

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

Meeting of February 19, 2015

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 February 19, 2015 meeting to order at 7:13 p.m. in the Shorewood Forest Clubhouse. Directors Terry Atherton, Randy Becker and Greg Colton were present. Also in attendance were Plant Manager Forest Ash, John Sturgill from McMahon Associates (the Utility's engineering adviser), and two members of the Utility.

Director Jerry Hanas was absent.

Approval of Prior Minutes:

The January 15, 2015 Board of Directors Regular Meeting minutes were accepted and approved.

Shop Report:

A copy of the January 10 through February 18, 2015 Shop Report prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is as follows:

Shop Report

January 10th through, February 18th, 2015

Main Plant

1. Permit capacity is 450,000 GPD. We had an average flow of 195,700 GPD and our high flow was 227,200 GPD. We treated a total of 6.067 million gallons of wastewater last month, or 43% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 98.7% removal of BODS; 98.6% of Suspended Solids; 99.6% of Ammonia; and 96.2% of Phosphorus (80% minimum). We have gone 59 months with out a violation.
2. We had to thaw the tube for raw sampler multiple times.
3. On January 2nd, we walked to the creek for our monthly inspection.
4. On January 13th, we installed new batteries in the emergency exit signs.
5. On January 20th, we blew back the clarifier.

6. On February 2nd, when we tried to start the raw sampler, it would not work. We have sent it to Gasvoda for repairs.
7. We have replaced the cloth filters in the filter building.
8. On February 9th, we reinstalled the repaired vent fan motor in the blower building.

On Lift Stations

1. Lift station pump run times from January 1 - 31, 2015

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	504	23.8	Nature Preserve	1584	135.6
Pixley	653	40.8	Devon	1850	71.3
Edgewood	628	62.8	Main	6028	169.5
Surrey Hill	713	38.4	Wessex	638	32.6
Wexford	497	22.5	Scarborough	555	17.1
Amhurst	2148	167.9	Shorewood ct.	823	113.1
Roxbury	887	83.0			

2. On January 29th, we reset Nature Preserve after it failed to transfer.

Sewer Lines & Manholes

1. On February 9th, we were called to Devon for a slow draining sewer. We checked the manholes, and could find nothing wrong on our end.

Other

1. On January 14th, Philip responded to an emergency locate on Trillium.
2. On January 26th, we replaced the batteries in the water tower repeater box.
3. On February 6th, Metz put cold patch on Brockton where they had dug up a service.
4. On February 9th, Philip was called out for an emergency locate on Camden Ct. a NIPSCO transformer had been hit by a snow plow.

Submitted By
Forest W. Ash

Mr. Forest Ash reported that batteries in the lift stations were changed.

Mr. Ash also reported that the raw sampler was not working. The heater failed and the sampler was freezing up. A new sampler would cost \$5,400 and comes with a one year guarantee. Repairing the existing five-year old sampler would cost \$2,995 and would be guaranteed for six months. It would take 1 ½ months to complete the repair. After discussion the Board decided to repair the existing sampler.

Director Becker inquired about the repair cost for Brockton Place. Mr. Ash replied that a bill has been sent to the contractor Robert Henry, who agreed to pay half of the cost, but payment has not yet been received.

Treasurer's Report:

Vice President Randy Becker gave the Treasurer's report for January 2015.

Total invested funds are \$1,570,545, and total unrestricted operating funds are \$260,592. The Utility has 4.3 months of cash on hand. Income after bond payments was 10,370 and the debt service ratio was 1.36

An Accounts Receivable Aging Summary was provided to the Board by Forest Ash. Mr. Ash has been successful in collecting payments on some of the larger outstanding amounts, and he provided a brief report on the status of the half-dozen accounts with an outstanding balance of \$900 or higher. Mr. Ash reported that at present 60 accounts are more than 90 days in arrears.

President Atherton brought to the Board's attention a device called a Big-Mouth Flow-Through that could be inserted into a sewer line and then used to shut off service to an individual home. This would be a much less costly method of disconnecting service, when compared to the many thousands of dollars it would cost to dig up a delinquent customer's yard in order to disconnect the customer's sewer line. The cost of the device is approximately \$500. Director Colton moved that the Board authorize the expenditure of \$1,000 to purchase a Big-Mouth Flow-Through device and for other costs related to testing the device for use by the Utility. Director Becker seconded the motion and it was approved.

Director Colton asked if the Utility has a process it follows for shutting off delinquent accounts, including the actual day service is shut off. Mr. Ash said the Utility does have a written process it follows.

Old Business - Phase 1B Project Status

John Sturgill from McMahon Associates distributed to Board members a copy of Disbursement Request #9, dated February 19, 2015, which summarized the project costs and disbursements to date.

Mr. Sturgill reported that to date, payments to Gaskill & Walton total \$742,353 out of a total contract price of \$908,000. Mr. Sturgill provided Board members a summary from G&W of the seven change orders that have arisen during construction. The seven changes identified total \$14,688. The change that resulted in the greatest cost was \$17,200 to relocate electric lines around the splitter box. The greatest savings resulting from a change order was a \$9,000 deduction for eliminating the fence from G&W's scope of work. Mr. Sturgill noted that Indiana Fence installed a new fence for \$6,500 compared to a total cost of \$25,500 if G&W had performed the installation.

Mr. Sturgill also handed out a Phase 1B Contingency Projection, revised as of February 19, 2015. The current projection is that unspent contingency funds will total \$355,562 when the project is completed. Mr. Sturgill still plans to contest a \$3,000 increase in the bid from Automatic Systems that dates back to April 2014. Mr. Sturgill stated that Automatic Systems increased its bid from \$55,000 to \$58,000 without providing any documentation for the increase. He did not contest a \$2,682 increase by Automatic Systems that was related to resizing a pump from 10 hp to 15 hp.

The new headworks should become operational by late next month, Mr. Sturgill reported. Blue Water Technologies and Automatic Systems are both scheduled to be at the Utility during March 17-20 to

perform start-up tests for the microscreen. March 21 is the projected date the new system will be operational. G&W has promised the project will be fully complete, including cleanup, by April 30th. In response to a question from Director Becker, Mr. Sturgill remarked that the next phase of utility improvements should be the fine bubble diffuser for the aeration tank. Mr. Sturgill noted the Utility has 24 months in which to spend the roughly \$355,000 in contingency funds that will remain upon completion of Phase 1B.

Director Colton moved that the Board approve the \$14,688 change order from Gaskill & Walton. Director Becker seconded the motion and it was approved.

New Business

Frontier telephone service. Mr. Ash recently asked Frontier to combine the two telephone bills paid by the Utility. Frontier said doing this would save the Utility \$165.00 per month. In response to Board questions, Mr. Ash explained the Utility uses landlines for the lift stations because cell phone signals have not been reliable. Also, landlines are needed for the Scada equipment, for internet access and for faxes, which the Utility sends 6-7 times per month. Frontier offered a one-year price of \$194.95/mo. and was willing to hold the \$194.95/mo. price for three more years if the Utility would execute a 3-year contract. During discussion, Director Becker noted that prices for landlines have been dropping, so he was opposed to a three-year fixed price contract. Director Becker moved that the Board approve a one-year contract with Frontier at \$194.95, but also inquire if there could be additional savings if the extra line for a fax could be eliminated. Director Colton seconded the motion and it was approved.

New Truck. Mr. Ash provided the Board with three quotes for a new truck. The chosen models were a Ram 2500, Ford F250 and GMC Sierra. He explained that the existing F150 truck is in need of \$5,000 to \$6,000 in repairs for brakes, transmission, and wiring chewed up by animals. The quotes Mr. Ash provided did not take into account the trade-in value of the old truck. Mr. Ash also sought quotes for a snowplow, out of a concern that the new headworks would need frequent plowing. The three quotes do not reflect the cost of a winch, which will be required, as the old F150 was the only vehicle with a winch. President Atherton tabled the discussion about a new truck until input can be obtained from the Utility's Treasurer on whether a new truck should be financed, or purchased with cash.

Director Colton asked how often the F150 required repair and how many man-hours it took each time the truck had to be taken to a repair shop. Mr. Ash explained that it takes two people to drop off the F150 for repairs, and to pick it up afterwards.

Member Ron Casassa informed the Board that the new Directors & Officers policy is now in effect. It cost \$1,800, which has already been paid.

President Atherton adjourned the meeting at 8:15 p.m.

Respectfully submitted,


Gregory Colton, Secretary