562,277
18 Total Sewer Revenues	510,811	559,305	608,084	915,721	897,998	897,998	0	0.00%	1,243,933	1,283,928	1,325,190	1,367,748
19 Total Penalties & Fees	6,086	6,462	9,046	10,855	7,352	10,662	3,310	45.02%	13,422	13,852	14,297	14,756
20 Capital Facilities Charges & Connection Fees	19,000	0	12,080	24,160	12,580	12,580	0	0.00%	12,580	12,580	12,580	12,580
21 Interest Income	37,202	35,220	18,870	28,305	10,000	10,000	0	0.00%	3,735	3,735	3,735	3,735
22 WA State Ecology Water Quality Fin. Assistance Loan	1,275,253	5,599,937	2,653,231	2,653,231	1,724,747	0	(1,724,747)	-100.00%				
23 Miscellaneous Revenues	8,898	3,717,312	2,461,283	2,472,452	0	0	0	0.00%	0	0	0	0
Total Revenues	\$2,430,610	\$10,488,137	\$6,100,972	\$6,608,725	\$3,149,043	\$1,427,717	(1,721,326)	-54.66%	\$1,785,190	\$1,841,915	\$1,900,540	\$1,961,096

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Hartstene Pointe Water-Sewer District

Expenditures

	History				Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Jan - Aug	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
1 Operations												
2 Staff	422,850	408,118	345,029	503,556	434,833	460,596	25,763	5.92%	453,191	466,164	479,526	493,288
3 Water	79,556	103,198	54,102	73,559	83,920	72,407	(11,513)	-13.72%	69,649	72,087	74,610	77,221
4 Wastewater Treatment/Sewer	113,549	105,525	84,348	128,274	99,660	97,112	(2,548)	-2.56%	100,511	104,029	107,670	111,438
5 Combined W/S, Administrative	130,241	134,610	74,179	125,417	149,666	154,085	4,419	2.95%	150,328	156,075	162,067	168,315
6 Total Operations	746,197	751,450	557,658	830,806	768,079	784,200	16,121	2.10%	773,679	798,354	823,872	850,262
7 Capital Improvements	1,285,221	9,395,591	5,519,209	5,519,209	1,890,291	186,594	(1,703,697)	-90.13%	0	0	255,000	10,000
8 Loan Payments	156,903	193,406	229,216	229,216	229,217	228,231	(986)	-0.43%	423,959	657,799	656,813	655,828
9 Total Expenditures	\$2,188,421	\$10,340,447	\$6,306,083	\$6,579,230	\$2,887,587	\$1,199,025	-\$1,688,562	-58.48%	\$1,197,637	\$1,456,153	\$1,735,685	\$1,516,091

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Hartstene Pointe Water-Sewer District
Water Operations Costs

	History				Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Jan - Aug	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
1 Water Operations Expenditures												
2 534.30 · Supplies - Water												
3 31 1010 · Supplies - Water												
4 35 1010 · Tools/Equip - Water	5,636	3,337	4,395	6,592								
5 31 1010 · Supplies - Water - Other	2,824	27,226	3,888	5,831								
6 Supplies - Water	5,418	30,563	8,282	12,423	9,000	9,000	0	0.00%	9,315	9,641	9,978	10,328
7 Chemicals - Water	6,830	4,907	5,953	8,930	8,000	8,000	0	0.00%	8,280	8,570	8,870	9,180
8 Total 534.30 · Supplies - Water	12,247	35,470	14,235	21,353	17,000	17,000	0	0.00%	17,595	18,211	18,848	19,508
9 534.40 · Services - Water												
11 Attorney Fees - Water	0	0	992	0	0	0	0	#DIV/0!	0	0	0	0
10 Intergov Fees												
11 53 1010 · Excise Tax - Water	28,551	28,629	17,261	25,891	30,177	27,186	(2,991)	-9.91%	28,137	29,122	30,141	31,196
12 53 1020 · Permit Fees - Water	809	809	959	959	850	1,007	157	18.45%	1,042	1,079	1,116	1,155
13 534.50 · Intergov - Water - Other	57	0	0	0	0	0	0	#DIV/0!	0	0	0	0
14 Total Intergov Fees	29,417	29,438	18,220	26,850	31,027	28,193	(2,834)	-9.13%	29,179	30,201	31,258	32,352
15 Other Services	2,356	2,423	2,489	2,489	2,544	2,613	69	2.73%	0	0	0	0
16 Lab Testing - Water	1,834	2,399	990	1,485	2,129	1,559	(570)	-26.76%	1,614	1,670	1,729	1,789
17 Repair & Maintenance - Water												
18 SCADA System - Water	0	3,743	1,818	1,818	2,500	2,500	0	0.00%	2,588	2,678	2,772	2,869
19 Other	23,443	19,983	6,948	6,948	18,461	7,295	(11,166)	-60.48%	7,550	7,815	8,088	8,371
20 Total 48 1030 Repair & Maintenance - Water	23,443	23,727	8,765	8,765	20,961	9,795	(11,166)	-53.27%	7,550	7,815	8,088	8,371
21 47 1010 · Electric - Water	10,259	9,741	8,411	12,616	10,259	13,247	2,988	29.13%	13,711	14,191	14,687	15,201
22 Total 534.40 · Services - Water	67,309	67,728	39,867	52,206	66,920	55,407	(11,513)	-17.20%	52,054	53,876	55,762	57,713
Total Water Operations Expenditures	\$79,556	\$103,198	\$54,102	\$73,559	\$83,920	\$72,407	(11,513)	-13.72%	\$69,649	\$72,087	\$74,610	\$77,221

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Hartstene Pointe Water-Sewer District
Wastewater Treatment Operations Costs

	History				Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Jan - Aug	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
1 Wastewater Treatment Operations Expenditures												
2 535.30 · Supplies - WW Treatment												
3 31 3010 · Supplies - WW Treatment												
4 31 3010 · Supplies - WW Treatment	2,560	4,505	8,280	9,936								
5 35 3010 · Tools/Equip - WW Treatment	3,837	1,341	679	1,018								
6 31 3010 · Supplies - WW Treatment	6,397	5,846	8,959	10,954	10,000	10,000	0	0.00%	10,350	10,712	11,087	11,475
7 31 3011 · Chemicals - WW Treatment	3,051	2,592	2,178	3,267	3,000	3,000	0	0.00%	3,105	3,214	3,326	3,443
8 Total 535.30 · Supplies - WW Treatment	9,449	8,438	11,137	14,222	13,000	13,000	0	0.00%	13,455	13,926	14,413	14,918
9 535.40 · Services - WW Treatment												
10 Attorney Fees - Wastewater	3,871	1,164	2,994	3,592	0	0	0	#DIV/0!	0	0	0	0
11 Intergov - WW Treatment (<i>previously 535.5</i>)												
12 B&O/Excise Tax												
13 B&O Tax - Wastewater Treatment	7,427	8,002	8,674	13,011								
14 53 2010 · Excise Tax - Sewer	437	782	20	31								
15 Total B&O/Excise Tax	7,864	8,784	8,694	13,041	8,259	13,693	5,434	65.80%	14,173	14,669	15,182	15,713
16 53 3020 · Permit Fees - WW Treatment	3,209	3,296	3,568	3,712	3,521	3,898	377	10.71%	4,034	4,176	4,322	4,473
17 Total Intergov - WW Treatment	11,073	12,080	12,262	16,754	11,780	17,591	5,811	49.33%	18,207	18,844	19,504	20,187
18 41 3040 · WWT Operations - Contracted	0	0	2,638	3,956	0	0	0	0.00%	0	0	0	0
20 41 3050 · Lab Testing - WW Treatment	22,321	22,842	11,538	17,307	17,380	9,020	(8,360)	-48.10%	9,336	9,663	10,001	10,351
21 WW Treatment Maint. and Repair												
22 48 3010 · Biosolids Disposal	24,481	18,382	13,300	19,950	20,000	20,000	0	0.00%	20,700	21,425	22,174	22,950
23 48 3020 · SCADA - WW Treatment	804	4,547	2,421	9,421	3,000	3,000	0	0.00%	3,105	3,214	3,326	3,443
24 Other	9,763	6,153	10,305	10,305	7,500	7,500	0	0.00%	7,763	8,034	8,315	8,606
25 Sewer Collection System	17,822	17,096	1,099	7,785	10,000	10,000	0	0.00%	10,350	10,712	11,087	11,475
26 Total WW Treatment Maint. and Repair	52,869	46,178	27,125	47,460	40,500	40,500	0	0.00%	41,918	43,385	44,903	46,475
27 47 3010 · Electric - WW Treatment	13,967	14,821	16,655	24,983	17,000	17,000	0	0.00%	17,595	18,211	18,848	19,508
28 Total 535.40 · Services - WW Treatment	104,101	97,086	73,211	114,053	86,660	84,112	(2,548)	-2.94%	87,056	90,103	93,256	96,520
29 Total WWT Operations Expenditures	\$113,549	\$105,525	\$84,348	\$128,274	\$99,660	\$97,112	(2,548)	-2.56%	\$100,511	\$104,029	\$107,670	\$111,438

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

		History				Budget		Difference		Projections			
		2024 Actual	2025 Actual	2026 Jan - Aug	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
1	Combined W/S, Administrative Operations Expenditures												
2	538.30 · Supplies - Combined W/S												
3	Tools/Equip/Supplies	9,928	13,070	11,301	13,561	8,595	14,511	5,916	68.83%	15,019	15,544	16,088	16,651
4	Office Supplies	1,818	1,245	1,075	1,290	4,000	4,000	0	0.00%	4,140	4,285	4,435	4,590
5	Total 538.30 · Supplies - Combined W/S	11,746	14,315	12,377	14,852	12,595	18,511	5,916	46.97%	19,159	19,829	20,523	21,241
6	538.40 · Services - Combined W/S												
7	Bank Fees	150	150	88	150	150	150	0	0.00%	158	165	174	182
8	Attorney Fees	570	285	285	285	4,500	4,500	0	0.00%	2,500	2,500	2,500	2,500
9	Accounting Consulting	1,646	1,331	1,754	1,754	1,761	1,761	(0)	0.00%	1,823	1,886	1,952	2,021
10	Payroll Services	3,508	3,417	3,231	3,877	3,273	4,071	798	24.37%	4,213	4,361	4,513	4,671
	Reserve Studies		1,495	1,495									
11	Intergov (previously 538.50)												
12	B&O Tax - Fees/Penalties	99	103	225	270	98	283	185	189.16%	293	304	314	325
13	Other	0	328	0	0	210	210	0	0.00%	217	225	233	241
14	State Audit	0	2,852	10,816	0	0	0	0	#DIV/0!	6,250	0	6,500	0
15	County Election Costs	392	0	588	588	400	400	0	0.00%	414	428	443	459
16	Total Intergov	492	3,283	11,629	857	708	893	185	26.18%	925	957	990	1,025
17	Lockbox	351	836	283	340	900	900	0	0.00%	932	964	998	1,033
18	Online Payment System	4,374	5,189	4,038	4,845	5,445	5,087	(358)	-6.58%	5,265	5,450	5,640	5,838
19	Cleaning Services	3,960	4,210	1,485	3,960	3,960	3,960	0	0.00%	3,960	3,960	3,960	3,960
20	IT/Software Applications	7,575	7,986	8,467	8,467	10,000	10,000	0	0.00%	10,500	11,025	11,576	12,155
21	Rent	12,000	12,000	8,000	12,000	12,000	12,000	0	0.00%	12,420	12,855	13,305	13,770
22	Merchant Service Fees	4,765	4,737	3,668	4,402	5,005	4,622	(383)	-7.65%	4,714	4,809	4,905	5,003
23	Postage	3,579	3,795	2,476	2,972	4,173	3,120	(1,053)	-25.23%	3,183	3,246	3,311	3,377
24	Telephone/Internet	9,805	10,066	7,370	8,844	10,393	9,286	(1,106)	-10.65%	9,472	9,661	9,854	10,052
25	Legal Notices & Publications	47	0	0	0	3,000	3,000	0	0.00%	3,105	3,214	3,326	3,443
26	Liability Insurance	45,321	49,888	0	45,233	49,800	49,800	0	0.00%	52,290	54,905	57,650	60,532
27	Professional Dues	2,752	3,269	1,469	3,448	3,208	3,621	413	12.87%	3,747	3,878	4,014	4,155
28	Printing	1,902	1,767	1,431	1,718	1,795	1,803	8	0.46%	1,894	1,988	2,088	2,192
29	Other Miscellaneous Services	2,362	387	2,316	4,631	2,000	2,000	0	0.00%	2,070	2,142	2,217	2,295
30	Travel/Mileage/Training and Education	13,337	6,205	2,318	2,782	15,000	15,000	0	0.00%	8,000	8,280	8,570	8,870
31	Total 538.40 · Services - Combined W/S	118,495	120,294	61,803	110,565	137,071	135,574	(1,496)	-1.09%	131,169	136,246	141,544	147,073
	Total Combined W/S, Administrative Operations	130,241	134,610	74,179	125,417	149,666	154,085	4,419	2.95%	150,328	156,075	162,067	168,315

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Hartstene Pointe Water-Sewer District
Staff Costs

	History				Budget		Projections			
	2024 Actual	2025 Actual	2026 Jan - Sep	2026 Projected	2026	2027	2028	2029	2030	2031
1 Water Distribution Manager II - 1.0 FTE										
2 Employee Wages	30,366	13,958	52,968	71,976	57,283	63,648	65,557	67,524	69,550	71,636
3 Benefits & Payroll Tax	8,930	5,086	18,231	27,347	22,023	25,107	25,860	26,636	27,435	28,258
4 Total WDM II Compensation	39,296	19,043	71,199	99,323	79,307	88,755	91,417	94,160	96,985	99,894
5 WW Treatment Plant Operator II - 1.0 FTE										
6 Employee Wages	66,388	67,159	66,862	100,293	73,195	70,013	72,113	74,277	76,505	78,800
7 Benefits & Payroll Tax	20,655	20,967	20,122	30,182	23,570	25,725	26,497	27,292	28,111	28,954
8 Total WWTPO II Compensation	87,043	88,126	86,984	130,476	96,765	95,738	98,610	101,568	104,616	107,754
8 General Manager - 1.0 FTE										
9 Employee Salary	97,384	96,420	57,260	85,890	96,420	90,000	92,700	95,481	98,345	101,296
10 Benefits & Payroll Tax	34,618	35,928	19,392	29,088	34,742	27,668	28,498	29,353	30,234	31,141
11 Total GM Compensation	132,003	132,348	76,652	114,978	131,162	117,668	121,198	124,834	128,579	132,436
12 Project/Account Manager - 1.0 FTE										
13 Employee Wages	82,945	84,605	66,029	99,043	84,864	90,000	92,700	95,481	98,345	101,296
14 Benefits & Payroll Tax	22,625	23,476	21,725	32,588	24,704	27,668	28,498	29,353	30,234	31,141
15 Total PM Compensation	105,571	108,081	87,754	131,631	109,568	117,668	121,198	124,834	128,579	132,436
16 Apprentice/Trainee - 0.0 FTE										
17 Employee Salary	30,727	35,080	12,473	12,473	0	0	0	0	0	0
18 Benefits & Payroll Tax	11,552	10,602	550	550	0	0	0	0	0	0
19 Total A/T Compensation	42,279	45,682	13,023	13,023	0	0	0	0	0	0
20 Allocated Wages						20,000				
21 Commissioners										
22 Commissioner 1										
23 Per Diem	4,580	240	0	0	5,573	5,573	5,573	5,573	5,573	5,573
24 Payroll Tax	372	37	0	0	426	426	426	426	426	426
25 Commissioner 2										
26 Per Diem	5,167	7,326	3,589	5,384	5,221	5,653	5,653	5,653	5,653	5,653
27 Payroll Tax	369	557	293	440	399	432	432	432	432	432
28 Commissioner 3										
29 Per Diem	5,730	6,194	5,121	7,682	5,956	8,066	8,066	8,066	8,066	8,066
30 Payroll Tax	440	483	413	620	457	617	617	617	617	617
31 Total Commissioner Compensation	16,657	14,837	9,417	14,125	18,032	20,767	20,767	20,767	20,767	20,767
Total Staff Costs	\$422,850	\$408,118	\$345,029	\$503,556	\$434,833	\$460,596	\$453,191	\$466,164	\$479,526	\$493,288

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Hartstene Pointe Water-Sewer District
Loan Payments

	History				Budget		Projections			
	2024 Actual	2025 Actual	2026 Projected	2026 Actual	2026	2027	2028	2029	2030	2031
Ecology Loan - Effluent Outfall Maturity Date: 12/21/27 Outstanding Principal Balance: \$37,686										
Principal Payment	36,028	36,572	37,125	37,125	37,125	37,686				
Interest Payment	2,083	1,539	987	987	987	426				
Total Ecology Loan Payments	38,111	38,111	38,111	38,111	38,111	38,111	0	0	0	0
USDA Bond - Booster Pump, Meters Maturity Date: 09/1/32 Outstanding Principal Balance: 215,374										
Principal Payment	30,991	31,849	32,731	32,731	32,731	33,637	34,568	35,525	36,508	37,520
Interest Payment	8,339	7,481	6,599	6,599	6,599	5,693	4,762	3,805	2,822	1,810
Total USDA Bond Payments	39,330	39,330	39,330	39,330	39,330	39,330	39,330	39,330	39,330	39,330
DWSRF Loan - Water Treatment Upgrades Maturity Date: 10/1/36 Outstanding Principal Balance: 656,708										
Principal Payment	65,671	65,671	65,671	65,671	65,671	65,671	65,671	65,671	65,671	65,671
Interest Payment	13,791	12,806	11,821	11,821	11,821	10,836	9,851	8,866	7,881	6,895
Total DWSRF Loan Payments	79,462	78,477	77,492	77,492	77,492	76,506	75,521	74,536	73,551	72,566
WIRP Engineering - Ecology Loan Maturity Date: 6/30/2045 Outstanding Principal Balance: 1,228,759										
Principal Payment		21,545	58,969	21,545	58,969	59,680	60,400	61,129	61,867	62,613
Interest Payment		11,957	11,486	11,957	11,486	10,952	10,412	9,866	9,312	8,753
Admin Payment		3,986	3,829	3,986	3,829	3,651	3,471	3,289	3,104	2,918
Total WIRP Engineering - Ecology Loan	0	37,488	74,283	37,488	74,284	74,283	74,283	74,284	74,283	74,283
WIRP Construction - Ecology Loan (<i>Estimated</i>) Maturity Date: 6/30/45 Outstanding Principal Balance: 9,000,000										
Principal Payment							198,659	434,849	436,591	438,341
Interest Payment							27,124	26,100	24,793	23,481
Admin Payment							9,041	8,700	8,264	7,827
Total WIRP Construction - Ecology Loan	0	0	0	0	0	0	234,824	469,649	469,649	469,649
Total Loan Payments	156,903	193,406	229,216	192,421	229,217	228,231	423,959	657,799	656,813	655,828

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Hartstene Pointe Water-Sewer District
Net Effect of Transfers

Net Effect of Transfers

	History				Budget		Difference		Projections			
	2024 Actual	2025 Actual	2026 Jan - Sep	2026 Projected	2026	2027	\$ Change	% Change	2028	2029	2030	2031
030 - Ecology Loan Reserve	2,213	1,901	1,265	1,686	0	(48,848)	(48,848)	#DIV/0!	0	0	0	0
050 - DWSRF Loan Reserve	(3,761)	(2,997)	(25,575)	(8,551)	0	0	0	#DIV/0!	0	0	0	0
070 - USDA Revenue Bond Reserve	2,309	1,984	1,334	1,779	2,685	2,557	(128)	-4.78%	2,685	2,819	2,960	3,108
010 - Operating Fund (incl. revolving funds)	(119,435)	(78,116)	1,708	101,323	(77,397)	6,469	83,866	-108.36%	(42,936)	(43,234)	(43,544)	(43,866)
020 - Committed Funds							0	0.00%				
Asset Replacement Fund	18,000	18,000	0	9,000	9,000	9,000	0	0.00%	9,000	9,000	9,000	9,000
Capital Improvement Fund							0	0.00%				
Inflow & Infiltration	45,653	24,450	5,785	(139,207)	0	0	0	#DIV/0!	0	0	0	0
Reservoir Repair	26,653	13,326	0	13,326	13,326	13,326	0	0.00%	13,326	13,326	13,326	13,326
Other	0	0	0	0	0	0	0	0.00%	0	0	0	0
Risk Management Fund	28,369	21,452	15,483	20,644	52,386	17,496	(34,890)	-66.60%	17,925	18,089	18,258	18,432
Total 020 - Committed Funds	118,675	77,228	21,268	(96,237)	74,712	39,822	(34,890)	-46.70%	40,251	40,415	40,584	40,758
065 - Capital Projects Account	0	0	0	0	0	0	0	#DIV/0!	0	0	0	0

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Hartstene Pointe Water-Sewer District			
Proposed Capital Facilities Charges			
	Water	Sewer	Total
Debt Share	780	1010	1,790.00
Future Improvements	1050	3435	4,485.00
Assets	2595	3210	5,805.00
Total	\$4,425.00	\$7,655.00	12,080.00
Connection Fees	\$250.00	\$250.00	\$500.00
Total CFC + Connection Fees	\$4,675.00	\$7,905.00	
Total Cost for New Connections			\$12,580.00

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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.