



# **HSSC Capital Improvements & Upgrades**

## ***HIDDEN SPRINGS SEWER COMPANY Capital Improvements and Upgrades in 2022 and 2023***

*The Hidden Springs Town Council and Staff have worked hard to communicate the issues accurately and in a timely manner in light of ongoing discussions with Grossman Company, having a complete understanding of the necessary upgrades and associated costs, performance of due diligence, fiduciary responsibilities analysis of reserves and funding options available to the Sewer Company for necessary capital improvements and upgrades.*

*In addition to the presentation 4/6/22, the summary sent 4/26/22 and the Q&A hour 5/24/22, customers have requested a summary and more information to include, an explanation of the history of the Hidden Springs Sewer Company, Management and Operation, Wastewater Treatment Facility Specs in 1998 Through Today, What Has the Town Council Done on Behalf of Customers, Sludge Removal, Reuse Water and Funding for Capital Improvements and Upgrades, Sludge Removal and Reserves, the Capital Improvement and Upgrades Sewer Company Fee 2022 and 2023 and CC&R sections related to sewer fees for both Associations.*

### **HISTORY OF THE HIDDEN SPRINGS SEWER COMPANY**

- *The Hidden Springs Sewer Company LLC (HSSC) is a private wastewater treatment utility and a stand-alone business entity purchased by Hidden Springs Town Association (HSTA) from the Developer of Hidden Springs (DHS is the actual name of the company) in 2009. HSSC is managed as a non-profit and operated for the benefit of the communities it services, Hidden Springs and Cartwright Ranch.*
- *HSSC was established in October 1997 by the developers to provide wastewater collection, treatment, and wastewater reuse services for the Hidden Springs planned community located in unincorporated Ada County.*
- *Hidden Springs is miles from the Boise City's sewer lines and the topography made it extremely expensive for the developers to hook up to Boise's municipal sewer system in 1997 and would be even more expensive for the Sewer Company today. To manage this connection, would require multiple lift stations, miles of sewer trunk lines and other infrastructure just to reach Boise's sewer system. Also, Hidden Springs is not located in Boise's Area of Impact. Boise's municipal sewer system is essentially designed to serve just city residents. Boise City doesn't have an obligation to*

*provide sewer to properties that are not in city limits. In addition, Boise City just approved \$1.2 billion dollars in needed wastewater treatment infrastructure improvements, that will be paid for by the customers.*

- *The developer's vision for Hidden Springs was to create a rural community in the tradition of small towns throughout Idaho. The developer had a specific plan that addressed and planned for how services and utilities would be provided to the community. The plan to deal with sewage was for an aerated lagoon biological treatment system (Section 8-21A-9-20 of the Ada County Code). It was anticipated that residents of Hidden Springs (HSTA and CRTA) would be responsible for maintaining and operating their own sewer system that was professionally managed.*
- *Around 2005, the DHS determined that additional sewage storage capacity was needed for Hidden Springs at build out. Around that same time, Grossman Company needed sewer service for the yet to be developed Cartwright Ranch. Also, around this time the Agreement to Annex was signed. This is the agreement that DHS signed allowing Cartwright Ranch to be part of the planned community of Hidden Springs as established with Ada County.*
- *The decision to allow Cartwright Ranch to connect to HSSC was made between developers prior to the turnover of the HSTA to the residents in 2009. The developers agreed to and signed the Wastewater Treatment Facility Sharing Agreement in 2007 with DHS investing \$1.3M and Cartwright Ranch, LLC providing \$1.6 (to be paid back through connection fees) for the needed expansion at that time. The Agreement did not address future capital improvements or upgrades.*
- *In 2007, the HSSC facilities were expanded to accommodate the build out of Hidden Springs (approximately 850 units) plus an additional 620 units from the adjacent and to-be-developed Cartwright Ranch planned community ("Cartwright Ranch").*
- *HSTA purchased the Sewer Company in 2009 and with that assumed all Assumptions and Assigns (obligations to serve). The reasons the HSTA purchased the Sewer Company include:*
  - *Control over sewer fees vs. a private company having control versus a for profit company having a captured market*
  - *Long-term stability in ownership*
  - *Ability to assure high-quality service and minimize/eliminate disruptions to irrigation water.*
  - *Control over irrigation water supply and coordination with the already HSTA owned irrigation distribution system*
- *HSSC was issued Reuse Permit No. M-174-05 January 30, 2020. The permit will expire January 30, 2030. The renewal application process starts more than a year prior. IDEQ issued a 10-year permit instead of 5-year based on HSSC and OMC's 20-year history of operational standards, site and facility compliance.*

### **MANAGEMENT AND OPERATION OF HIDDEN SPRINGS SEWER COMPANY**

- *HSSC is a private wastewater treatment utility and a stand-alone business entity purchased by Hidden Springs Town Association from the Developer of Hidden Springs in 2009. HSSC is managed as a non-profit and operated for the benefit of the communities it services, Hidden Springs and Cartwright Ranch.*
- *HSTA and HSSC operate under separate budgets.*
- *The Hidden Springs Town Council (TC) serves as the Board for the Sewer Company with the HSTA staff providing administrative, project management and operational support.*
- *Operations Management Consulting Services (OMCS) provides full scale operation and consulting services for Hidden Springs Sewer Company holding class 4 treatment and application and collection licenses as required by IDEQ.*

- *Mountain Waterworks is the engineering firm the TC hired to complete and submit an Annual Report, Renewal Application for permit, facility plan, water process capacity expansion plan, pressurized irrigation expansion plans. All of these items are requirements of the IDEQ Permit.*
- *Customers only pay for the cost of annual operation, maintenance and contributions to reserves. There is no profit used for the benefit of one community over another.*
- *The system has a total capacity of 1520 connections, 900 for HS and 620 for CR. Currently there are 847 connections in HS and 454 in CR. CR current projected build out is 571.*
- *HSSC does not have the "storage or process capacity" to add any additional developments. The Town Council has no intention of adding any future developments or neighborhoods that would cost customers more. The only thing they would consider would be a complete upgrade of the facility to process and produce class A water (eliminating storage issues) at the total and complete cost of such a venture on a future developer. Three neighborhoods have already been turned away.*

### **WASTEWATER TREATMENT FACILITY SPECS IN 1998 THROUGH TODAY**

- *Original construction plans for the facility were done by WH Pacific in 1998*
  - *Three sand filters and two blowers*
    - *Total design filtration capacity 600gpm*
    - *Firm design filtration capacity 400gpm*
  - *Two treatment cells (total of 5.37 MG)*
  - *One storage cell (total of 19.6 MG)*
  - *Design flow rate = 145,000 gpd = 806 homes*
- *The engineering study conducted by Pharmer Engineering in 2006 noted that HSSC needed to size the lagoon treatment system for future conditions of 1525 homes and expanding the treatment system would also require an increase in filtered water capacity. The study proposed 2 options, a storage tank or a filter system expansion. The DHS elected to install a storage tank.*
- *In 2007, the influent flow rate was approximately 115,000 gallons per day, and the maximum rate allowed under the IDEQ permit is 274,500 gallons per day.*
- *Pharmer Engineering produced the plans for the facility upgrade in 2007*
  - *Three sand filters and two blowers*
    - *Total design filtration capacity 600gpm*
    - *Firm design filtration capacity 400gpm*
  - *New treatment cell (total treatment volume of 8.42 MG)*
  - *New storage cell (total storage volume of 45.1 MG)*
  - *New 700,000gallon storage reservoir*
    - *Max day irrigation supply = 864,000gpd (total)*
    - *Max day irrigation supply = 576,000gpd (firm)*
  - *New blower installed*
  - *Design flow rate = 274,500gpd = 1,525 homes*
- *Mountain Waterworks is producing the plans for the facility upgrades needed*
  - *Four sand filters and three blowers*
    - *Total design filtration capacity 800gpm*
    - *Firm design filtration capacity 600gpm*
  - *New blowers to maintain water quality compliance*
  - *Design flow rate = 274,500gpd = 1,525 homes*
- *Based on current averages, the required capital improvements and upgrades will allow the facility to continue to operate efficiently and meet permit compliance and address the facilities ability to*

filter and produce usable irrigation water in order to have enough storage capacity during the non-irrigation season.

- **The facility/system is not failing.** It is aging, processing more sewage, producing more reuse water and needs to continue to operate and meet permit requirements even when a piece of equipment is taken out of commission. For example, the blowers are 15 and 24 years old and no longer performing at peak capacity related to BOD limits in the treatment lagoons.
- **The design is not flawed.** It meets wastewater rules as they existed in 1998, at the time of construction and 2007, at the time of the upgrades and storage capacity expansion.
- **The regulatory environment has not changed nor has IDEQ levied a new requirement.** The redundancy requirement in the wastewater rules is the same as in 2007 and explicitly requires full treatment capacity with any one unit out of service. What's changed is the amount of sewage now being processed. The system was able to meet redundancy requirements with only Hidden Springs connections and initial phases of Cartwright Ranch. Note, as 6/20/22, HSSC has 1303 connections.
- **Doing nothing is not a viable option for HSSC.** A “do-nothing” approach will lead to permit violations for the facility as well as with land application of the irrigation water. Repeated excursions of incidents of noncompliance will result in fines. Fines start at \$31,000 and can be levied daily or monthly depending on the violation. If the issue(s) persist the IDEQ can require HSSC to cease and desist operation until the facility meets all requirements. And finally, if we are not able to produce high quality reuse water, particulate matter and chlorides will impact the viability of the reuse application sites.

#### **WHAT HAS THE HSSC AND THE TOWN COUNCIL DONE ON BEHALF OF THE CUSTOMERS?**

- In 2019, the Town Council hired Mountain Waterworks to conduct a study on the storage capacity to confirm the accuracy of previous storage capacity projections by other firms, Keller and Pharmer Engineering.
- A requirement of Reuse Permit N. M-174-05 was an updated Facility Plan to ensure the facility could remain compliant with customer demand from both Hidden Springs and Cartwright Ranch. In addition, the Sewer Company needed to demonstrate the ability to continue operation should any one of the sand filter bays be out of service at any time (Redundancy requirements). OMCS and Mountain Waterworks were tasked with determining how best to meet these requirements as well as save customers money vs. overbuilding and upgrading unnecessarily. This analysis was done during the 2021 irrigation season.
- HSTA and HSSC retained Nort Star Reserves in 2021 to conduct a reserve study for the Sewer Company.
- Based on the 30-year cash flow projection and planning for 70% threshold funding, HSSC reserves are inadequately funded and increased contributions and sewer fees are needed to meet future expenditures.
  - Based on this study, the Town Council adjusted the quarterly sewer fees in 2022 to address rising annual O&M costs and to adequately establish capital reserve funding for future reserves.
  - In addition, HSSC agreed to an Annual Reserve Study Review prior to budget preparation to make adjustments and to confirm HSSC is tracking according to the funding model.
  - And last, HSSC needed to implement a Sewer Company Capital Improvement and Upgrade Fee to immediately fund reserves for project needs in 2022 and 2023, the capital improvements and upgrades, sludge removal in Cell 3 and reserves, to achieve the 70% threshold funding.

- *HSSC retained Abigail Germaine spring 2021 to provide legal counsel and guidance related to the Sewer Company's governing documents and agreements.*
  - *The goal, to have documents and agreements in place for the protection of HSSC customers to include all necessary easements and conveyance documents, emergency sewer procedures, ability to collect and/or stop service for non-paying customers.*
- *As soon as the Town Council had an understanding of the true expansion requirements based on OMCS' and Mountain Waterworks analysis summer 2021, HSSC's legal counsel began discussions with Grossman regarding contributions to capital.*
- *The goal of these discussions was to begin negotiations of revised governing documents that accurately reflected the current operations of the wastewater treatment facilities and the shared responsibility of all HSSC customers, both CRTA and HSTA.*
- *Abigail Germaine has reviewed the pertinent agreements in detail, the Agreement to Annex, the Facility Sharing Agreement, and the Wastewater Treatment Agreement. Based on the content of the agreements, the advice to the HSSC was not to pursue litigation. Litigation can be extremely costly, ranging anywhere from \$75K-\$200K and take a minimum of 1-2 years.*
  - *HSSC customers would be required to pay the Sewer Company Capital Improvement/Upgrade Fee in 2022 and 2023 for the needed upgrades plus attorney fees with a less than favorable projected outcome.*
- *HSSC approached 5 law firms prior to retaining Abigail Germaine. 4 of the 5 declined for various reasons, including client conflict, case load not interested. Contract interpretation is not typically the type of case that a firm would take on a contingency basis.*

### **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 and BOD.*
- *HSSC has 5 Lagoons (aka Cells), 1, 1a, 2, 3 and 3a. In 2019, sludge was removed from cells 1, 1a and 2 at the cost of \$366K and pulled from reserves.*
- *Sludge removal for cell 3 is needed sooner than previously forecasted and planned for fall 2023. HSSC does not have enough in reserves to cover the cost of this required maintenance and maintain the 70% threshold funding. Future sludge removal funding is included in the reserve study funding model.*

### **REUSE WATER**

- *With the additional influent from Cartwright Ranch, HSTA must identify a minimum of 8 more acres to apply reuse water to during the irrigation season (April-October) to maintain appropriate capacity levels in the lagoons during the non-irrigation season (November-March).*
- *In other words, if more reuse water is not used April-October, HSSC will exceed storage capacity (November-March).*
- *HSTA is currently utilizing all available reuse water application areas to 100% of the irrigation water requirement (IWR) per IDEQ permit M-174-05.*
- *This year, HSTA is upsizing an irrigation line along Ranch Field (N Humphreys to Border Trail) which will give the Association 2 more acres of irrigated area. Also, this year, HSTA will also be extending the irrigation area along W Dry Creek Rd and W Poplar Creek Dr, 2.5 acres.*
- *There are a number of other areas identified in HS for the addition of irrigation infrastructure. These areas are close to existing connections to limit cost to the Association.*

- 6/14/21, HSTA contacted CRTA/Grossman offering reuse water for CR common spaces at no cost but asked that CRTA/Grossman pay for the required infrastructure, permitting and associated maintenance. CRTA/Grossman declined to accept the reuse water and connect to the reuse water unless HSTA paid for it.
- The Town Council was not in favor of using HSTA funds (reserves) to improve CRTA property. HSTA will be adding green spaces on HSTA owned property. These irrigation expansion costs are paid for by HSTA not HSSC sewer company, included in the Reserve Study and funded through reserves.

### **FUNDING FOR CAPITAL IMPROVEMENTS AND UPGRADES, SLUDGE REMOVAL AND RESERVES**

- The TC has worked hard to communicate the issues with both HSTA and CR customers, starting summer 2021 following completion of the reserve study through the meeting held 4/6/22, Q&A held 5/24/22 and identify fair and equitable options.
  - WWTF Capital Improvements and Upgrades - \$1.2M
  - Sludge Removal cell 3 - \$390K
  - Reserve Contribution - \$535K
- Three funding options were presented to the community at the meeting held 4/6/22. Please note that interest rates, terms and amounts were approximate based on information available at the date and time of the meeting.
  - Option 1 – IDEQ Loan 3% / 30 years
  - Option 2 – Commercial Loan 5.5% / 10 years
  - Option 3 – No Loan
- At the 4/6/22 meeting, the Town Council was asked to conduct a survey of some sort to find out what option was preferred by customers. A letter was sent to all Customers 4/26/22 with, 114 responses received with 25 for Option 1, 4 for Option 2 and 74 for Option 3 with the remaining not expressing an option preference.
- As noted in the letter, amounts were further refined based on the best available data, relative to those presented 4/6/22. Figures in the letter include administrative fees related to the expenses associated with a Sewer Company Capital Improvements and Upgrades Fee payment statement reminders as well as funds to repay the \$90,000 loan Hidden Springs Town Association made to Hidden Springs Sewer Company to cover operating expenses in 2019, following sludge removal in Cell 1, 1a and 2 at a cost of \$366,000 pulled from reserves.
- For the table depicted in the presentation on 4/6/22 and letter 4/27/22, the total number of homes used was 1285 in 2022, 1359 in 2023 and 1418 in 2024.
- 5/20/22, IDEQ notified HSSC that the IUP's and ARPA list are posted on the IDEQ website and Hidden Springs is not in a position to be offered funding this year.

### **CAPITAL IMPROVEMENT AND UPGRADES SEWER COMPANY FEE 2022 AND 2023**

- Based on the current capital improvement and upgrade project needs and to build reserves to a satisfactory level there will be two Sewer Company Capital Improvements and Upgrades Fees. One this year for the purchase of two blowers, sand filter and installation and one next year for sludge removal in Cell 3 and to build reserves to the recommended 70% funding threshold.
- The current estimated Sewer Company Capital Improvements and Upgrades Fee 2022 is:
  - The Hidden Springs Sewer Company Capital Improvements and Upgrades Fee 2022 is \$1180 for HSTA and CRTA (1418 connections).
  - A first installment or minimum payment of \$350 is due by 8/15/22 and delinquent if not received by 8/25/22. Late fees and interest will be applied if not received. These funds will

be used for equipment deposits, engineering and initial contractor payments. Customers may pay the entire amount of \$1180 by 8/15/22 or make payments, see next bullet.

- If you did not pay the entire amount of \$1180, the balance of \$830 is due by 12/15/22. Customers may make payments as their monthly budget allows however, the remaining balance of \$830 is due by 12/15/22. The balance will be considered delinquent if not received by 12/25/22. Late fees and interest will be applied if not received.
- Late and interest fees associated with the Company Capital Improvements and Upgrades Fee 2022 CANNOT be waived by HSTA staff. Customers experiencing financial hardship will be required to speak directly with the Town Council at a regularly scheduled Town Council Meeting.
- There will be a second Sewer Company Capital Improvements and Upgrades Fee due in 2023 for sludge removal in cell 3 and to build reserves. The reason the Sewer Improvements and Upgrades Fees are spread over two years is to make sure the second Capital Improvements and Upgrades Fee, at the amount projected, is accurate. The Town Council will be better able to project this amount following the Reserve Study Review (August 2022), completion of the Capital Improvements and Upgrades project (December 2022) and contractor bid for Sludge Removal (early 2023). The Current estimated Sewer Company Capital Improvements and Upgrades Fee amount for 2023 is \$400.
- Customers do not have the option to not pay. Just as it is true with other utilities, (water, trash, electricity), customers must pay for the utility services they receive. Unlike larger entities, like Boise or Suez, HSSC does not have the luxury of large reserves to front the costs of necessary improvements. The City of Boise just bonded (a loan, with interest) for \$1.2 Billion dollars (the first bond was \$570M and there will be two more in the following years) for wastewater improvements. This will appear as increases to monthly sewer rates paid by Boise Sewer customers. HSSC could have chosen to go the same route, by taking a commercial loan, not doing a Sewer Company Capital Improvements and Upgrades Fee, and just increasing customer's monthly bills. However, the response from customers was to save money and not pay interest. For more information on the process that Boise went through to fund the improvements, visit: <https://www.cityofboise.org/departments/finance-and-administration/city-clerk/city-elections/water-renewal-bond-information/>. HSTA has done everything possible to keep costs as low as possible while still maintaining wastewater treatment services.
- Per the CC&Rs in both communities, customers are obligated to pay all sewer fees (Refer to CC&R Reference Below). Should customers not pay the necessary Sewer Company Capital Improvements and Upgrades Fee and/or quarterly sewer fees charged for the services provided, HSSC will follow the Lien and Collection process outlined in HSTA and CRTA CC&Rs, and may elect to suspend sewer service.

## **HSTA CC&RS**

- **3.1.12 Lien and Collection of Sewer Company Fees and Charges.** In the event an Owner fails to pay the Sewer Company Fees and the Sewer Company certifies such unpaid amounts to the Town Association, The Town Association shall lien and collect such unpaid amounts as if such unpaid amounts were a delinquent Limited Assessment. All Sewer Company Fees collect by the Town Association shall be paid to the Sewer Company.
- **4.3 Sewer Company Fees.** The Waste Water Reclamation System will initially be owned, operated and maintained by the Sewer Company, and each Owner shall connect the Owner's Lot to the waste water Reclamation System, exclusive of any other sewer or sewage disposal system, except as otherwise allowed by the Town Council in writing. By acceptance of a deed to any Lot, each

Owner of such Lot thereby covenants and agrees to pay when due any and all of the Sewer Company Fees. In the event an Owner fails to pay the Sewer Company fees when due, the Sewer Company shall certify the unpaid Sewer Company Fees to the Town Association and the Town Association shall collect the unpaid Sewer Company Fees pursuant to the provisions of the Article 4 as if the unpaid Sewer Company Fees were a Limited Assessment. Provided, however, that the Town Association shall have no further authority under this Section or the Master Declaration to collect an Owner's delinquent payment of the Sewer Company Fees if the Waste Water Reclamation System is conveyed, assigned or otherwise transferred to a public agency or quasi-public entity validly formed under the laws of the state of Idaho or a service provider regulated by the Idaho Public Utilities Commission or a similar local, state or federal regulatory authority.

- **6.15 Sewage Disposal Systems.** No individual sewage disposal system shall be used on the Hidden Springs Property except as approved by the Town Design Review Board. Each Owner shall connect the appropriate facilities on such Owner's Lot to the Waste Water Reclamation System owned and operated by the Sewer Company or other sewer system designated by Town Founder and shall pay all Sewer Company Fees associated therewith.
- **6.16 Sewer System Restrictions.** Each Owner shall comply with the Association Rules regarding the Waste Water Reclamation System. The cost of any and all damage to the waste Water Reclamation System caused by an Owner or an Owner's licensees", invitees' and guests' actions or omissions shall be the sole responsibility of said Owner.
- **9.12 Waste Water Reclamation System.** Consistent with Hidden Springs' commitment to the environment, Hidden Springs includes a Waste Water Reclamation System which will collect, process, treat and store waste water for use subsequent irrigation of Common Area, Restricted Area, Maintenance Property and/or Agriculture and Agricultural Uses. The Sewer Company will initially own, operate and maintain the Waste Water Reclamation System. The Sewer Company can sell the Waste Water Reclamation System to any Person, in its sole discretion. All Owners will be required to connect to the Waste Water Reclamation System, exclusive of any other sewer or sewage disposal system, unless otherwise approved by the Town Council. All Owners hereby acknowledge and agree to pay any and all Sewer Company Fees. Each Owner acknowledges the if the Sewer Company fails to perform its obligation to maintain, improve, operate, repair or replace the Waste Water Reclamation System, the Town Association will be responsible to undertake and perform the Sewer Company's obligations, including, without limitation, the reimbursement of the Ada County Highway District for performance of the Sewer Company's obligations with respect to public roads.
- **10.82 "Sewer Company Fees"** shall mean the Sewer Company's fees and charges including, without limitation, fees and charges for operation, maintenance and capital improvement upgrade of the Waste Water Reclamation System and service, hook-up and connection fees to an individual Owner's Lot. Sewer Company Fees shall include interest, at a reasonable rate set by the Sewer Company, for past due amounts and late penalty charges. Sewer Company Fees shall be a charge to, and payable by, each Owner of a Lot.

### **CARTWRIGHT RANCH CC&RS**

- **3.1.10 Lien and Collection of Sewer Company Fees and Charges.** In the event an Owner fails to pay the Sewer Company Fees and the Sewer Company certifies such unpaid amounts to the Town Association, the Town Association shall lien and collect such unpaid amounts as if such unpaid amounts were a delinquent Limited Assessment. All Sewer Company Fees collected by the Town Association shall be paid to the Sewer Company.



- **4.3 Sewer Company Fees.** *Each Owner shall connect the Owner's Lot to the Waste Water Reclamation System owned and operated by the Sewer Company, exclusive of any other sewer or sewage disposal system, except as otherwise allowed by the Town Council in writing. By acceptance of a deed to any Lot, each Owner of such Lot thereby covenants and agrees to pay when due any and all of the Sewer Company Fees. In the event an Owner fails to pay the Sewer Company Fees when due, the Sewer Company shall certify the unpaid Sewer Company Fees to the Town Association and the Town Association shall collect the unpaid sewer Company Fees pursuant to the provisions of the Article 4 as if the unpaid Sewer Company Fees were a Limited Assessment.*
- **6.3 Water Softeners.** *Due to converse with the impact on landscaping, salt-based water softeners are prohibited. Salt f-free water softeners are permitted.*
- **6.18 Sewage Disposal Systems.** *No individual sewage disposal system shall be used on the Cartwright Ranch Property except as approved by the Town Design Review Board and in accordance with law. Each Owner shall connect the appropriate facilities on such Owner's Lot to the Waste Water Reclamation System owned and operated by the Sewer Company or other sewer system designated by Town Founder and shall pay all Sewer Company Fees associated therewith.*
- **6.19 Sewer System Restrictions.** *Each Owner shall comply with the Sewer Company's Rules and any Association Rules adopted by the Town Association regarding the Waste Water Reclamation System. The cost of any and all damage to the waste Water Reclamation System caused by an Owner or an Owner's licensees", invitees' and guests' actions or omissions shall be the sole responsibility of said Owner.*
- **10.70 "Sewer Company"** *shall mean the Hidden Springs Sewer Company, LLC, its successors and assigns, which owns and operates the Waste water Reclamation System and provides waste water services to Cartwright Ranch the he adjacent Hidden Springs Community.*
- **10.71 "Sewer Company Fees"** *shall mean the Sewer Company's fees and charges including, without limitation, fees and charges for operation, maintenance and capital improvement upgrade of the Waste Water Reclamation System and service, hook-up and connection fees to an individual Owner's Lot. Sewer Company Fees shall include interest, at a reasonable rate set by the Sewer Company, for past due amounts and late penalty charges. Seer Company Fees shall be a charge to, and payable by, each Owner of a Lot.*