

**DRAFT**

**SHOREWOOD FOREST UTILITIES, INC.**  
425 Utility Dr  
Valparaiso, IN 46385  
219-531-0706

**BOARD OF DIRECTORS MEETING**

President, Terry Atherton  
Vice President, Randy Becker  
Treasurer, Jerry Hanas  
Secretary, Greg Colton  
Director, Mike Kenney

**Meeting of June 19, 2014**

NOTE: All minutes are summarized to give the community the essential information of what has happened 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 Terry Atherton called the June 19, 2014 meeting to order at 7:12 p.m. in the Shorewood Forest Clubhouse. Directors Terry Atherton, Randy Becker, Jerry Hanas and Greg Colton were present. Also in attendance were Assistant Treasurer Donna Atherton, John Sturgill from McMahon Associates (the Utility’s engineering adviser), and one resident.

Absent was Mike Kenney.

**Approval of Prior Minutes:**

The May 15, 2014 Board of Directors Regular Meeting minutes were accepted and approved.

**Shop Report:**

**Shop Report**

May 14<sup>th</sup> through June 18<sup>th</sup>, 2014

**Main Plant**

1. Permit capacity is 450,000 GPD. We had an average flow of 177,500 GPD and our high flow was 289,200 GPD. We treated a total of 5.502 million gallons of wastewater last month, or 39% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 98.3% removal of BODS; 99.2% of Suspended Solids; 99.7% of Ammonia; and 97% of Phosphorus (80% minimum). We have gone 51 months with out a violation.
2. On May 23<sup>rd</sup>, we walked to the outfall for our monthly inspection the outfall was clean.

**Lift Stations**

1. Lift station pump run times from May 1 – 31 , 2014

| Station | Cycles | Run Time (hrs) | Station | Cycles | Run Time (hrs) |
|---------|--------|----------------|---------|--------|----------------|
|         |        |                |         |        |                |

|             |      |       |
|-------------|------|-------|
| Sagamore    | 415  | 18.2  |
| Pixley      | 448  | 28.2  |
| Edgewood    | 643  | 54.1  |
| Surrey Hill | 1165 | 42.6  |
| Wexford     | 528  | 23.7  |
| Amhurst     | 1728 | 118.9 |
| Roxbury     | 581  | 184.6 |

|                 |      |       |
|-----------------|------|-------|
| Nature Preserve | 1353 | 120.5 |
| Devon           | 1875 | 73.7  |
| Main            | 6011 | 159.9 |
| Wessex          | 453  | 40.4  |
| Scarborough     | 402  | 15.5  |
| Shorewood Ct.   | 532  | 75.8  |
|                 |      |       |

2. On May 20<sup>th</sup>, we were called to Roxbury lift station for a high wet well alarm. Pump 1 had tripped the starter. We put pump 2 as lead.
3. On May 21<sup>st</sup>, we pulled both pumps at the Roxbury lift station. Pump 1 had rags and a piece of concrete stuck in the impeller. Pump 2 was filled with rags. We cleaned out both pumps and put them back in service.
4. On May 22<sup>nd</sup>, we pulled Pump 2 at Roxbury lift station and tried to replace it with a new 7.5 HP pump. The mounting plate would not mount to the new pump and we discovered the threads were damaged. A new slide plate has been ordered.
5. On May 29<sup>th</sup>, Metz worked on Surry Hill lift station. They loosened up the mounts so the larger pump flanges would fit in the saddles and discovered that one of the guide rods is broken and in need of repair.
6. On June 5<sup>th</sup>, we pulled Pump 2 at Shorewood Ct and removed rags from it. We put Pump 2 back in service, we then pulled Pump 1. After we cleaned the rags out of Pump 1 and were getting ready to put it back into the station the lifting mount broke. We tried to replace the lifting mount, however we did not have one to fit the pump. We disconnected the pump and brought it back to the shop. The bracket has been ordered.
7. On June 6<sup>th</sup>, we were called out to Shorewood Ct for a pump failure. We were able to replace the fuse and start the pump.
8. June 7<sup>th</sup>, we were called to Shorewood Ct for pump failure. We installed an old pump in Shorewood Ct and put in into service.
9. June 9<sup>th</sup>, we pulled Pump 1 at Shorewood Ct and replaced it with a new pump.
10. On June 13<sup>th</sup>, we pulled Pump 2 at Shorewood Ct due to a failure. We found it filled with rags. We also replaced the fuses at the station with breakers, to make it easier and more cost effective to reset the pumps when they fail.
11. On June 16<sup>th</sup>, Philip was called out at 5:30 P.M. for power failures at Scarborough and the Main lift station. Upon arriving he noticed Edgewood lift station was not communicating. He pulled the generator between the two stations until power was restored to the Main lift station at around 9:30 P.M., and then went to check on Edgewood, which was found to be working properly. The power was not restored until 2:30 A.M. at Scarborough.

### **Sewer Lines & Manholes**

1. We have been busy locating for NIPSCO's underground electric replacement project.

### **Other**

1. On May 24<sup>th</sup>, we were called out for an emergency locate on Camden Ct due to an underground electrical fault.
2. On May 29<sup>th</sup>, we were called to Shorewood Dr for an emergency locate due to an underground electrical fault.
3. On June 2<sup>nd</sup>, we were called to Devon Rd for an emergency locate due to an underground electrical fault.
4. We have been busy locating over 8000' of sewer lines over the last month due to the electrical replacement project in Shorewood and new installation of phone lines in Arbor Lakes not including remarking the properties when there are job extensions.

Submitted By  
Forest W. Ash

President Atherton noted there has been a NIPSCO contractor installing new underground electric lines, which has caused some power outages. He also noted there has been a pump problem at Shorewood Court, with multiple pump failures. Forest will be asked to get quotes on new cutter pumps.

**Treasurer's Report:** Treasurer Jerry Hanas reported that the May 2014 financials indicate net operating income of \$227,959, and income after bond payments is \$178,749 versus \$95,768 compared to last year. He reported the financial statements are still in transition following the recent bond issuance, and indicated the debt service coverage ratio is unusually high for reasons that are not yet clear.

Director Atherton noted that the Capital Replacement Fund is going up, and when combined with the bond proceeds, may eventually be sufficient to fund the Phase 2A construction project.

### **Old Business:**

**Phase 1B Project Status.** John Sturgill from McMahon Associates (the Utility's engineering adviser) reported that Gaskill & Walton will begin construction on Monday, June 23. The Blue Water Technologies shop drawings (for the two microscreens) were completed on May 16, and there have been three revisions since then. Blue Water has guaranteed a delivery date of September 12, which can be postponed if needed to coordinate with Gaskill & Walton's construction of the new headworks building. Mr. Sturgill was very complimentary of the cooperation he has received from Blue Water.

Mr. Sturgill reported that the Progress Pump drawings are nearly complete. We requested a change in the transducer, per the request of Forest Ash, which was done at no additional cost.

**Approval of Pay Requests from 2014 Bonds.** Mr. Sturgill provided an itemization of the \$114,376.87 in payment requests that have been received since the last meeting. Disbursements will be made from the 2014 bond proceeds. Roughly \$20,000 of the total was for engineering services provided by McMahon & Associates, \$18,000 was for Gaskill & Walton, \$5,500 was for bond issuance costs, and \$70,000 was for issuance costs previously paid by the Utility and being reimbursed through bond proceeds.

### **New Business**

**Discussion of Snow Bird Rate.** Following up on an issue that was raised last month, President Atherton asked for discussion on whether the Utility should adopt a "snow bird" rate for customers who are absent for several months each year. Director Colton said he called the Indiana Utility Regulatory Commission (IURC) to ask if any regulated sewer utilities have a snow bird rate, and was told there were none. He pointed out that any snow bird tariff would likely be applicable to unoccupied homes that have been repossessed, and based on an informal inquiry, he estimated there were 30 unoccupied homes in Shorewood. Assistant Treasurer Donna Atherton commented that the banks have generally been good about paying sewer bills for foreclosed homes. Director Hanas wondered what the impact on revenues would be if a snow bird tariff were adopted, given the uncertainty about how many "snow birds" there are. Resident Dave Serynek, who initially brought the issue to the Board, said he was hoping that a snow bird rate would reduce his monthly bill by 25-50%. He suggested that eligibility for the snow bird rate would require the resident to supply a water bill showing zero usage, after which there would be a

retroactive adjustment to the customer's bill. There was a general discussion about the breakdown in the Utility's operating expenses between fixed and variable costs, and whether an unoccupied home has a measurable impact on the Utility's operating expenses. It was pointed out that there would be an administrative cost involved in implementing a snow bird rate and in reflecting any retroactive adjustments on a snow bird's utility bill. The issue was tabled. Director Hanas indicated he would investigate the breakdown of fixed and variable costs.

President Atherton adjourned the meeting at 7:40 p.m.

Respectfully submitted,

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Gregory Colton, Secretary