

# Hidden Lake Water Project and Loan Approval

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Terry Ulanich

2022 Board President

Hidden Lake Association

[admin@hiddenlakeutah.com](mailto:admin@hiddenlakeutah.com)

# IPS Report

- Improvement Priority System (IPS)
- HLA aware of this report
- HLA aware we had issue
- Having points was not a big issue in past

# UDDW Reorganized 2019

- Utah Department of Drinking Water (UDDW)
- 2019 Director Enacted New Mode of Operation
- Focus and Enforce all Rules
- Enforce with Fines
- HLA IPS Report Points Increased

# UDDW 2020 Tactics

- January 2020 Letter
- January 2020 IPS Report 260
  - On EPA radar
  - Significant deficiency
  - 800 gallons/cabin per day
- February 2022 Letter

# HLA Communications to UDDW

- We are a Recreational Association
- 800 Gallons/cabin per day not reasonable
- Fire Department will not drive over bridge

# UDDW Undeterred

- Very rule focused – black and white perspective
- Not budging from 800 Gallons per day
- Threatened to fine us if we did not comply

# How to Comply

- Upgrade System
- Increase Capacity
- Increase Supply

# Board Research

- Asked Water Rights Expert
- Recommendation: Seek Water Engineering Firm
- Sent 4 Requests For Proposals (RFPs)
- No Firms Approached Hidden Lake Association



# Selected Aqua Engineering

- Experience with UDDW
- Experience with Summit County
- Willingness to work with us
- Least Expensive

# Aqua Assignment

- Focus on Lowering IPS
- Focus on Significant Deficiency
- UDDM not budging from 800 gallons per cabin

# Corrective Action Plan (CAP) Details

- Goal to measure water usage
- Gather 3 years of data which bought us time
- Expires in October 2025

# Board Investigated Low Cost Funding

- Application typically done in Fall
- Attempted to do it ourselves
- Application requires a PE stamped plan
- Board contacted Aqua to help
- Aqua had done exact thing for Oakley

# Preliminary Engineering Report (PER)

- Purpose is/for in support of loan approval
- Can be utilized in final design
- Higher end of realistic cost spectrum
- Final Total Cost \$3.8M

# Board Reviewed PER

- First Draft July 2022
- Determined the plan met our requirements
- Determined the plan costs were inline
- Final Version filed in November
- To be reviewed in UDDW January 2023 Meeting

# January 10, 2023 Approval

- UDDW Financial Board Meeting
- Approved for 100% of requested loan amount
- A 40 year, 0% interest rate loan
- Aqua indicated this was unprecedented

# Loan Close is Next Step

- Exact Details of project worked out
- Exact Costs of project defined
- Strick policy and procedures
- 3 Bid process requirement
- Managed by appointed UDDW Loan Manager



# Loan Payback Overview

- Must establish dedicated reserve account
- Yearly draw comes from the reserve account
- Payment amount determined at Loan Close
- Payment payback period starts at Loan Close

# 2023 MDDD

- Mike Davis Deep Dive (MDDD)
- UDDW: “HLA Looks Great!”
- This was by design because of Aqua’s work
- CAP hides points on IPS Report
- By design we are no longer on UDDW’s radar

# UDDM Change of Management

- Previous Director was asked to resign
- New Management seems easier to work with
- CAP exists and rules have not changed
- Director discretion plays a role in decisions

# Water System Shows It's Age

- Increasing leaks and increased maintenance
- Replaced 1000 ft Riverside water main
- Increased bacteria hits in Riverside Spring
- Riverside currently utilizes Mountainside Well

# Spring Consideration

- At one time we had 3 Spring Sources
- We have closed 2 of them due to bacteria hits
- Riverside Spring is having increased issues

# A PWS require 2 water sources

- We are a Private Water System (PWS)
- Source 1 - Riverside Spring
- Source 2 - Mountainside Well

# Legislature and Water Rights

- Utah Legislature very focused on water rights
- Federal Government very focused on water rights
- HLA has 5 water shares using only 1

# Loan Availability

- The Loan Close process is expected to take 1 year
- If we don't close we will never get UDDW funding



# Next Board

- UDDW is aware of our May meeting
- Next Steps will be carried out by the Next Board

# Questions