



Welcome Home

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Hidden Springs Sewer Company

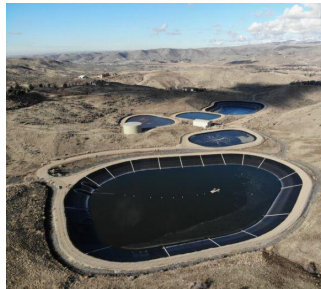
Annual Meeting | December 13, 2022



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Agenda

- Call to Order
- Welcome
- Presentation of Annual Report
- Director Reports
- Q & A
- Adjourn



Welcome

We are in this together.

Everyone in this room has a role to play in keeping the Hidden Springs Sewer Company, the Wastewater Treatment Facility, and the discharge of irrigation water continuously and efficiently operating while keeping sewer rates as low as possible.



The image shows the cover of the 2022 HSSC Annual Report. It features a yellow background on the left with the text '2022 HSSC Annual Report' in white. On the right, there is a photograph of a large, curved concrete dam or reservoir structure in a dry, hilly landscape. The water in the reservoir is a deep blue, and there are some green bushes in the foreground.

2022 HSSC Annual Report

Hidden Springs Sewer Company, LLC (HSSC)

- The Hidden Springs Town Association (HSTA) Town Council serves as the Board for the Sewer Company.
 - John Ahrens, President
 - Brad Shafer, Vice President
 - Stephanie Wright, Treasurer (April-December)
 - Garry Stanislaw, Recording Secretary
 - Ryan Luke, Director
 - Jeffrey Mousseau, Treasurer (January-April)
- HSTA Staff provides administrative, project management and operational support.

OMCS



- Operations Management Consulting Services (OMCS) provides full scale operation and consulting service for HSSC.
- Service partner for 25 years.
- The current agreement with OMCS runs with the IDEQ Permit (through 2030).



Mountain Waterworks



- Mountain Waterworks engineering firm provides planning, commissioning, design, construction, and operational optimization services for HSSC.
- Service partner for 5 years.
- Currently working on the Wastewater Treatment Facility Improvements and Upgrades, Sludge Removal Plan for Cell 3 and 2022 Annual Report.



Elam & Burke

- Hidden Springs Sewer Company retained Abigail R. Germaine Spring 2021 to provide legal counsel and guidance related to the Sewer Company's governing documents and agreements.
- Abbey is currently working with HSSC on easement and conveyance documents in regards to the Cartwright Ranch infrastructure.

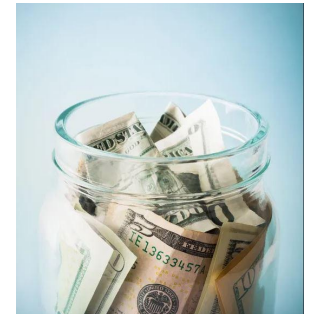


ELAM & BURKE
ATTORNEYS AT LAW

North Star Reserves (NSR)



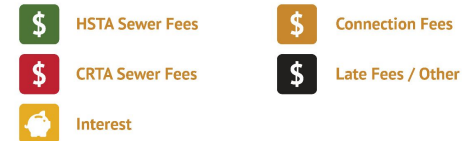
- In 2021, NSR conducted a Reserve Study for the Sewer Company and now provides ongoing support and financial review for long-term O&M planning.



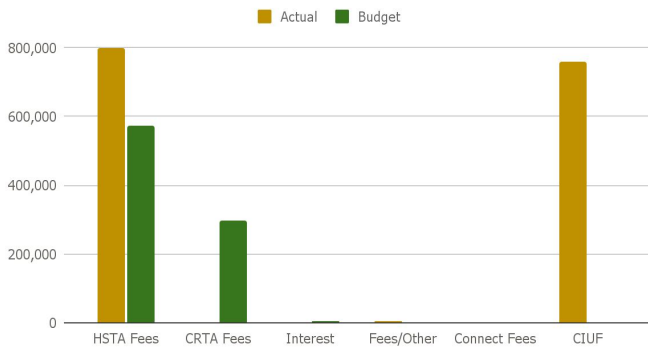
2022 HSSC Income

- \$1,566,067 - Actual + December Forecast
- 10% fee increase for 2022 from 2021
- Income from 65% HS, 35% CR sewer fees
- Delinquent sewer fee balances - HSTA \$9,715 and CRTA \$9,797
- Reserves
 - \$759,622 contribution to Capital Improvements (as of 11/30/22)
 - \$228,000 contribution to Reserves

Sewer Company Income Sources



HSSC Income: 2022 Actual /2022 Budget



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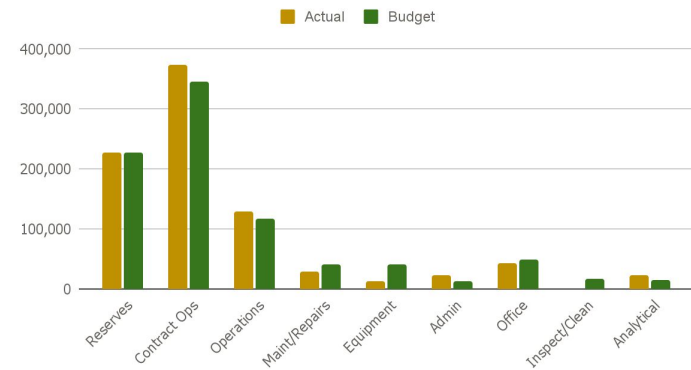
Income Detail (Jan-Nov Actuals/Dec Forecast)

ACCOUNTS	DESCRIPTION	ACTUAL	BUDGET
HSTA Sewer Fees	\$170 per lot per quarter. Lower than plan due to the change from cash based accounting to part-accrual May 2021 with income recognized when billed versus when it is received. Prior to the change, Q1 2022 payments made in December 2021 were recognized as 2021 income. AMI coded HSTA and CRTA sewer to same account in 2022.	\$799,585	\$572,772
CRTA Sewer Fees	CRTA Sewer Assessment is \$177 per lot per quarter. Assessment includes \$7 administrative fee for account administration and billing. AMI coded HSTA and CRTA sewer to same account in 2022.	\$375	\$296,111
Interest	FDIC Insured Investments. Interest income is from ID Trust CDs and Raymond James Investment Accounts.	\$1,014	\$4,323








Income Detail (Jan-Nov Actuals/Dec Forecast)

ACCOUNTS	DESCRIPTION	ACTUAL	BUDGET
Late Fees/Other	CRTA Member Late Fees.	\$5,471	\$600
CIUF	Capital Improvement and Upgrade Fee. \$1180 per sewer connection.	759,622	\$0
Connection Fees	HSTA Member Sewer Connection Fees. \$2,250 per connection per lot; All connection fees for CRTA homes are returned to Grossman Company per the agreement with the Developers of Hidden Springs 2007.	\$0	\$0
TOTAL		\$1,566,067	\$873,906




HSSC EXPENSE: 2022 Actual / 2022 Budget






Hidden Springs Sewer Company
Expenses Paid for by Sewer Dues

-  Contract Operations & Professional Services
-  Operations
-  Maintenance & Repairs
-  Equipment
-  Administration
-  Office
-  Inspection & Cleaning
-  Analytical
-  Reserves




Expense Detail (Jan-Nov Actuals/Dec Forecast)

	ACCOUNTS	DESCRIPTION	ACTUAL	BUDGET
	Reserves	Savings for future capital expenses.	\$228,000	\$228,000
	Contract Operations/ Professional Services	OMCS Service and Labor, Mountain Waterworks Engineering, Strata Engineering and Legal. Actual higher than plan due to increased hours to process additional sewage and legal fees associated with Cartwright Ranch sewer service and infrastructure conveyance.	\$373,310	\$346,487
	Operations	Utilities (Water, Power, Gas, Trash), Chemicals. Actual higher than plan due to increased costs to process and chemically treat more influent and higher than projected inflation for utility services and Chlorine.	\$130,028	\$118,181

Expense Detail (Jan-Nov Actuals/Dec Forecast)

	ACCOUNTS	DESCRIPTION	ACTUAL	BUDGET
	Maintenance & Repairs	Maintenance and repairs at the Wastewater Treatment Facility and Lift Stations. Actual lower than plan as repairs (under \$5K) were minimal.	\$29,133	\$42,000
	Equipment	Replacement and new equipment components for operation of the Wastewater Treatment Facility and Lift Stations in accordance with the DEQ Permit. Actual lower than plan as required repairs (under \$5K) were minimal.	\$12,785	\$42,000
	Admin	Office and AMI Billing for CRTA, Newsletters, Notices, and Insurance. Actual higher than plan with meeting notices, newsletters and more CRTA occupied homes than projected from prior year.	\$22,811	\$12,539

Expense Detail (Jan-Nov Actuals/Dec Forecast)

	ACCOUNTS	DESCRIPTION	ACTUAL	BUDGET
	Office	HSTA Oversight, Telephone, Internet, Alarm, Supplies. Actual lower than plan.	\$42,451	\$48,242
	Inspect & Clean	Sewer Line Inspection and Cleaning. Master Rooter was not able to perform the inspection due to issues with the vacator truck. Rescheduled for Spring 2023.	\$0	\$17,000
	Analytical	Lab Fees, Sample Transportation, Groundwater Sampling and Testing. More water processing = more testing.	\$22,593	\$15,246
	TOTAL		\$861,111	\$869,695

2022 Sewer Company Capital Projects

01 **Trash Enclosure** Dumpster for items and algae skimmed from lagoons \$6,800

02 **Influent Pump** Replaced pump in main lift station \$42,835

03 **Salt and Flow Meter** Meters for data collection for IDEQ reporting \$19,094

04 **IN PROGRESS** Architect, Ada County and Builder est. cost \$15,000 **Outbuilding for Meters**

Financial Update to the 2021 Reserve Study



Purpose of a Reserve Fund

- Needed to forecast the Sewer Company's ability to repair or replace major components in future years.
- The Study included an on-site inspection, life and valuation assessment with projections for fund status and a recommended funding plan. The inspection included items that have a remaining useful life of <30 years and typically a value >\$5,000.
- The "Cash Flow Method" was used to develop the reserve funding plan where the contributions to the reserve fund are designed to offset the variable annual expenditures.
- Reserves are funded by planned budget contributions and annual excess carryover.



HSSC Reserve Study Assessment

- Based on the 30 year cash flow projection in 2021, with a 3.5% inflation rate and planning for 70% threshold funding, the Sewer Company reserves were inadequate and increased contributions necessary to meet future expenditures for example, the Capital Improvement and Upgrades Project and Cell 3 sludge removal.
- The Town Manager and Council researched three options to fund the Capital Improvement and Upgrades Project and reserves, an IDEQ loan, a commercial loan and no loan.



HSSC Reserve Study Assessment

- The Town Manager and Council pursued the IDEQ Loan until notified that the project was non-fundable through the FY2023 State Revolving Fund and American Rescue Plan Act.
- Based on resident feedback and commercial loans with higher interest rates and shorter terms than the IDEQ loan, the Town Council moved forward with funding reserves with no loan and a Capital Improvement and Upgrade Fee charged per sewer connection.



	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
100% Funded	2,889,034	1,910,473	1,629,827	1,883,051	2,102,783	2,193,968	2,495,863	2,295,625	2,460,369	2,689,958
Percent Funded	69.23%	23.87%	2.03%	13.98%	21.62%	25.19%	34.29%	28.00%	33.80%	40.06%
Begin Balance	2,000,000	456,092	33,072	263,173	454,636	552,591	855,740	642,806	831,505	1,077,623
Contribution	228,000	296,400	296,400	296,400	340,860	340,860	340,860	391,989	391,989	391,989
Average Per Unit	265	345	345	345	396	396	396	456	456	456
Percent Change	0.00%	30.00%	0.00%	0.00%	15.00%	0.00%	0.00%	15.00%	0.00%	0.00%
Special Assessment	0	0	0	0	0	0	0	0	0	0
Interest	0	0	0	0	0	0	0	0	0	0
Less Tax on Interest	0	0	0	0	0	0	0	0	0	0
Net Interest	0	0	0	0	0	0	0	0	0	0
Less Expenditures	1,771,907	719,420	66,298	104,936	242,904	37,711	553,793	203,289	145,871	333,338
Less Deferred Expenditur	0	0	0	0	0	0	0	0	0	0
Ending Balance	456,092	33,072	263,173	454,636	552,591	855,740	642,806	831,505	1,077,623	1,136,273

Financial Update to the Reserve Study

- The recommended contribution to reserves for 2023 is \$228,000 with an increase to \$296,400 2024-2026.
- The Sewer Company is committed to conducting an annual financial update to the 2021 Reserve Study to make sure the Sewer Company continues to track according to the funding model.
- A Sewer Company Reserve Study Summary is available and can be requested from the Town Office.



Wastewater Facility Capital Improvements & Upgrades Project



Capital Improvement and Upgrades Fee

- Based on North Star Reserves financial review and forecasted reserve fund balance after final payments for the Capital Improvement and Upgrade Fee (CIUF) are received, an additional CIUF is not anticipated for 2023.
- If the costs to complete the Capital Improvement and Upgrade project and sludge removal in cell 3, exceed forecasted expenses, and additional CIUF may be charged in 2024.

	# Units	Paid In Full	Partial Payment	Not Paid
HSTA	854	680	163	16
CRTA	450	339	95	16
TOTALS	1304	1019	258	32

Capital Improvement and Upgrades Expenses

- 01** Engineering for Improvements and Upgrades Services to date \$49,028
- 02** Evoqua Sand Filter Deposit \$103,668 / \$391,200 + tax/shipping / 26-28 week lead time
- 03** 2 Aerzen Blowers Deposit \$23,790 / \$79,300 + tax/shipping / 14 week lead time

Sludge Removal



Sludge Removal

- Lagoon dredging is the process of mechanically removing sludge that has accumulated on the bottom of a wastewater lagoon.
- Dredging is a necessary requirement to meet IDEQ requirements for TSS (Total Suspended Solids) and BOD (Biochemical Oxygen Demand).
- Sludge is pumped from the lagoon to a holding tank and material is dewatered through a belt filter press.
- The “dry sludge” is hauled to the landfill and the water is pumped back into the lagoon.



2023 Sludge Removal Cell 3

- Sludge removal for Cell 3 is scheduled for Fall 2023.
- Sludge removal for Cell 3a TBD based on filter process changes and build-up.
- Sludge removal for Cells 1, 1a and 2 was done in 2019 and planned again for 2029.



2022 HSSC Expenses

- \$861,111 - Actual + December Forecast - Operating
- Capital Reserve Expenses - \$68,729 - Reserves
- Capital Improvements and Upgrades Project - \$176,486 - CIUF Reserves

	Income	\$1,566,067
	Annual O&M Expenses	(\$ 861,111)
	Capital Improve & Upgrade Expense	(\$ 176,486)
=====		
	Balance to Capital Improve & Upgrade Fund	\$ 528,470
	Note: this does not include CIUF payments made after 11/30/22)	

Sewer Assessments (aka Dues)

The Annual Sewer Assessments for 2023 are below. Refer to the HSSC Expense Detail for how income is applied to the daily operational expenses of the wastewater treatment facility, lift stations, repairs, improvements and reserve funding. CR \$7.50 more for accounting and billing expenses that HS pays with HOA assessment.

	2023	2022	2021
HS QTR SEWER	\$173.50	\$170	\$154
HS ANNUAL SEWER	\$694	\$680	\$616
CR QTR SEWER	\$181	\$177	\$161
CR ANNUAL SEWER	\$724	\$708	\$644

MANAGING A HEALTHY SEWER SYSTEM



Customers Play a Pivotal Role

- FOG (Fats, Oils & Grease) are three substances you should try to **ALWAYS** keep out of your drains.
- Review the list of items that are not flushable as they do not break down clogging pipes and pumps.
- Avoid salt or potassium chloride regenerative water softeners which increase the salinity of wastewater by discharging brine, a salty waste derivative, into the sewer. There are salt-free or tank exchange system options available.





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Director Reports



Director Report - John Ahrens, President

Director Report - Stephanie Wright, Treasurer

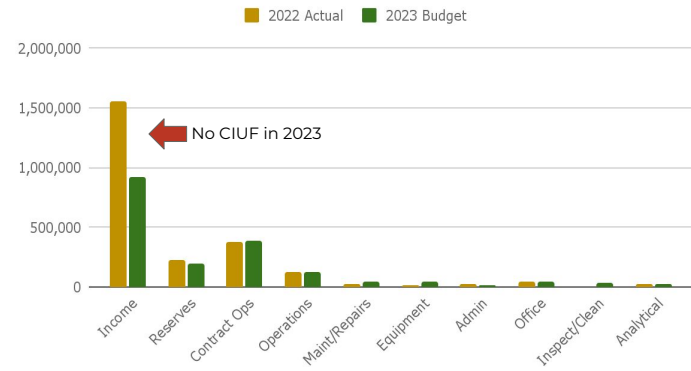
Stephanie Wright, Treasurer is not able to be in attendance until after 7:45pm this evening.

Questions regarding the 2023 HSSC Balance of Account information and Budget can be emailed to HSTA@hiddensprings.com and they will be forwarded to Stephanie for a response.

		Preliminary				
Asset Accounts	Description	Nov '22	Nov '21	YoY	Oct '22	MoM
Hidden Springs Sewer Company						
Operating	CIT 0772	\$ 51,014	\$ 288,877	-82%	\$ 167,900	-70%
Reserves	CIT Reserves 6989	1,563,935	-	-	1,518,451	3%
Investment	Raymond James (6250)	269,029	418,648	-36%	268,801	0%
Investment	1st Intersate (8944) CD Matures 02/10/23	12,642	10,000	26%	12,642	0%
Investment	Sallie Mae CD 12/31/2022 2.5000%	100,900	-	-	100,854	0%
Investment	Goldman Sachs CD 7/12/2023 0.4500%	48,660	-	-	48,648	0%
Investment	Mizrahi CD 7/12/2022 0.2500%	-	-	-	-	-
Total		\$ 2,046,181	\$ 717,525	185%	\$ 2,117,293	-3%

	YTD Nov '22	YTD Nov '21	YoY
Total Income	1,262,720	718,573	76%
Total Expenses	1,294,127	589,658	119%
Net Income (Loss)	\$ (31,408)	\$ 128,915	-124%
	MTD Nov '22	MTD Nov '21	MoM
Total Income	4,574	12,592	-64%
Total Expenses	137,743	53,353	158%
Net Income (Loss)	\$ (133,169)	\$ (40,761)	227%

2022 Actual / 2023 Budget



Any Questions?

In an effort to ensure we have the time to address everyone,
please keep comments and questions to 3 minutes.



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Hidden Springs Swim Club

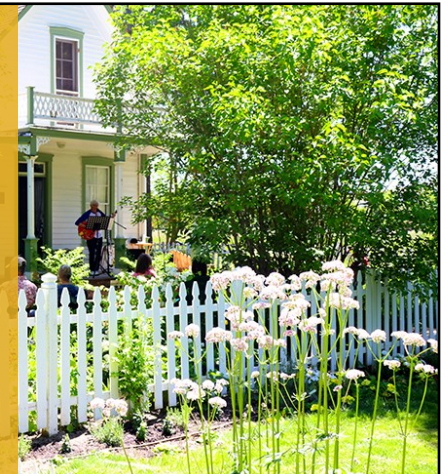
The Hidden Springs Swim Club is actively looking for Board members and coaches for the 2023 Swim Team.

If you are interested, please contact the Town Office and we will connect you with the current Swim Club Board.



Dry Creek Historical Society

2022 Year in Review



Looking Back at 2022...

Major Accomplishments:

- Closed out our 14th year hosting guests
- Consistently around 150 active members, with a high of 175 for a few months
- Garden volunteers did a great job on the Farmstead grounds
- Continued development of social media outreach and on-line merchandise
- BSD 3rd grade class tours – Over 500 visitors in Spring & Fall
- DCHS membership drive/packet drop on all front porches in Hidden Springs, Cartwright Ranch & Dry Creek Ranch
- Donations: Dry Creek School Clock, Butter Churn, Top Hat & Antique Books
- Creation of History Hike leader guides
- Original research for the Newsletter



Farmstead Updates:

- Exterior security system & motion lights installed around Farmhouse
- Sprinkler/Drip Line system installed
- BSU Construction Management Woodshed Restoration finished
- Schick Barn restoration continued lead by Frank Eld – interior work & working on educational displays
- Maintenance of Farmstead continued, street signs installed, goat pen work, porta potty electric

Hosted Events

- Seed Planting Workshop – NEW for 2022
- Garden Tea Party – NEW for 2022
- Old Time Farm Day
- Bake Sale at Hidden Springs Cruisin' Car Show & Concert
- Front Porch Concerts
- History Hike for Members
- Volunteer Appreciation Luncheon
- Private Tours
- Eagle Plein Art Festival – location October
- Santa and Mrs. Claus in Farmhouse



...and Forward to 2023

Major Accomplishments:

- Virtual Farmstead School Program – NEW for Spring 2023
- Potential BSU Interns – NEW for 2023
- Install plaques & markers on historical locations
- Increased advertising on events & Farmstead
- Capital Raising Event/Sponsors
- BSD 3rd grade school tours in Spring & Fall
- Classroom Visit Program: Stories of Life on the Farmstead in the Late 1800's with Mary Schick - NEW for 2023



Farmstead Updates:

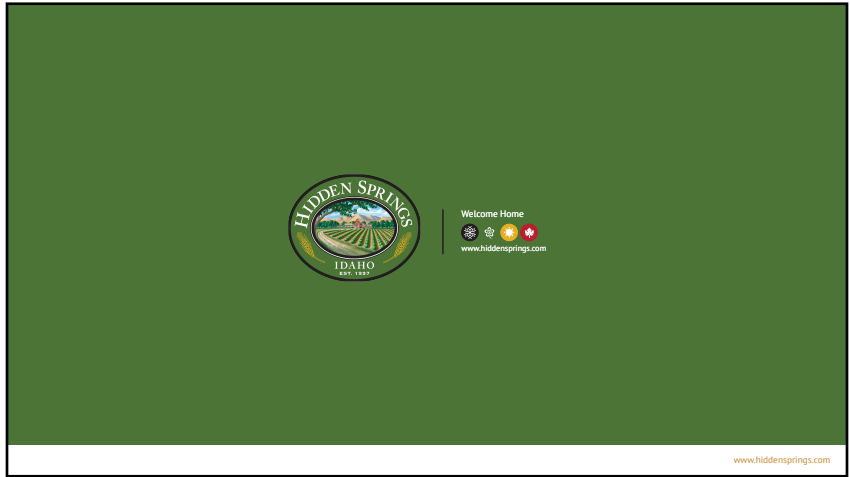
- Schick Barn Restoration & educational displays created
- Paint Farmhouse
- Sheep Farmstead Wagon restoration
- Continued Maintenance of Farmstead



Hosted Events

- Seed Planting Workshop
- Garden Tea Party Old Time Farm Day
- Bake Sale at Hidden Springs Cruisin' Car Show & Concert
- Front Porch Concerts
- History Hikes for Members
- Volunteer Appreciation Luncheon
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Director Reports

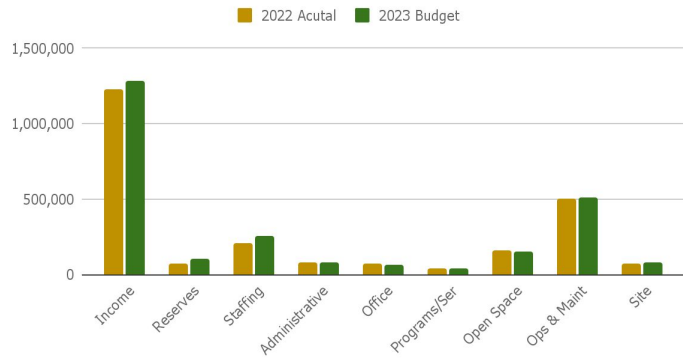


Director Report - John Ahrens, President

Director Report - Stephanie Wright, Treasurer

Preliminary						
Asset Accounts	Description	Nov '22	Nov '21	YoY	Oct '22	MoM
Hidden Springs Town Association						
Operating	CIT 0780	\$ 158,997	427,693	-63%	\$ 337,906	-53%
Reserves	CIT Reserves 6970	169,632	-	-	166,269	2%
Investment	Idaho Trust Money Market - (4019)	204,623	204,556	0%	204,623	0%
Investment	Raymond James (6207)	273,295	843,374	-68%	472,964	-42%
Investment	Goldman Sachs CD 7/12/2023 0.4500%	97,320	-	-	97,486	0%
Investment	State Bk India CD 8/30/2023 0.4000%	72,525	-	-	72,647	0%
Investment	First Republic Bk CD 10/6/2023 4.0000%	199,058	-	-	200,000	0%
Investment	United Bankers Bk CD 3/14/2024 4.1500%	198,788	-	-	-	-
Total		\$ 1,374,236.68	\$ 1,475,622.30	-7%	\$ 1,551,893.86	-11%
		YTD Nov '22	YTD Nov '21	YoY		
Total Income		1,101,497	1,213,400	-9%		
Total Expenses		1,107,539	1,128,416	-2%		
Net Income (Loss)		\$ (6,042)	\$ 84,984	-107%		
		MTD Nov '22	MTD Nov '21	MoM		
Total Income		47,460	35,253	35%		
Total Expenses		118,624	119,209	0%		
Net Income (Loss)		\$ (71,165)	\$ (83,956)	-15%		

2022 Acutal and 2023 Budget



Any Questions?

In an effort to ensure we have the time to address everyone, please keep comments and questions to 3 minutes.



Information pertaining to the Hidden Springs Town Association (HSTA) and Hidden Springs Sewer Company (HSSC) provided by the HSTA to its members is not to be considered public information and may not be copied or further disseminated in any manner, including online via any website or social media platform.

Questions regarding content may be directed to the Town Council (towncouncil@hiddensprings.com) or to the Town Manager (hsta@hiddensprings.com)

