

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

**BOARD OF DIRECTORS MEETING**

President, Terry Atherton  
Vice President, Randy Becker  
Vice-President, Gary Maxwell  
Secretary-Treasurer, Phil Litherland  
Assistant Treasurer, Donna Atherton

**Regular Meeting of November 19, 2012**

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 November 19, 2012 meeting to order at 7:00 p.m. in the Shorewood Forest Clubhouse. Directors Gary Maxwell, Phil Litherland, Randy Becker, Mike Kenney, & Assistant Treasurer Donna Atherton were present. Also, in attendance were Plant Manager Forest Ash, Office Manager Linda Walla, and several residents.

**Approval of Prior Minutes:**

A motion was made by Director Litherland and seconded by Director Becker to approve the minutes for the September 17, 2012 Board of Directors Regular Meeting. The motion was approved unanimously.

The minutes from the October 15, 2012 Board of Directors Regular Meeting was not prepared and therefore, could not be approved.

**Shop Reports:**

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

**October 13 - November 19, 2012**

**Main Plant**

1. Our NPDES Permit is for 450,000 GPD. We had an average flow of 141,510 GPD and our high flow was 196,280 GPD. We treated a total of 4.4 million gallons of wastewater last month, or 31% of our permitted capacity. IDEM does not grade us on percentage rates, except for the Phosphorus level that has an 80% minimum. The following percentage rates are only a scope of how efficiently the Plant is operating. We had a removal rate of 99.4% of BODs, 99.2% of Suspended Solids, 99.8% of Ammonia, and 95.1% of Phosphorus. We have had no violations for 33 months.
2. On October 12<sup>th</sup>, Merrell Brothers hauled 111,834 gallons of sludge at 6.1% solids.

- On October 13<sup>th</sup> Merrell Bros. hauled 74,556 gallons of sludge at 3.23% solids; they also hauled 37,278 gallons to their bio-solids holding tank. There was no solids test taken.
- On October 15<sup>th</sup>, Merrell Bros. hauled 37,278 gallons to their bio-solids holding tank; no solids test was taken. A total of 260,946 gallons of sludge was removed. Due to the breakdown of the West Digester, and the number 4 aeration tank we were \$2,662.99 over budget.
- We have taken Aeration Tank #4 down for the repairs. The membranes have been ordered, and the new beam clamps for the diffusers have been received.
- On October 16<sup>th</sup>, we walked to the outfall for our monthly inspection; the outfall was clean.

**Lift Stations**

- Lift station pump run times from October 1-31, 2012

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	306	6.1	Nature Preserve	630	61
Pixley	507	24.3	Devon	1806	48.9
Edgewood	629	43	Main	5780	137.6
Surrey Hill	657	51.1	Wessex	475	37
Wexford	388	19.7	Scarborough	377	12.7
Amhurst	1096	161.5	Shorewood Ct.	331	33.3
Roxbury	781	50.9			

- On October 19<sup>th</sup>, we had a power failure at Wexford, Amhurst and Roxbury Lift Stations. The power was restored at 12:30 p.m.
- On October 24<sup>th</sup>, Reichelt Plumbing replaced the check valves and the gate valves at the Wexford Lift Station.
- On November 2<sup>nd</sup>, we were called to Wexford Lift Station, for a high level float alarm. We found the VFDs were in default mode and we reset them.
- On November 2<sup>nd</sup>, we were also called to Shorewood Ct. Lift Station for pump 2 failure. We found the fuse had blown because of a power surge.

**Sewer Lines & Manholes**

- Pro-Form has been working on the CIPP project.

**Other**

- Robert Henry Co. is out boring the new NIPSCO lines at Wilshire, Guilford and Devon.
- I have the bids from the labs to do our analytical.
- I have bids for rehab of the concrete contamination area.

**Questions regarding the Shop Report:**

Director Litherland inquired whether Forest must reset the VFDs manually or could it be done through the SCADA system. Forest replied that he must reset the VFDs manually.

## **Financial Reports:**

A copy of the financial summary for the month of October was handed out to all members that were present. Treasurer Litherland presented the Financial Report as follows:

**The Summary Financial Report as of October 31, 2012** (*a copy of the full report can be obtained by Members from the SFU office*) is highlighted as follows: Capital Replacement Fund \$229,118.38; Capacity Fees Fund \$558,632.01; Total Operating Fund \$378,349.54 (7.57 months of cash on hand); October Income \$67,066.54; October Expenses \$49,079.27; 2002 & 2005 Bond Payment \$17,613.96; October Net Income \$373.31; Year-To-Date Debt Service Ratio is 1.92 (1.25 is required to be in compliance with our Bond Covenants).

Director Litherland pointed out that the Bond Bank looks at the Year-to-Date Debt Service Coverage Ratio and not the monthly ratio, to see if we are in compliance with our Bond Covenants. President Atherton stated that the one-time annual sludge hauling expense in the amount of \$15, 662.99 is the reason that the monthly Debt Service Coverage Ratio was 1.02.

### **Update of Collection Activities – Treasurer Litherland**

Treasurer Litherland stated that Shorewood Forest Utilities, Inc. has recently collected arrearages from three customers with long-outstanding balances, without having to plug their sewer lines for non-payment. He stated that these customers were each mailed a “Final Notice of Sanitary Sewer Disconnection” and were slated for the plugging of their sewer by a contractor, if they did not pay their arrearage by the deadline set forth in the letter. Director Litherland stated that in the event a customer did not pay their outstanding balance, all costs associated with terminating and reconnecting the service would be passed on to the customer and the Board of Health would declare the property unfit for human habitation. President Atherton stressed that the Utility Board is actively monitoring the accounts receivables for arrearages and will continue their collection activities.

### **Old Business:**

There was no old business to discuss.

### **New Business**

#### **Solicitation of Proposals for Laboratory Services- Forest Ash**

Forest obtained the following annual bids for laboratory services: Microbac \$39,168.00; Test America \$27,918.00; and Astbury \$23,484.00. We currently use Test America, but their 3-year contract has expired. Forest stated that he can currently view the test results on line with Test America and can obtain 24-hr turnaround time on certain test results that are important to the plant operations.

Director Maxwell asked Forest for his recommendation. Forest stated that the lowest bid was from Astbury Labs. He stated that they will pick up the samples, but they do not have the ability to post the test results online. Director Becker inquired whether Astbury can provide the information via digital format. Forest replied that he would check with them.

Forest stated that one of his concerns regarding the hiring of Astbury Labs is that their local laboratory, located in Chesterton, cannot provide some of the sampling required for the 24-hour turn around. He stated that Astbury would have to ship their samples to their main lab located in Indianapolis.

President Atherton inquired as to how many times per week samples are taken to the lab. Forest replied that currently, they go three times per week to Test America, which is located by K-mart in Valparaiso. President Atherton recommended that we table the approval of the bids to obtain more information, as lab testing is one of our highest operational costs. Director Litherland asked Forest if the 24-hr. turnaround time is an IDEM requirement. Forest replied that it is not a requirement from IDEM; however, the results from the TSS samples are important to the daily plant operations. Director Becker inquired whether we are on a month to month basis with Test America, since the current contract has expired. Forest replied we are on a month to month contract. Director Becker asked if we would have to rebid the job, since we are not voting tonight. Forest replied that the bids were just received.

### **Solicitation of Proposals for Sludge Removal**

President Atherton stated Merrell Bros. has sent Shorewood Forest Utilities, Inc. a letter stating that they could no longer extend the same rate for the hauling of bio-solids removal. He stated that in the past three years, Merrell Bros. was able to provide us with a good rate based on the fact that they coordinated the hauling of sludge with the City of Valparaiso and our Plant. Merrell Bros. stated that because of the lower sludge volume, they will not be able to come twice a year, but will come in the Fall. President Atherton stated that Forest is preparing a Request For Proposal for the removal of the bio-solids and will present the bids at the next meeting.

### **Progress Reports and Updates:**

#### **Utility Website – Director Becker**

Director Becker stated that the Website is up; however, they have encountered some minor problems that need to be addressed. The domain name has been corrected to reflect the fact the Shorewood Forest Utilities, Inc. is a non-for-profit organization and is as follows: shorewoodforestutilities.org. Director Becker stated that if you do visit the site, please remember that it is not in full working order.

#### **Wexford Lift Station Landscaping- Director Litherland**

Director Litherland stated that he has obtained quotes for the Arborvitaes and has staked the area.

#### **350 West Modifications- President Atherton**

President Atherton stated that the sewer line located on 350 West, south of Tremont, which serves four homes, has never been formally accepted into our sewer service. Don Bengel has completed the survey and is preparing the legal description so that we can acquire the easements and install the manholes.

#### **Wexford Road Replacement Project – President Atherton**

President Atherton stated that a meeting was held in the Clubhouse with the residents who are affected by the replacement of the sagging lines located in their backyard, by the lake. President Atherton stated that some good suggestions were made by the residents. Residents had concerns about the trees that may be disturbed during the construction phase. An Arborist was hired as a consultant to make recommendations as to what can be done in light of the situation. President Atherton stated that a suggestion was made to find out why the sewer lines were sagging in the first place. McMahon and Associates was hired to do soil testing to confirm the integrity of the soil. President Atherton stated that if the soil doesn't support the lines, this could complicate the life expectancy of the new sewer lines being installed.

### **Plant Improvements – President Atherton**

President Atherton explained that there are two parts to this next phase: improvements to the Headworks, involving the installation of two micro-strainers, and improvements to the aeration system, involving the installation of the new controllers and VFDs on the blower motors. President Atherton explained that since the cost of electricity is one of our biggest expenses, we should do everything in our power to use our energy efficiently. He stated that we could do the improvements to the aeration system without IDEM's permission, since it is an upgrade to existing equipment. He stated that we have the money set aside for Phase I and will not need financing. President Atherton stated that we should be ready to do the work by the first of the year. President Atherton stated that Phase II, replacing the existing Aeration Tanks 1 and 2, will require funding in the amount of approximately \$700,000. He stressed that approval by the members would be necessary before financing could be obtained. He also stated that a rate increase would not be needed.

### **Status of Bids for Repair of Ferric Chloride Containment Structure – Forest Ash**

Forest explained that the containment structure is a concrete wall that holds the Ferric Chloride, which is a very corrosive chemical. Forest stated that there is no immediate urgency to repair the wall and we can hold off until Spring. President Atherton stated that in the meantime, we should continue to remove any water that collects in the containment area.

### **Status of Purchase of Replacement 5hp Pump for Stock- Forest Ash**

Forest stated that the pump has been ordered and should arrive in the next couple of weeks.

### **Comments from the Board:**

There were no comments from the Board.

### **Comments from the Membership:**

Jackie Hobson (lot 759) stated that the Property Owner's Association is redoing their website and inquired if the Utility Website had a link to the Property Owner's Association Website. Director Becker stated that the Utility Website does have a link to the POA, but that the POA must set up a link to the Utility from their website.

**Marcia Casassa (lot 618)** stated that Proform was working on the CIPP until 10:00 p.m. on her street. She asked how long the project will last. Forest replied that Proform has 5 lines left to insert. She also asked what needs to be done regarding the containment area. Director Kenney replied that although Ferric Chloride is a very corrosive chemical, it is much needed for the removal of the Phosphorus. Forest stated that the containment area will need to be repainted due to the deterioration of the paint. He stated that it was installed in 1992.

**Tom Szefc (lot 878)** inquired about the Wexford Sewer Line depth and wondered why we could not have a directional boring. Forest replied that the sewer line is 7 to 8 feet deep and we cannot do the boring because we have to maintain a 1% grade. President Atherton stated that our sewer is minimum grade. Tom Szefc also asked if the storm sewer would be affected and President Atherton said that it would not be affected.

**Tom Szefc (lot 878)** stated that even though installing the micro-strainer would save us money on sludge hauling, it would cost more to remove the debris with Waste Management. President Atherton stated that the debris will be compacted in such a manner, that the extra cost will be marginal compared to the existing sludge hauling cost. President Atherton asked Forest how often

the plant that he visited in Wisconsin removed the debris. Forest stated that they removed the debris once a week and used 4 or 5 smaller dumpsters

**Termination of Snowbird Policy:**

Several residents attended the meeting to express their dissatisfaction regarding the termination of the “Snowbird Policy”. President Atherton stated that the policy, adopted October 18, 2010, allowed for the cessation of billing for sewer as long as the customer was receiving their water service through Indiana American Water, and the Water Company was billing that customer as a mutual account. He stated that because Indiana America Water cancelled our contract billing agreement, Shorewood Forest Utilities has no way to monitor the water usage and the sewage that is being treated, therefore the “Snowbird Policy” had to be discontinued. He also stated that there is an ongoing cost to maintain the sewer pipes regardless of sewage usage and it is the responsibility of all members to share the cost equally.

**Adjournment:**

Motion to adjourn was made by Director Becker, seconded by Director Maxwell, and unanimously approved. The meeting was adjourned at 8:07 p.m.