

SHOREWOOD FOREST UTILITIES, INC.

425 Utility Dr
Valparaiso, IN 46385
219-531-0706

BOARD OF DIRECTORS MEETING

President, Greg Colton
Vice President, Randy Becker
Treasurer, Jerry Hanas
Secretary, Ken Buczek
Director, Terry Atherton

Meeting of December 17, 2015

NOTE: All minutes are summarized to give the community the essential information of what has taken place 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 Greg Colton called the December 17, 2015 meeting to order at 7:05 p.m. in the Shorewood Forest Utility Office. Directors Greg Colton, Randy Becker, Ken Buczek, Jerry Hanas and Terry Atherton were present. Also in attendance were Plant Manager Forest Ash, and four members of the Utility.

Approval of Prior Minutes:

Board President, Greg Colton, asked if there were any questions concerning the minutes from the previous meeting of November 19, 2015. There were none. The minutes of the Board of Directors Regular Meeting of November 19, 2015 were then accepted and approved.

Shop Report for November:

A copy of the November 12 through December 17, 2015 Shop Report, prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is summarized as follows:

Shop Report

November 12th through December 15th, 2015

Main Plant

1. Permit capacity is 450,000 GPD. We had an average flow of 177,100 GPD and our high flow was 352,800 GPD. We treated a total of 5.312 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: 99.5% removal of BODS; 99.3% of Suspended Solids; 99.7% of Ammonia; and 93.3% of Phosphorus (80% minimum). We have gone 69 months without a violation.
2. On November 3rd, we walked to the creek for our monthly inspection.
3. On November 11th, we changed the oil on the plant generator.
4. We have had to unplug the skimmer on Clarifier 3 on multiple occasions due to leaves.
5. On November 13th, we noticed the Ferric was not being fed into the clarifier. The backflow valves was plugged, we replaced the valves.

6. On November 26th, we were called for high level in the Micro-screens, and low D.O. in the plant. We put the second Micro-screen in service, and checked the blowers. The blowers were running, the low D.O. was due to high flow
7. On our normal cleaning of the #2 Micro-screen we found a rip in the belt. We have been in contact with Blue Water, they are addressing the issue.
8. We have taken both tertiary filters down for maintenance. We scraped all the loose paint, and painted them with a rust converter.

Lift Stations

1. Lift station pump run times from November 1 - 30, 2015

2. On

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	584	25.9	Nature Preserve	1326	118.5
Pixley	507	32.6	Devon	1380	71.7
Edgewood	657	56	Main	5768	155.5
Surrey Hill	653	38.4	Wessex	577	40.2
Wexford	556	24.8	Scarborough	560	17.3
Amhurst	1265	123.9	Shorewood ct.	676	118.3
Roxbury	1998	80.1			

November 11th, we changed the oil on Sagamore, Edgewood and Nature Preserve generators.

3. On November 13th, we pulled the generator between Wexford, Amhurst, and Roxbury for a power failure.
4. On November 19th, we were called to Roxbury for a high level. We found pump 1 and 2 were not working. Pump 2 we found the ground wire came disconnected, we connected the ground wire, and the pump worked.
5. On November 23rd, we pulled pump 2 at Nature Preserve after it had failed. We found nothing in the pump, reset the pump, and put it back in service.
6. On November 24th, we went to pull pump 1 at Roxbury and discovered it had broken loose from its volute. We got the pump and volute out of the wet well and took it back to the shop.
7. On November 25th, we installed a new Tsurumi cutter pump in Roxbury lift station.
8. On November 27th, we were called to Amhurst for a communication failure during a rainstorm. We checked the station and could find nothing wrong. Since the rain storm Amhurst communication has been sporadic. We have contacted Mark from MB controls, he believes the antenna and the cable has been damaged, he has ordered a new one, and will be installing it.

Sewer Lines & Manholes

1. No issues this month.

Other

1. On November 11th, we changed the oil on the mobile generator.
2. On December 15th, we found water coming out of the bottom of the hot water heater in the office. The hot water heater needs replaced

Submitted By
Forest W. Ash

Questions and Answers:

Director Atherton asked if we were going to replace the hot water heater. Mr. Ash said that the hot water heater has been purchased and that they were going to replace it on Monday.

Director Atherton asked for an update on the belt on the number two micro screen, and asked if Blue Water was going to replace it. Mr. Ash explained that he has been in contact with Blue Water

concerning the belt. Blue Water responded with the a concern on the Doctor blades that scrape the material off the belts, and that they need to have 45 degree angles cut at the end of the blades to stop the blade from rubbing against the timing belt were the screen is glued to the belt. They said that the Doctor blade is scraping off the glue. Mr. Ash did look at the Doctor blades and the bottom blade does not have the 45 degree angle cut. Mr. Ash stated that they wanted him to cut the blade but he does not feel comfortable cutting the blade, do to liability of the warranty. Blue Water is going to take care of the issue under warranty.

Treasurer's Report:

Treasurer Jerry Hanas gave the financial report. The Capital Replacement Fund stands at \$ 793,271, the construction fund stands at \$ 357,732 and the Capacity Fees total \$ 352,070; for a total investment of \$ 1,503,073. The Utility has Operating Cash of \$ 126,923 payables of \$ 1,873, and receivables of \$ 161,030. Year-to-date Income is \$ 813,100 and after Operating Expenses of \$ 322,633 resulted in a Net Operating Income of \$ 490,467. Bond Payments totaled \$ 317,877, leaving \$ 172,590, with a Debt Service Coverage Ratio of 1.54.

Treasurer Jerry Hanas explained that the debt vs the budget is where we anticipated, so we are looking ok.

There were no questions concerning the financials.

Old Business:

President Colton stated that he was going to meet with Midwest Contractors, and see if we could reduce their visit to once per month. This could be a saving for the utility of about \$300 per month.

President Colton asked if anyone had any questions.

Bob Band asked if we have found out anything about putting liens against the homeowners for past due bills. There was a discussion concerning the past due accounts, Director Hanas informed the board that he has been in contact with our lawyer Bob Welch, he suggested we bundle all the past due debt and take it to small claims and get a judgement against them. If we bundle into one package it would save money.

Director Atherton asked if we were going to plug off some of the past due accounts. We are going to start the process of shutting some past due accounts off. We are still in the process of creating the legal protocol.

New Business:

Mr. Ash has been looking for a cheaper way than using the drums of magnesium hydroxide, and has found magnesium hydroxide in the powder form, which will save us approximately \$300 a month. However; he will need to purchase a skid fork truck to unload the pallet from the truck. After discussion the board decided to purchase the skid fork truck, and to try the magnesium in a powder form. President Colton adjourned the meeting at 8:05 p.m.

Mr. Ash has been working on the database for the utility, but has found the video card will not handle the graphics for the program. He wanted to use the old server that was sitting in the shop, but the server would require the software to be updated and the cost would be approximately \$200.00. V.P. Becker suggested to take the video card out and put it in the new server instead of putting money into the old server. The discussion was tabled until we could find out if the video card would work in the new server.

Mr. Ash asked to purchase a new 7.5 hp pump to replace the pump we had in stock. Ken Buczek made the motion to purchase the pump, Randy Becky second, the motion was approved.

Jerry Hanas received the contract for London Witte to do the yearend financial audit, and to prepare the 1099's. Ken Buczek made the motion to accept, Terry Atherton second, all agreed, the motion was accepted.

Terry Atherton made a motion for the board to approve McMahon up to \$20,000.00 to design the new aeration system for #3 aeration tank. Ken Buczek second, the motion was approved.

President Colton asked if there was any comments from the board there were none. The floor was opened for discussion from the membership.

Allen Champion asked if we are considering doing direct deposit yet, he would like to have that. The board informed Allen that we are looking into it but we are not there yet. The board suggested he contact his bank and set an automatic payment with them. Once he sets it up with his bank they would send a check every month.

There were no further questions, the meeting was adjourned at 7:52 pm.

Respectfully submitted,

Kenneth L. Buczek, Secretary