

**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 March 20, 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 March 20, 2014 meeting to order at 7:08 pm in the Shorewood Forest Clubhouse. Directors Terry Atherton, Randy Becker, Jerry Hanas and Greg Colton were present. Also in attendance were Plant Manager Forest Ash, Assistant Treasurer Donna Atherton, John Sturgill from McMahon Associates (the Utility's engineering adviser), and three residents.

Absent was Mike Kenney.

**Approval of Prior Minutes:**

The February 20, 2014 Board of Directors Regular Meeting minutes were accepted and approved.

**Shop Report:**

A copy of the February Shop Report prepared by Forest Ash, Plant Manager, was distributed to all Members that were present, and is as follows:

**Shop Report**

February 21, 2014 through March 18, 2014

**Main Plant**

1. Permit capacity is 450,000 GPD. We had an average flow of 179,300 GPD and our high flow was 418,900 GPD. We treated a total of 5.02 million gallons of wastewater last month, or 40% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 98.1% removal of BODS; 98.7% of Suspended Solids; 99.7% of Ammonia; and 95.5% of Phosphorus (80% minimum). We have gone 48 months without a violation.
2. On February 19th, we walked to the outfall for our monthly inspection the outfall was clean.

**Lift Stations**

1. Lift station pump run times from February 1 – 28 , 2014

Station	Cycles	Run Time (hrs)
Sagamore	349	16.6
Pixley	368	22.1
Edgewood	643	46.8
Surrey Hill	688	40.1
Wexford	392	20
Amhurst	1505	109.3
Roxbury	1163	104.7

Station	Cycles	Run Time (hrs)
Nature Preserve	1080	95.3
Devon	1848	42.3
Main	5544	144.6
Wessex	552	58.7
Scarborough	389	14.7
Shorewood Ct.	412	115

- On February 26<sup>th</sup>, we were called in for power failures at the plant, main lift station, Pixley, Scarborough, and Wessex. When we arrived the power had been restored.

#### **Sewer Lines & Manholes**

- No issues this month.

#### **Other**

- On March 15<sup>th</sup>, at 9:30 P.M. we were called out by 811 for a NIPSCO fault on Wessex road to locate the sewer lines.

Submitted By  
Forest W. Ash

Mr. Ash added that the Midwest Contract Operations report noted that the generator auto exerciser is not working. Mr. Ash has been operating it manually.

**Treasurer's Report:** Treasurer Jerry Hanas highlighted some of the financial figures appearing in the February 2014 financials: Restricted Bonds & Investments: \$938,775; Unrestricted Operating Funds: \$397,205; Receivables: \$80,959; Year-To-Date Net Operating Income: \$95,877 (vs. \$84,125 in 2013); Income After Bond Payments: \$60,915; and Debt Service Coverage Ratio of 2.74. (1.25 is required to be in compliance with our Bond Covenants.) (A copy of the full report can be obtained by Members from the SFU office.)

#### **Old Business:**

**Financing.** President Atherton reported the Indiana Bond Bank has approved the Utility's loan application, and the issuance of a bond on a tax-exempt basis. The bond is scheduled to be priced on April 5<sup>th</sup>, with closing to take place on April 15<sup>th</sup>. The interest rate is expected to be below 4%. President Atherton explained that it should also be possible to refund the 2005 bond.

**Utility Capacity.** John Sturgill from McMahon Associates, the Utility's engineering adviser, reported that the capacity study commissioned by the Board at the last meeting is not complete yet but should be ready in two more weeks.

**New Business:**

Purchase of Phase 1B Equipment. John Sturgill from McMahon Associates discussed the Utility's planned purchase of equipment for Phase 1B. Mr. Sturgill explained that the contractor for Phase 1B (Gaskill & Walton Construction) agreed to drop its bid price by \$278,000 if the Utility would directly purchase the new equipment, instead of purchasing it through Gaskill.

Mr. Sturgill sought multiple bids for non-clog submersible and cutter (chopper) pumps and microscreen equipment. After all of the bids came in, it appears the Utility will save approximately \$85,000 in the cost of the new equipment, with overall net savings of approximately \$70,000 after taking into account engineering fees. Mr. Sturgill pointed out there should be savings on operating costs with the new equipment, including lower sludge disposal costs and lower aeration costs.

The low bidder for the chopper pumps and related plant site lift station equipment was Progress Pump and Turbine Services, Inc. for a price of \$30,586. Blue Water was the low bidder for the two microscreens at \$223,000. From a timing perspective, Mr. Sturgill recommended informing Blue Water that it has conditionally been awarded the contract for the two microscreens. Mr. Sturgill also recommended authorizing LAI to begin preparing shop drawings for the microscreens, which takes roughly 4-6 weeks, because it will take an additional 14-18 weeks for Blue Water to manufacture the microscreens after the drawings are completed. The Board authorized the conditional award of the contract to Progress Pump, pending completion of the planned financing, and asked Mr. Sturgill to inform LAI to begin on the shop drawings.

President Atherton adjourned the meeting at 7:43 p.m.

Respectfully submitted,

  
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Gregory Colton, Secretary