



Hidden Springs Sewer Company Meeting Minutes July 25, 2023

A meeting of the Hidden Springs Sewer Company was held in the Community Clubhouse and via Zoom on May 23, 2023, at 7:00pm. The following Town Council members were in attendance.

Stephanie Wright
Dixie Milliken
Bradley Shafer
Garry Stanislaw

Also in attendance was the Town Manager, Lisa Ahrens.
The meeting was called to order at 7:03pm.

There were no Cartwright Ranch residents in attendance.
Hidden Springs residents in attendance:

- In-Person – Jennifer Stanislaw, Sharon Cauchi, Jean Smith, Susan Elcox, Cornelia & David Shotwell, Don & Cynthia Murray, Dan Brier, Richard Keplinger
- Via Zoom – John Ahrens, Bill Beattie

Approval of Meeting Minutes from the previous meeting HSSC 6/20/23

Stephanie W. made a motion to approve the HSSC Meeting Minutes from 6/20/23. Brad S. seconded the motion. All TC members present unanimously voted to approve the minutes. Motion passed.

Votes Conducted by E-mail

- 6/26/23 - Town Council unanimously approved proceeding with the purchase of a Gorman Rupp Pump for Cell 3. The current pump was purchased in 2017 and now needs to be rebuilt. The new one will be installed and the older pump will become a back-up.

HSSC Financial Update and Treasurer's Report

- **Treasurer's Report**
 - The YTD 2023 financials have been received and reviewed through June.
 - The operating account balance for HSSC has been thoroughly reviewed.
 - We have increased HSSC reserves \$3k per month for the remainder of the year. Reserves will then increase from \$19k per month to \$25k per month, in 2024, based on the Reserve study.
 - **Recommendation:**
 - Separate the Sewer & HOA invoices because residents still think our HOA dues are \$502.
 - HOA \$328.50 (109.50/month). Annually \$1,314.
 - Sewer Utilities \$173.50 (57.8/month). Annually \$694.

- We have sent a request to AMI to have one invoice, split in half between the two companies. They indicated that this is not an available feature, however we can have two separate invoices printed for each entity.
 - We have asked for a cost analysis for this option.
- **Operating/Reserves/Investment Account Monthly Balances – HSSC**

Asset Accounts	Description	June '23	May '23	June '22	May '22	YoY June	MoM 2023	MoM 2022
Hidden Springs Sewer Company								
Operating	CIT Checking 0772	181,548	219,025	207,503	200,847	-13%	-17%	3%
Reserves	CIT Reserve 6989	1,327,569	1,309,770	0	0	-	1%	-
Investment	Raymond James 6250	129,204	122,758	218,248	216,960	-41%	5%	1%
Investment	CD's *see balance sheet	310,273	310,273	212,599	213,215	46%	0%	0%
		\$ 1,948,595	\$ 1,961,827	\$ 638,350	\$ 631,021	205%	-1%	1%

• **Income vs. Expenses June 2023**

- The Sewer Company's Income for June 2023 was \$85.22. \$57,839 less than budgeted for the month. Note this is due to the change to modified accrual accounting change relative to the budget (timing of payments). January 1 through June 30, Actual Income is \$11,409 higher than budget.
- The Sewer Company's Operational Expenses for June 2023 totaled \$90,000. \$14,102 less than budget. Areas over budget by \$500:
 - **Contract Operations** – Increased hours due to turbidity and odor issues
 - **Repair & Maintenance** – Over due to additional maintenance to mitigate odor
 - **Electricity/Gas/Trash** – Over increased operation and utility costs
 - **Chemicals** – Over due to timing of purchase to budget plan
- January 1 through June 30, Net Income is \$11,885 lower than budget. Note this is due to the change to modified accrual accounting relative to the budget (timing of payments)
- HSSC CRTA Delinquent Accounts as of 7/19/23 total \$20,057 compared to last month's \$11,513 and compared to \$12,704 for the same time period last year. 5 accounts totaling \$8,418 are with Sentry Management for collection. By account, 61 were delinquent in July 2022 compared to 74 in July 2023.
- \$42,109 saved year to date with Hidden Springs Town Association staff managing and facilitating vendor payments.

WWTF Capital Improvements and Upgrade Projects

- 6/14/23 – Installation of new blowers complete and operational.
- Shipment notification for the Evoqua sand filter anticipated. Upon delivery the filter will be put into position in the facility with connection and start up in late October at the end of the irrigation season.
- Status of Sewer Capital Improvements and Upgrades Fee Payments as of the end of day 7/19/23:

	# Units	Paid in Full	Min or Partial Payment	Not Paid
HSTA	854	845	4	5
CRTA*	457	447	8	2
TOTALS	1311	1292	12	7

*114 more CRTA Lots to be billed as they come online

- Construction update meeting scheduled for 7/27/23 with Irminger, Mountain Waterworks, OMCS and HS Sewer Company.
- A Comparison of WWTF Capital Improvements and Upgrade Projects was prepared to compare expenses to reserves.

- Current projections show Hidden Springs Sewer Company will finish the year with \$614,203 in reserves provided everything stays on track and we do not have any major change orders or equipment expenses in the next 5 months. This is \$369,384 less than the Reserve Study recommendation.
- Originally, the Capital Improvement and Upgrades Assessment was forecasted as \$1,180 plus a second assessment in 2023 estimated to be \$400.
- The Association has a couple of options to make up the difference, either through a 2024 assessment increase spread over 1311 connections or another Capital Improvement and Upgrades Fee spread over 1425 connections.

Option 1 - Assessment

- To make this difference up in “assessments,” each homeowner (854 HS + 457 CWR = 1311) would need to be charged an additional \$71 a quarter in 2024. This would be in addition to the regular sewer assessments for 2024 as determined necessary for annual operation through the budget process.
- In the 2022 Reserve Study Financial Update, a 15% increase to the reserve contribution is recommended for 2025.
 - **2024 Sewer Assessment** – \$248.00 a quarter vs. \$173.50 / CWR rate would be \$252 a quarter vs. \$181 (based on reserve requirements / any increase for annual operational expenses would be in addition)
 - **2025 Sewer Assessment** - \$200.00 a quarter / CWR rate would be \$208 a quarter (The additional contribution to reserves drops off / 15% increase to reserves added / any increase for annual operational expenses would be in addition)
- As this option takes 12months to build reserves, recommend holding the \$179K in a Money Market account (4.9%) at Raymond James and reviewing reinvestment options in July 2024.

Option 2 - Capital Improvement and Upgrade Project Fee #2

- To make this difference up in a “Capital Improvement and Upgrade Projects Fee,” each current and future connection (854 HS + 571 CWR = 1425) would need to be charged \$262.
- As this option builds reserves January 2024, the \$179K at Raymond James could be reinvested for 24-month higher earning CD (5.3%) or held in the Money Market account (4.9%) for liquidity in case of emergency.

OPTIONS	PROS	CONS
Assessments	\$71 a quarter for 4 quarters	\$22 more than CIUF Assessment Spread over current connections vs total connections
CIUF Assessment #2	\$22 less than Assessment option Spread over all connections	\$262 due as a one-time payment

- **RECCOMENDATION:** Assess a CIUF Assessment of \$262 due January 1, 2024, which is spread across ALL connections vs. just current connections shouldering the entire expense; allows the Sewer Company to stay on track as projected by North Star Reserves; continue building a healthier Capital Reserve balance given the critical nature of the service. Spring 2022 most residents preferred one-time payment vs multiple. Residents were notified with the original CIUF notification (July 2022) that there would be a second amount due estimated at \$400. While not ideal news it is less than originally

forecasted. If funds are needed in 2023, HSSC could borrow again from HSTA. Reminder, HSSC still owes HSTA \$90K.

- **ACTION** – Town Council will discuss and vote at the August meeting.

Cartwright Ranch Sewer Line Infrastructure

Cartwright Ranch Sewer Line Repairs

- 7/17/23 – Notified that Integrity would be on site this week to make repairs.
 - Repairs:
 - Check for signs of infiltration. Possible repair at collar needed: File NR1-3 11th Way 416-415.
 - The two identified unseated joints are to be repaired with slip lining: File NR1 11th Ave 16-17 and File NR2 Hidden Springs Dr 2A51-2A5
 - Dip at 165' at Hidden Springs Dr 3A52-2A51 to be repaired with slip lining at each end, point of connection, to create a solid run of pipe.

HSSC Legal Review / Sharing Agreement / Conveyance / Easement of Cartwright Ranch Sewer Lines

- 5/21/23 – Members of the Town Council, Jay Irby and Abbey Germaine, Legal Counsel, met and discussed next steps. All were in agreement that with the repairs noted below, the Hidden Springs Sewer company could continue with discussions to finalize the Amended Wastewater Sharing Agreement, Conveyance, Operation and Maintenance Agreement and Utility Easement Agreement to support Hidden Springs Sewer Company taking ownership of Cartwright Ranch Town Association's
- 5/22/23 – Grossman Company was asked to complete the repairs so that discussions could be finalized with regard to the agreements noted above.
- 5/31/23 – At the request of Cartwright Ranch Counsel Candidates, Bert Rivera, Chris Porter and Mac McDevitt met to answer Hidden Springs Sewer questions. Abbey Germaine, Legal Counsel and Garry Stanislaw were also in attendance.
- 6/13/23 – IDEQ contacted HSSC to inquire on status.
- 6/15/23 – Grossman Company notified HSSC that repairs were still to be scheduled.
- 6/17/23 – IDEQ redirected to Grossman.
- Once Hidden Springs Sewer Company receives confirmation of repairs, the Hidden Springs Sewer company will continue with discussions to finalize the Amended Wastewater Sharing Agreement, Conveyance, Operation and Maintenance Agreement and Utility Easement Agreement to support Hidden Springs Sewer Company taking ownership of Cartwright Ranch Town Association's

MANAGER'S REPORT

WWTF Update

- **Annual Report** – The report has been turned into IDEQ for review and a response is still pending.
- **Blowers** – The new blowers are operational.
- **Flow and Salt Meter** – Still awaiting on building approval to put in the flow and salt meter for monitoring the influent flow from Cartwright Ranch connections. All of the equipment is on-site and ready to be installed once approval is received.
- **Irrigation Water Meetings** – Water meetings are held every Thursday at 11:30am in order to manage re-use water land application across all IMUs.
- **Lagoon Storage** – Storage levels are increasing as we continue to land apply more water in all areas positioning us well for Sludge Removal this fall.

- **Phase 8 Lift Station Equipment** – The new pump from Integrity Pump Solutions has been received and OMCS / Riverside will be swapping the smaller emergency pump out for the new one in the next couple of weeks.
- **Pump for Cell 3** – A replacement Gorman Rupp Pump has been ordered for Cell 3.
- **Rapid Mixer for Chemfloc** - A mechanical seal on the rapid mixer for chemfloc addition broke during the 2022 irrigation season. OMCS is trying to figure out a good path forward as the mechanical seal is pricey. Chemfloc is used to coagulate particulate in the water that can cause turbidity issues.
- **TSS and BOD** – OMCS notified IDEQ on 7/19/23 that the BOD and TSS average for the Cell 2 Effluent at the Hidden Springs Water Reclamation Facility was above the permitted value of 45 mg/L for the month of June as specified in section 4.5 Other Permit Limits and Conditions.
 - The current reported average for the month for BOD in June is 244 mg/L.
 - The current reported average for the month for TSS in June is 83.4 mg/L.

This excursion was caused by oxygen deficiencies throughout the system. With the installment of the new process blowers, OMCS is seeing improvement in all of the reported issues. All of the turbidity, BOD, TSS numbers for July are in compliance and improving. The July numbers for turbidity are ranging in the low 2's, The BOD for July is 36 mg/L, and the TSS for July is 43 mg/L. All of these numbers are in compliance with the reuse permit conditions, and the extra air being supplied by the new blowers is helping with the system processes as expected.

HSSC Outbuilding for Flow and Salt Meter

- 6/20/23 – Notified by Ada County Development Services that they received the application and the Director has 60 days from the date of the submission to respond with approval or conditions of approval that are deemed necessary to protect the public health, safety, and welfare and prevent undue adverse impacts on surrounding properties.

Phase 6 and 8 Sewer Line Cleaning

- Master Rooter Plumbing has finished cleaning the sanitary sewer mainlines located under the streets in Hidden Springs Phase 6 and 8.
- A repair needed in Phase 6 for INI (inflow and infiltration), Integrity made this repair 7/has been contacted to repair with proposed cost estimated at \$1,700.

HSSC CONNECTIONS

YEAR	HIDDEN SPRINGS CONNECTIONS	CARTWRIGHT RANCH CONNECTIONS	TOTAL CONNECTIONS
2023	854	457	1311
2022	854	452	1306
2021	849	445	1294
2020	848	360	1208
2019	845	224	1069
2018	843	135	978
2017	841	57	898
2016	841	14	855

- 447 homes occupied and contributing to HSSC daily influent (count as of 7/19/2023)
- 571 CRTA Build Out /114 more connections

Per the sharing agreement, HSTA has 900 allowed connections and CRTA has 620 for a total of 1520 connections to the system

Unfinished Business / New Business

None

Questions and Answers

Q: Why is the proposed assessment less than the proposed assessment in 2023?

A: We didn't have as many equipment expenses in 2021 than we thought which allowed us to move more money into reserves. We have also had more income from late fees. And finally, at this point OMCS is foregoing the building addition to the waste water treatment facility, at this time, that allows for work space around the new equipment, including administrative space for charting and recording. They don't want the community to assume that expense right now and that saved the community \$90k.

Q: Regarding the options for paying the additional assessment. What happens if we choose the option that spreads it out over all connections but those additional homes aren't built?

A: It may take us a couple of years for those connections to be made, but we will see the money at some point. There is no risk that cost will be passed onto current residents.

Q: Was HSTA paid \$1million for sewer by the Cartwright Ranch developer?

A: In 2007, the Hidden Springs developer needed to expand the waste water facility in order to accommodate the Hidden Springs connections. The Cartwright Ranch developer approached the Hidden Springs developer and invested \$1.6million in the waste water facility in order to increase storage capacity. When Cartwright Ranch started building, they did not pay anything additional.

Q: Are Hidden Springs home owners paying more because of all the problems we have had with the sewer due to adding Cartwright Ranch connections?

A: We all pay equally for the sewer. The Hidden Springs developer invested \$1.3million and the Cartwright Ranch developer invested \$1.6million. Cartwright Ranch home owners are paying for the expansion along with Hidden Springs home owners. It is all equal.

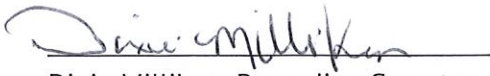
Q: Do we anticipate going forward beyond 2023 that we will be at a "status quo" or do we expect there to be more assessments?

A: The way we have structured the reserves, once we get through this expansion, unless there are unforeseen requirement changes from DEQ or some other regulatory change, we should be in good shape. This is what the reserves are meant for so we won't have another large assessment.

Adjournment

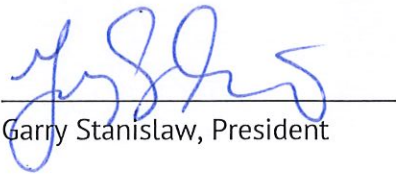
The meeting was adjourned by Garry S. at 7:45 p.m.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Dixie Milliken", written over a horizontal line.

Dixie Milliken, Recording Secretary

Approved,

A handwritten signature in blue ink, appearing to read "Garry Stanislaw", written over a horizontal line.

Garry Stanislaw, President