

SHOREWOOD FOREST UTILITIES, INC.

425 Utility Dr.
Valparaiso, IN 46385
219-531-0706

BOARD OF DIRECTORS MEETING

President, Greg Colton
Vice President, Dan Clark
Treasurer, Jerry Hanas
Secretary, Ken Buczek
Director, Terry Atherton

Meeting of January 19, 2017

NOTE: All minutes are summarized to give the community the essential information of what has taken place at meetings and what votes were taken. Board discussions and public comments are not presented verbatim.

Pursuant to the call of the Board of Directors of Shorewood Forest Utilities, Inc., Board President Greg Colton called the January 19, 2017 meeting to order at 9:00 p.m. in the Shorewood Forest Club House. The starting time was delayed due to a Q & A session that was convened at 7:00 p.m. to answer questions from members about the potential expansion of the Utility's Certificate of Territorial Authority. Directors Greg Colton, Dan Clark, Terry Atherton, and Ken Buczek were present, Jerry Hanas was absent. Also attending were Forest Ash, Plant Manager, and seven members of the Utility.

Approval of Prior Minutes:

Board President Colton asked if there were any questions concerning the minutes from the previous Board meeting of December 15, 2016. There were none. The minutes of the Board of Directors Regular Meeting of December 15, 2016 were then accepted and approved.

Shop Report:

A copy of the December 9, 2016 through January 17, 2017 Shop Report, prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is summarized as follows:

Shop Report

December 9th through January 17th, 2017

Main Plant:

1. Permit capacity is 450,000 GPD. We had an average flow of 210,000 GPD and our high flow was 368,800 GPD. We treated a total of 6.51 million gallons of wastewater last month, or 47% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 99.3% removal of BODS; 99.4% of Suspended Solids; 99.6% of Ammonia; and 95.9% of Phosphorus (80% minimum).
2. On December 8th, we walked to the creek for our normal monthly inspection.
3. On December 12th, we replaced the block heater on the plant generator.
4. On December 12th, microscreen 2 had an auger failure. We cleaned rags out of the auger and put it back in service.
5. On December 13th, we replaced the batteries on the plant generator.
6. We have re-welded the silencer for blower 1.
7. On January 3rd, microscreen 2 called for an auger failure. We had to take the guards off the auger to get the rags out.
8. On January 9th, we found the WAS had frozen. We thawed the pipe out with running water.

9. On January 10th, the blowers at the plant quit responding due to multiple power outages during a wind storm. We came out and reset blower 4 to get air back in the plant.
10. On January 11th, the Raw sampler line froze and had to be thawed out.

Lift Stations:

1. Lift station pump run times from December 1 - 31, 2016

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	787	665.6	Nature Preserve	1406	168.2
Pixley	512	46.7	Devon	2640	87
Edgewood	571	54.1	Main	6320	166.3
Surrey Hill	543	30.2	Wessex	694	50.5
Wexford	565	24.8	Scarborough	549	14.3
Amhurst	1360	128	Shorewood ct.	956	208.6
Roxbury	2110	77.5			

2. On December 18th, we were called to Wexford for over-temp alarms on both pumps. A failed pump blew the #1 VFD. We replaced the VFD with the one in stock.
3. On December 28th, we pulled pump 2 at Sagamore after getting a pump failure. We found the pump full of rags.
4. On December 29th, we pulled the pumps at Shorewood Ct. and switched them to test the pumps. We removed pump 2 and brought it to the shop.
5. On December 29th, we replaced a relay at Scarborough Ct. in the RONK. We found a bad resister and have ordered a new one.
6. On January 5th, Nature Preserve did not transfer power back when the generator ran and had to be reset.
7. On January 10th, we were called out to reset pump 1 at Shorewood Ct. during a windstorm that had knocked the power out temporarily.
8. On January 10th, we were called by residents telling us that the generator at Edgewood was running. When we arrived the generator had shut off. We checked to make sure the station was working, and left.
9. On January 11th, we pulled pump 1 at Wessex lift station. We found it filled with rags. Once cleaned the pump would not restart.

Sewer Lines & Manholes:

1. No issues this month.

Other:

1. On December 17th, we were called out for an emergency NIPSCO locate. A car had hit a transformer.

Submitted By
Forest W. Ash

Questions and Answers:

Mr. Colton asked if there were any more questions, concerning the shop report. There were none.

Treasurer's Report:

Vice President Dan Clark gave the financial report: Restricted Bonds total \$187,627; Debt Service Reserve of \$280,939 with a Debt Service Reserve target of \$325,920, leaving an amount still owed of \$44,981. Capital Replacement Fund totaled \$711,655; Construction Funds totaled \$190,771; Capacity Fees totaled \$356,300; and Restricted Investments totaled \$1,258,727. The Utility currently has Total Operating Funds of \$328,402 and 5.5 months of cash on hand. We have \$7,077 of payables and \$119,010 in receivables. We had a total income of \$916,012 and expenses of \$420,663; leaving a net Operating Income of \$495,348 for the year to date. Bond payments totaled \$334,248, resulting in an Income after Bond Payments of \$161,101. The Debt Service Coverage Ratio is 1.43. The Utility is required to maintain a Debt Service Coverage ratio of 1.25.

We also will be transferring \$120,000.00 from operations account to the capital account.

President Colton asked if there were any questions on the financials. There were none.

Old Business:

There was none.

New Business:

There was none

President Colton stated that the Utility would be sending out the ballots for the CTA expansion soon, maybe by the next regular monthly Board meeting. Mr. Colton also reminded all present that the Board election will be this year and there will be three Board positions up for renewal.

President Colton asked if there were any questions from the membership.

It was asked what the Utility was doing concerning past due accounts. Mr. Colton explained that we have tools in line that we can use for past due accounts, including shutting off utility service.

A question arose as to what the Utility does to collect past due bills for homes that are being sold. Mr. Colton stated the Utility has already talked to title companies and they are pretty good at contacting us concerning sales. The Utility typically sends them a final bill and they collect it at closing. When we find that a home has been foreclosed, we reach out to the bank and they normally pay any outstanding sewer bill.

A question was then presented as to what information would be on the ballots. Mr. Colton stated that the letter being sent to residents will refer them to the web page to view the special meeting minutes. The minutes will present the positions for both sides. In the ballot itself, we are considering having each Board member write a summary of their position on the CTA expansion. There was a discussion on the process of voting and when the ballots will be sent out. A decision was made to have a separate mailing for the ballots to avoid having them delivered to the bank lock box. The ballots will be mailed, with instructions to bring them to the utility office and put in to the drop box.

There were no further questions.

President Colton adjourned the meeting at 9:15 pm.

Respectfully submitted,

Kenneth L. Buczek, Secretary