



Hidden Springs Sewer Company Meeting Minutes January 30, 2024

A public meeting of the Hidden Springs Sewer Company (HSSC) was held in the Hidden Springs Clubhouse on January 30, 2024, at 7:00 pm for residents of Hidden Springs and Cartwright Ranch. The following Hidden Springs Town Council (TC) members were in attendance:

- Garry Stanislaw, President
- Stephanie Wright, Treasurer
- Dixie Milliken, Recording Secretary

Also, in attendance was:

- Lisa Ahrens, Hidden Springs Town Association (HSTA) Town Manager

Hidden Springs residents in attendance were:

- Ken Winer
- Laura Cramp
- Jennifer Stanislaw
- Bill Beattie
- Linda Corcoran
- Douglas & Pamela Patchin

Cartwright Ranch Town Council/Resident in attendance was:

- Sherry Carter

Attending via Zoom was:

- Carol Cronin Kriz

The meeting was called to order at 7:05pm.

The Town Manager (TM) kicked off the meeting with the welcome and introduction:

Approval of Meeting Minutes

- HSSC TC Meeting Minutes 11/27/23
- Stephanie W. made a motion to approve the HSSC Meeting Minutes from 11/27/23. Dixie M. seconded the motion. All TC members unanimously voted to approve the minutes. Motion passed.

Votes conducted by email since last TCM and now recorded in the Meeting Minutes.

- 12/19/23 – Town Council unanimously approved signing the Merrick Wastewater Treatment Facility Expansion Contract Assignment. Mountain Waterworks was acquired by Merrick in 2023, leaving Mountain Waterworks no longer able to execute or enter contractual arrangements. Merrick’s legal team sent the paperwork to get the Filter Expansion project (Mountain Waterworks project #224.0040) assigned to Merrick, so that the engineering work required for the expansion project could continue under the proper entity. Abbey Germaine, Legal Counsel, reviewed the Assignment and found no issues.

Treasurer’s Report and Financial Update

- Treasurers Report
- Financial Update:
 - YTD 2023 financials received and reviewed through December. Budget is finalized and approved.
 - Operating account balances for HSSC have been reviewed. Added some new CD’s for earning 5.50% interest.
 - Reminder Sewer dues updated. Sewer Utilities \$175.25 HS and \$182.75 CR (\$30 admin fee)

Asset Accounts	Description	December-23	November-23	MoM 2023	December-22	November-22	MoM 2022	YoY Oct
Hidden Springs Sewer Company								
Operating	CIT Checking 0772	170,888	181,045	-6%	115,117	51,014	126%	48%
Reserves	CIT Reserve 6989	689,539	665,642	4%	1,488,483	1,563,935	-5%	-54%
Investment	Raymond James 6250	289,388.46	82,726	250%	121,764	269,250	-55%	138%
Investment	CD's *see balance sheet	160,273	360,273	-56%	312,662	162,345	93%	-49%
		\$ 1,310,088	\$ 1,289,687	2%	\$ 2,038,026	\$ 2,046,545	-0.4%	-36%

- Income vs. Expenses November 2023
 - The Sewer Company’s Income for November 2023 totaled \$1,029. (\$56,894) less than budgeted for the month. YTD, Actual Income is \$85,887 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 November 2022 were not modified accrual accounting as well as Capital Improvements and Upgrades fees paid as accounts in Cartwright Ranch come on line.
 - Operational Expenses for November 2023 totaled \$68,328 and \$15,207 less than budgeted. YTD Expenses are under budget \$7,437.
 - Net Income, YTD, is \$93,324 more than budgeted revenue.
- Income vs. Expenses December 2023
 - The Sewer Company’s Income for December 2023 totaled \$10. \$57,937 less than budgeted for the month. YTD, Actual Income is \$27,950 higher than budget.
 - Operational Expenses for December 2023 totaled \$61,772 and \$2,633 more than budgeted. YTD Expenses are under budget \$4,804.

- Net Income, YTD, is \$32,754 more than budgeted revenue.
- HSSC CRTA Delinquent Accounts as of 1/28/23 total \$18,422 (82 accounts) compared to \$17,314 (74 accounts) at the end of November, and \$41,216 (111 accounts) 1/12/2023. Two delinquent accounts are now with Advanced Community Services for collection.
- \$93,598.58 was saved in 2023 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 \$70.11 per connection.
- TC approved the Town Manager’s request to start the collection process with CRTA/ACS on three additional delinquent accounts in CR.

Cartwright Ranch Sewer Line Repairs

Cartwright Ranch Sewer Line Infrastructure

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

- 1/16/23 – Town Council held an Executive Session to meet with Abbey Germaine to discuss the status of the Agreements.
- Information regarding reimbursement of Cartwright Ranch Connection fees:
 - To obtain a building permit, builders in CR request a permit from HSSC. With the permit request, they pay \$2250 for the connection.
 - Per the Facility Sharing Agreement, Hidden Springs Sewer Company reimburses Grossman Company \$2250 for each connection. HSSC is contractually obligated under the current Facility Sharing Agreement to reimburse Grossman the connection fee multiplied by the number of hook ups (estimated to be 571 but not to exceed 620). After which, Hidden Springs Sewer Company owes Cartwright Ranch nothing further. As stated in the agreement, *“the Hidden Springs Sewer Reimbursement will in no event exceed the lesser of (1) an amount equal to (A) the number of units located within the GCP Property being serviced by HSS multiplied by (B) the Hook Up Fee or (ii) the CR Obligation together with interest on the unreturned portion of the CR Obligation. Interest will be calculated at the “prime rate” announced from time to time by Bank of America, N.A. or its successor.”*
 - The amount of CR’s contribution in 2007 was \$1,601,555. If the Sewer Company stopped reimbursing Grossman, the Sewer Company would owe \$566,555 plus interest. While the Sewer Company could retain the connection fees, the amount the Sewer Company would have to charge for connection fees, just to break even with pay-back of the loan would be \$5,104 plus interest. Nothing would be added/contributed to reserves.

Connections	Reimbursement Total	Balance Remaining
571 (Current Estimated Connections)	1,284,750	\$316,805
620 (Max Connections)	1,395,000	\$206,555
460 (Current # of Connections)	1,035,000	\$566,555

- Waiting for revised documents from legal counsel.

Merrick / Mountain Waterworks Master Service Agreement

- 1/16/23 – Town Council held an Executive Session to meet with Abbey Germaine to discuss the status of the Agreements.

- History:
 - HSSC signed an agreement January 2019 for Engineering support for HSSC Reuse Permit, Annual Reporting and Ground water testing.
 - November 2022, Mountain Waterworks asked to enter into a Master Services Agreement with HSSC, performing on-going and requested services under one agreement.
 - The proposed agreement was sent to Abbey Germain, Legal Counsel (11/9/22) and she returned comment which was sent to Mountain Waterworks.
 - Mountain Waterworks merged with Merrick 2022 and sent a revised agreement in 2023.
 - The revised agreement was sent to Abbey Germain for review and she returned the following comments 10/14/23:
 - *This contract is fairly Merrick friendly. It is not drafted evenly or to the benefit of HSTA. You and the Board should be aware of that. I could do a complete overhaul, but I'm assuming Merrick will not agree. The Board will just need to be aware that there is risk with this one.*
 - *Also, the scope of services is not attached to this contract so you will need to make sure that is attached and included before signature.*
 - *Same with a cost estimate and not to exceed amount. The way it is currently drafted there is no limit on potential cost.*
 - Town Council asked Abbey to review the agreement and provide a redline version noting each area of concern in order to better understand the risk(s).
- Waiting for revised documents from legal counsel.

MANAGER'S REPORT

WWTF Update Info Pending from OMCS

- **Annual Report** – The report has been turned into IDEQ for review and a response is still pending due to a back log at IDEQ.
- **Check Valves** – OMCS is working on repairing/replacing dysfunctional check valves on the mud well line and at the Phase 8 Lift Station.
- **Flow and Salt Meter** – The outbuilding is complete. Meters will be installed this winter after WWTF construction projects are complete.
- **Irrigation Water / Lagoon Storage** – Nothing new to report at this time.
- **Off Season WWTF & Irrigation Meetings** – Instituted once a month meeting to address repair & maintenance, equipment, costs, and prepare for 2024 irrigation season.
- **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.
- **Seepage Testing** – Required after sludge removal and to be scheduled with Strata for spring 2024. Cost estimate pending.
- **Under Drain Pump for Cell 3** - During inspection of the new Cell 3 under drain pump, OMCS noticed that it stopped working. Underdrain pump has been replaced.

WWTF Capital Improvements and Upgrade Projects

- Irminger Construction completed the installation of the additional sand filter.
- A soft start up is scheduled for mid-February to make sure everything is in working order for April system start up.

- Status of Sewer Capital Improvements and Upgrades Fee Payments as of the end of day 12/31/23:

	# Units	Paid in Full	Min or Partial Payment	Builder Not Paid	Owner Not Paid
HSTA	854	850	0	0	4
CRTA*	484	452	5	12	15
TOTALS	1338	1302	5	12	19

*99 more CRTA Lots to be billed as they come online (12 new connections plus 87 lots with permits yet to be requested). Regular Sewer and Capital Improvement Fees are assessed 120 days / or occupancy whichever occurs first.

- Checking with legal counsel on notification of 2nd Capital Improvement and Upgrade Fee. Previously Town Council agreed we would save \$\$ and just put in the Quarterly Newsletter mailed to all HSTA members and CR Sewer customers in Q4 2023 and again in Q1 2024. We learned from volunteers going door to door, many residents are not even aware their statement includes a newsletter. The cost to mail a notice of the Capital Improvement and Upgrade Fee to all is approximately \$3,345 (1338 x \$2.50).
- TC determined a need for additional/formal notification vs. Newsletter notice per legal comment. The expense would hit 50200 / Office and Billing. Dixie M. made a motion to approve estimated cost of \$3,345 for the mailing of the notification. Garry S. seconded the motion. All TC members unanimously voted to approve. Motion passed.

HSSC CONNECTIONS

YEAR	HIDDEN SPRINGS CONNECTIONS	CARTWRIGHT RANCH CONNECTIONS	TOTAL CONNECTIONS
2024	854	484	1338
2023	854	481	1335
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

- 461 homes occupied and contributing to HSSC daily influent (count as of 1/27/2024)
- 571 CRTA Build Out / 87 more connections
- Per the sharing agreement, HSTA has 900 allowed connections and CRTA has 620 for a total of 1520 connections to the system. Based on current proposed CRTA Build Out, the total number of connections on the system will be 1425.

Unfinished or New Business

- None

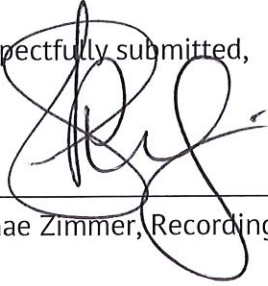
Questions?

- None

Adjournment

The meeting was adjourned by G. Stanislaw at 7:20 p.m.

Respectfully submitted,



Renae Zimmer, Recording Secretary

Approved,



Tim Corcoran, President