

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 May 15, 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 May 15, 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 four residents.

Absent was Mike Kenney.

Approval of Prior Minutes:

The April 17, 2014 Board of Directors Regular Meeting minutes were accepted and approved.

Shop Report:

Shop Report

April 17th through May 13, 2014

Main Plant

1. Permit capacity is 450,000 GPD. We had an average flow of 183,500 GPD and our high flow was 394,200 GPD. We treated a total of 5.505 million gallons of wastewater last month, or 41% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 98.5% removal of BODS; 98.6% of Suspended Solids; 99.7% of Ammonia; and 93.9% of Phosphorus (80% minimum). We have gone 50 months without a violation.
2. On April 16th, we walked to the outfall for our monthly inspection the outfall was clean.
3. On April 29th and 30th, the Wealing Brothers hauled sludge from the East Digester.

Lift Stations

1. Lift station pump run times from April 1 – 30 , 2014

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)

Sagamore	387	18.2
Pixley	429	25.6
Edgewood	580	49.6
Surrey Hill	892	40.5
Wexford	487	22.2
Amhurst	1608	124.7
Roxbury	603	108.3

Nature Preserve	1467	128.9
Devon	1781	60.1
Main	5805	150.6
Wessex	470	43.3
Scarborough	341	13.4
Shorewood Ct.	505	78.1

2. On May 1st, we had power outages at the plant, shop, Pixley, Edgewood, Shorewood Ct., Scarborough, Wessex, and Main liftstations. Power was restored in about 1 hour.
3. On May 3rd, we were called out for power outages at Wexford, and Roxbury liftstations. The power was restored when we arrived.
4. On May 13th, we were called to Shorewood Ct. for pump 1 failure. We found a fuse blown. We replaced the fuse and the pump started working.

Sewer Lines & Manholes

1. On April 30th, we were called to 200 N. for a sewer back up. We located the shut of valve to assist the plumber.
2. We have been busy locating our sewer lines for NIPSCO's underground replacement project.

Other

1. On May 8th, our Lamotte meter we use to test Ammonia and Alkalinity stopped working. It has been sent in for repair. It is 11 years old and Lamotte said it may not be repairable.
2. On May 10th, we were called out for an emergency locate on Amhurst Rd. due to an underground electrical fault.

Submitted By
Forest W. Ash

Mr. Ash gave additional detail on the NIPSCO locates at the meeting. He said that NIPSCO initially requested locates for the entire subdivision within one week, but later agreed to request locates only when work is about to begin at a particular location.

In response to a question from a resident, Mr. Ash noted that the Utility's large tank can hold one million gallons, as compared to the 450,000 gallons/day treatment capacity of the Utility.

Treasurer's Report: Treasurer Jerry Hanas reported that financial statements for April 2014 were not yet available. He explained that with the recent bond issuance a couple of accounting issues had arisen that were not yet resolved.

Old Business:

Phase 1B Project Status. John Sturgill from McMahon Associates (the Utility's engineering adviser) said that shop drawings from Blue Water for the microscreen equipment are due tomorrow (May 16).

Mr. Sturgill provided two handouts relating to Project 1B. One summarized the pre-closing & closing disbursements to date for Phase 1B and the 2014A and 2014B bond issuances. He noted that the 2014B

bond issuance proceeds have already been fully expended on refunding the Utility's outstanding bonds. The second handout is a proposed format to be used going forward to track additional disbursements from the 2014A bond proceeds as the need arises. Mr. Sturgill noted that the Board has already approved all of the contracts associated with the Phase 1B construction, and therefore as disbursements are needed, it will only be necessary to issue a check. Mr. Sturgill distributed a contact list showing the contact name and phone number for each of the vendors for the project. He indicated that Gaskill will soon be providing a construction schedule.

New Capacity Evaluation. Mr. Sturgill distributed to the Board copies of McMahon & Associates' Wastewater Treatment Facility Capacity Evaluation, dated May 9, 2014. The report indicates that upon completion of the Phase 1B project, the Utility will have recovered its original rated capacity of 450,000 gallons/day. After taking into account the previously committed capacity of 228,000 gallons/day, the Utility will still have additional treatment capacity of approximately 222,000 gallons/day. Depending how one calculates the average customer usage, the Utility should be able to serve between 716 and 1,250 new homes. President Atherton stated his preference for a more conservative figure, which would provide a level of redundancy and therefore be more sustainable.

Mr. Sturgill noted that if the Utility wants to increase its treatment capacity to 600,000 gallons/day, this can be accomplished by replacing the aging Tank #4 with a new aeration tank, and by adding a new clarifier, and upgrading the tertiary filters.

New Business

Request for Service. President Atherton informed the Board that he recently received a written request from Grand Corporation to provide sewage treatment service to a proposed apartment complex that would be located along Highway 30 near the Shelbourne Center. He noted the proposed location is not within the Lake Louise watershed. At this point, Mr. Atherton indicated he has had no discussions with Grand Corporation, and does not even know how soon they would be needing service. Mr. Hanas expressed concern that the revenues from the apartment complex could affect the Utility's nonprofit status if the aggregate amount of non-member revenue gets too high. Mr. Colton moved to table the issue. The Board asked President Atherton to set up a meeting with Grand Corporation to learn more about their request.

Comments from the Board

Update on Election Forest Ash informed the Board that as of the deadline today, only two candidate applications had been received for the three open positions on the Board. The two candidate applications were submitted by existing Board members Terry Atherton and Randy Becker, whose three-year terms expire this coming July.

In light of the situation, the Board decided to cancel the upcoming Candidates' Night scheduled for June 19th (although the monthly Board meeting will still be held that night), and decided to cancel this year's election. The two candidates, Terry Atherton and Randy Becker, will automatically take office in July 2014 for three-year terms beginning July 2014 and ending July 2017. The remaining open board position will be filled by the Board after the July 17, 2014 Annual Meeting.

Secretary Colton will place an insert in the upcoming June billing statement informing members that the election has been cancelled.

Comments from the Membership

Reduced rate for part-time residents. Dave Serynek, a member of the Utility, asked the Board to consider reducing the amount billed to customers who are absent for several months each year – typically in the winter months. The amount of the reduction would be based on the Utility’s variable costs that were avoided by virtue of the customer’s absence. President Atherton noted that the Board voted on the issue three years ago. In addition, Mr. Atherton noted that the Utility’s ability to identify whether a customer is absent is typically determined by the customer’s water bill. During the time that Indiana American was handling the Utility’s billing, the water usage data was readily available to the Utility, but that is no longer the case. Mr. Serynek responded that he is not proposing putting the burden on the Utility to determine which residents qualify for a reduction in rate. Instead, he is proposing that it would be the responsibility of the customer to present to the Utility a bill showing zero water usage. The Utility would then provide a credit on the customer’s future utility bills reflecting the savings in variable costs. President Atherton agreed to place the issue on the Board’s agenda for the next meeting.

President Atherton adjourned the meeting at 8:07 p.m.

Respectfully submitted,

Gregory Colton, Secretary