

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 January 15, 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 January 15, 2015 meeting to order at 7:00 p.m. in the Shorewood Forest Clubhouse. Directors Terry Atherton, Randy Becker and Greg Colton were present. Also in attendance were Assistant Treasurer Donna Atherton, 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 December 18, 2014 Board of Directors Regular Meeting minutes were accepted and approved.

Shop Report:

A copy of the December 18, 2014 through January 9, 2015 Shop Report prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is as follows:

Shop Report

December 18th through, January 9th 2015

Main Plant

1. Permit capacity is 450,000 GPD. We had an average flow of 180,700 GPD and our high flow was 250,300 GPD. We treated a total of 5.603 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: 98.5% removal of BODS; 98.8 %of Suspended Solids; 99.7% of Ammonia; and 96.9% of Phosphorus (80% minimum). We have gone 58 months with out a violation.
2. On December 22nd, we replaced the plunger in the hydrant near the digesters.
3. On December 2nd, we walked to the creek for our monthly inspection.
4. On January 6th, we replaced the high wet well float on the West Digester.
5. We have had to thaw out the raw sampler multiple times.

Lift Stations

1. Lift station pump run times from December 1 - 31, 2014

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	508	23.7	Nature Preserve	1556	125.9
Pixley	523	32.7	Devon	2005	80.4
Edgewood	620	65	Main	5426	154.6
Surrey Hill	727	36.4	Wessex	753	167.2
Wexford	526	23.9	Scarborough	563	17.1
Amhurst	1529	114.1	Shorewood ct.	838	106.5
Roxbury	684	60.1			

2. On December 18th, after a power failure, we reset Nature Preserve.
3. On December 19th, we were called to Shorewood Ct. for power failure, and pump 1 & 2 seal failure. Porter Co. was replacing a culvert and hit a power line. They repaired the damage.
4. On December 23rd, we were called to Wessex for communication failure, we replaced the radio, but the level was not showing. We replaced the transducer. We still had no level reading, we called for an electrician who reprogrammed the SCADA to use the 2nd analog signal.
5. On December 26th, we were called to Shorewood Ct. for pump 2 failure. We disconnected the seal fail and the pump started working.
6. On December 29th, we were called to Roxbury for pump 2 failure, we disconnected the seal fail and the pump started working.
7. On December 31st, we replaced pump 2 at Shorewood Ct. with a new 7.5 hp Tsurumi pump.

Sewer Lines & Manholes

1. On December 29th, Metz fixed a service on Brockton Pl.

Other

1. On December 29th, Philip was called for an emergency locate on Wessex Ct.

Submitted By
Forest W. Ash

Mr. Forest Ash reported that barring any mishaps, by the end of February we will have gone 59 months without a violation.

Mr. Ash noted that last month the utility treated 5.6 million gallons of wastewater, which is 40% of our permitted capacity. (See item #1)

The broken sewer line at 153 Brockton Place was repaired by Alex Metz. The line was dug up and exposed in the presence of Robert Henry, a contractor for NIPSCO. Robert Henry did not contact the line directly when installing new NIPSCO facilities, but came within 7 inches. Robert Henry agreed to pay half of the repair cost.

The new Tsurumi cutter pump is working well. (See item # 7)

Treasurer's Report:

Assistant Treasurer Donna Atherton reported the utility will soon be posting final entries to the 2014 books.

Ms. Atherton indicated there is some uncertainty about how to calculate the debt service coverage ratio for the first three months of 2014 (before the new bonds were issued). She will be contacting the Bond Bank for clarification. Also, she informed the Board that the final step in refunding the 2005 Bond is expected to take place sometime this month.

Ms. Atherton observed that the utility's receivables from member payments have gone up due to an increase in unpaid utility bills. She pointed out that an Aging Summary was prepared for past due accounts as of January 14, 2015, and was included with the meeting materials provided to Board members.

Because the utility's monthly bond payments have gone up due to the new bond issuance, Ms. Atherton suggested that the utility should adopt a practice of spreading certain lump sum payments over a period of several months – for example the cost of hauling sludge. This should help protect the utility's debt service coverage ratio.

Ms. Atherton reported that the utility recently transferred cash to various funds to reduce the amount of funds in the operating account, for purposes of tax reporting.

President Atherton commented that it may be possible to fund two near-term projects for the utility using funds that are already on hand. The first project is to install a new aeration system for tank #3, which would cost roughly \$50,000. The second project involves the installation of a new treatment tank and would cost \$1.1 million. It may be possible to complete the second project in phases, as funds become available. Another source of funds for the second project could be from capacity fees if the utility were to agree to extend its services to new developments in the area.

Old Business - Phase 1B Project Status

John Sturgill from McMahon Associates distributed to Board members a copy of Disbursement Request #8, dated January 15, 2015, which summarized the project costs and disbursements to date.

Mr. Sturgill reported that the controls specialist (Automatic Systems) is still fabricating the control panel for the microscreen. All of the hardware is done, but software work remains unfinished. Gaskill Walton is now saying a conservative estimate for the startup of the new headworks should be the week of March 9, 2015. When asked if the delay is increasing the cost for the utility, Mr. Sturgill replied there is no added cost associated with the delay.

New Business

Mr. Sturgill reported that a Gaskill & Walton subcontractor indicated it would cost about \$16,000 to install a fence around the perimeter of the new headworks, and the work would not be completed until Spring. No change order has yet been submitted to G&K for the fence. Meanwhile a bid has been received from Indiana Fence to install the fence at a cost of \$6,300, and work could be started next week.

After discussion, Director Colton moved that the Board accept the bid from Indiana Fence. The motion was seconded and approved by the Board.

Forest Ash requested Board approval of the purchase of three new pumps from BBC at a cost of \$16,995. Two of the pumps would be held in reserve in the stock room and the third pump is for immediate use. Director Colton moved that the Board should accept the quote from BBC and purchase the three pumps. The motion was seconded and approved.

President Atherton adjourned the meeting at 7:27 p.m.

Respectfully submitted,


Gregory Colton, Secretary