



Hidden Springs Sewer Company Meeting Minutes October 17, 2023

A meeting of the Hidden Springs Sewer Company was held in the Community Clubhouse and via Zoom on October 17, 2023, at 7:00p.m. The following Town Council members were in attendance.

Ryan Luke
Bradley Shafer
Garry Stanislaw
Stephanie Wright

Also in attendance was Jay Irby and Ty Waterman from OMCS and the Town Manager, Lisa Ahrens. The meeting was called to order at 7:00p.m.

Hidden Springs residents in attendance:

- In-Person – Travis Knutson, Jean Smith, Susan Elcox, Dan Brier, Brian Stuhr, John Ahrens, Sharon Cauchi, Jennifer Stanislaw, Bill Beattie, Kahle Becker, Eric Schulman
- Via Zoom – Juliann Overlie

Chris Porter, Cartwright Ranch Town Association, President was also in attendance.

Approval of Meeting Minutes from the previous meeting HSSC 9/19/23

Ryan Luke made a motion to approve the HSSC Meeting Minutes from 9/19/23. Brad Shafer. seconded the motion. The Town Council members present, unanimously voted to approve the minutes. Motion passed.

Votes Conducted by E-mail

9/27/23 – The Town Council unanimously approved a WWTF PROJECT change order. Irminger Construction submitted Change Order 2 in the amount of \$5051.43. This change is for the pipe coupling switch to accommodate the new filter connections. The original ones that Evoqua sent were too rigid and did not fit over the coated pipes. Evoqua has prepared a pricing credit memo that is being processed that should cover the cost from Irminger for this change. Mountain Waterworks does not anticipate the Sewer Company will see any additional cost with this change order. We will get a refund from Evoqua that will cover the cost/change order expense from Irminger. There was no further discussion, Town Council unanimously agreed the vote be recorded in the Meeting Minutes.

WWTF Update / Jay Irby & Ty Waterman

Jay Irby and Ty Waterman shared a WWTF Update

- **Annual Report** – The report has been turned into IDEQ for review and a response is still pending due to a back log at IDEQ.
- **Blowers** – New blowers functioning well. Regular maintenance of blowers is scheduled with Pneumo Tech per the blower warranty requirements.
- **Flow and Salt Meter** – The outbuilding is complete. Meters will be installed this fall/winter after WWTF construction projects are complete, an exact date is pending.
- **Irrigation Water / Lagoon Storage** – Land application across all Irrigation Management Units (IMUs) went well this season and we plan to finish the irrigation season 10/30/23. We should finish the

season with less than 5MG of influent in the storage lagoons. Per Jay and Ty, ahead and in a good position heading into the winter storage months.

- **Phase 8 Lift Station Equipment** – The new pump will be placed this winter after WWTF construction projects are complete.
- **Pump for Cell 3** – A replacement Gorman Rupp Pump will be installed spring 2024 when the lagoon is full. The lagoon needs to be full to allow crane and boat access to install.
- **Recirc Pump** – Pump started to leak; identified it needed a new mechanical seal which will be installed during the non-irrigation season, after WWTF construction projects are complete.
- **Seepage Testing** – Required after sludge removal and to be scheduled with Strata for spring 2024.
- **Sludge Removal** – Equipment arrived and was set up 9/28-10/5. Crews started the dewatering process 10/6 and trucks began hauling sludge Trucks have started to remove sludge 10/11. Per Jay and Ty, projected to come in under budget, total number not known but removal is going quicker than anticipated with less sludge than projected.
- **Under Drain Pump for Cell 3** - During inspection of the new Cell 3 under drain pump, OMCS noticed that it stopped working. It was determined that the wrong pump was sent by the supplier and it will be replaced at no additional cost to HSSC.

HSSC Financial Update and Treasurer's Report

Treasurer's Report

- See attached report.

Income vs. Expenses August 2023

- The Sewer Company's Income for September 2023 totaled \$101.27. \$57,823 less than budgeted for the month. YTD, Actual Income is \$13,170 higher than budget. Note: this is due to the change to modified accrual accounting relative to the budget preparation. Budget was prepared on actuals and last year's actuals (for Sept) were not modified accrual accounting.
- Operational Expenses for September 2023 totaled \$48,254 and \$6,828 less than budgeted.
- Net Income, YTD, is \$9,767 less than budgeted revenue. This is likely due to a timing of expenses relative to income due to the change to modified accrual accounting issue given expenses YTD are \$6,828 less than budgeted.
- HSSC CRTA Delinquent Accounts as of 10/15/23 total \$23,697 (74 accounts), compared to last month's \$12,793 (47 accounts) and \$13,469 (72 accounts) 10/18/2022.
- 5 CRTA accounts totaling \$8,432 are with Sentry Management for collection.
- \$63,990 saved year to date with Hidden Springs Town Association staff managing and facilitating vendor payments for Hidden Springs Sewer Company instead of OMCS. YTD this equates to a savings of \$49 per connection per year.

WWTF Capital Improvements and Upgrade Projects

As noted, the Town Council unanimously approved a WWTF PROJECT change order 9/27/23. Irminger Construction submitted Change Order 2 in the amount of \$5,051.43. This change is for the pipe coupling switch to accommodate the new filter connections. The original ones that Evoqua sent were too rigid and did not fit over the coated pipes. Evoqua has prepared a pricing credit memo that is being processed that should cover the cost from Irminger for this change. Mountain Waterworks does not anticipate the Sewer Company will see any additional cost with this change order. The Sewer Company will get a refund from Evoqua that will cover the cost/change order expense from Irminger.

Status of Sewer Capital Improvements and Upgrades Fee Payments as of the end of day 10/12/23:

	# Units	Paid in Full	Min or Partial Payment	Not Paid
HSTA	854	850	0	4
CRTA*	479	452	6	21**
TOTALS	1333	1302	6	25

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

** Regular Sewer and Capital Improvement Fees are assessed 120 days / or occupancy whichever occurs first

Current projections show Hidden Springs Sewer Company is now projected to finish the year with \$628,984 in reserves provided everything stays on track and we do not have any major change orders or equipment expenses in the next 3 months. This is \$354,603 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. Following the North Star Reserve Financial Review and completion of the Cell 3 Sludge Removal project in the next couple of weeks, a recommendation will be made regarding the second Capital Improvement and Upgrades Fee installment.

Cartwright Ranch Sewer Line Repairs / Cartwright Ranch Sewer Line Infrastructure

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

The Town Council requested Abbey Germain continue discussions with CRTA Developer to finalize the Utility Easement Agreement (“Easement Agreement”) and include language to address adding future sections not yet conveyed, the Conveyance, Operation, and Maintenance Agreement (“Maintenance Agreement”) and include language to address future sections to be conveyed at a later date and that cleaning, inspection and any repairs must be done prior to Hidden Springs Sewer Company accepting conveyance and an Amended Wastewater Treatment Facility Sharing Agreement (“Amended Agreement”). In addition, the Sewer Company proposes that Cartwright Ranch Town Association be responsible for payment of Cartwright Ranch Sewer accounts with delinquent balances over \$600 (in keeping with the HS threshold). The Hidden Springs Town Association/Sewer Company should not have to carry this debit/loss. The Sewer Company proposes that November 1st of each year, accounts over \$600 be certified to Cartwright Ranch Town Association with payment from Cartwright Ranch Town Association due by December 15th.

HSSC 2024 Budget

The Town Manager presented a DRAFT 2024 operating budget is based on 2023 actuals, 5% inflation and reserve requirements per North Star Reserves financial review for 2024. An increase may be necessary to balance the budget. A final recommendation is pending North Star Reserves financial review and final cost of Cell 3 Sludge Removal.

Income considerations

- 848 Hidden Springs Connections
- 460 Cartwright Connections Q1 / 480 Cartwright Connections Q2-Q4
- Second Capital Improvement and Upgrades Fee (\$350-400)

Expense considerations

- No increase in Contract Operations. Any increased costs here are due to more labor hours to process more influent, manage projects and address issues. Note, in 2020 after assuming ownership of OMCS, Jay and Ty offered to renegotiate the compensation schedule offering to

freeze the hourly labor rate (\$75) and monthly base fee (\$6000) in return for an extended 10-year contract to run with the new IDEQ 10-year Permit.

- 5% increase for utility costs, water, electricity, gas and trash.
- Budgeted repair, maintenance and equipment replacement costs reduced given recent upgrades and replacements.
- No full phase cleaning needed in 2024.
- Professional Fees should be less as legal counsel hours are reduced finalizing the Cartwright Ranch agreements. Seepage Testing required for Cell 3 following sludge removal.

HSSC CONNECTIONS

YEAR	HIDDEN SPRINGS CONNECTIONS	CARTWRIGHT RANCH CONNECTIONS	TOTAL CONNECTIONS
2023	854	479	1333
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

- 451 homes occupied and contributing to HSSC daily influent (count as of 10/12/2023)
- 571 CRTA Build Out / 92 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

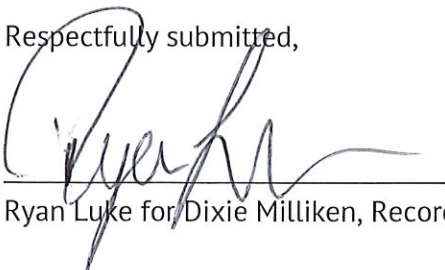
Questions and Answers

None

Adjournment

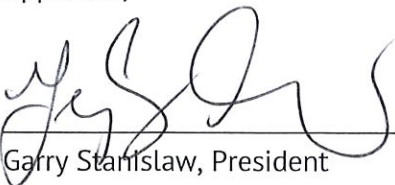
The meeting was adjourned by Garry S. at 7:30 p.m.

Respectfully submitted,



Ryan Luke for Dixie Milliken, Recording Secretary

Approved,



Garry Stanislav, President