

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 May 21, 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 May 21, 2015 meeting to order at 7:04 p.m. 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, John Sturgill from McMahon Associates (the Utility's engineering adviser), and two members of the Utility.

Approval of Prior Minutes:

The May 21, 2015 Board of Directors Regular Meeting minutes were accepted and approved.

Shop Report:

A copy of the April 14 through May 19, 2015 Shop Report, prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is as follows:

Shop Report
April 14th through May 19th, 2015

Main Plant

1. Permit capacity is 450,000 GPD. We had an average flow of 174,600 GPD and our high flow was 223,800 GPD. We treated a total of 5.239 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: 98.9% removal of BODS; 99.2% of Suspended Solids; 99.6% of Ammonia; and 93.5% of Phosphorus (80% minimum). We have gone 62 months without a violation.
2. On April 16th, we walked to the creek for our monthly inspection.
3. The Magnesium feed pump in the new filter building has plugged up on multiple occasions. We have had to blow it out with a hose.
4. On April 24th, we replaced the thermal over loads on pump 1 in the backwash station.
5. On April 29th, we were called out for a VFD fault on the new micro screens.
6. On May 4th, when we checked the micro screens we found a hose had blown off, and flooded the dumpster, and floor of the new building.
7. On May 13th, 18th, and 19th, Wealing Brothers hauled sludge from the West Digester.
8. On May 14th, Dean, from Blue Water was out and repaired the line that had blown off, and did some minor adjustments. See report

9. On May 14th, Rick from H2O came out, (our distributor for Magnesium), he believes that because of the slow pace we are feeding the Magnesium it could be the problem. He suggested every morning to come in and hit the primer button to purge the line, this might help. We have implemented this.
10. On May 18th, we received a call for VFD auger failure on filter 2. Upon arrival we found the auger full of rags. We cleaned the auger and put it back in service. The auger seems to have a slight vibration to it.
11. Report of the Micro screen removal of TSS and CBOD

	Influent TSS	Effluent TSS	% of removal	Influent CBOD	Effluent CBOD
31-Mar	515	77.6	84.93204	169	138
1-Apr	449	166	63.02895	252	143
2-Apr	921	128	86.10206	446	148
7-Apr	678	175	74.18879	150	176
8-Apr	735	114	84.4898	350	26.9
9-Apr	543	98.4	81.87845	330	125
14-Apr	537	131	75.60521	211	131
15-Apr	446	123	72.42152	299	163
16-Apr	547	138	74.77148	219	145
21-Apr	593	213	64.08094	436	160
22-Apr	439	248	43.50797	276	143
23-Apr	374	129	65.50802	236	183
28-Apr	407	186	54.29975	325	163
29-Apr	312	142	54.48718	209	153
30-Apr	261	149	42.91188	168	186
5-May	683	158	76.86676	354	148
6-May	200	135	32.5	174	183
7-May	226	126	44.24779	263	223
Total	8866	2637	70.25716	4867	2737.9

Lift Stations

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

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	457	18.5	Nature Preserve	1520	109.6
Pixley	460	29.5	Devon	1734	64.7
Edgewood	584	48.6	Main	5592	147.8
Surrey Hill	667	37.4	Wessex	575	29
Wexford	599	27.1	Scarborough	438	13.5
Amhurst	1516	103	Shorewood ct.	714	94.1
Roxbury	2791	107			

2. On April 14th, pump 2 at Roxbury called for failure. We attempted to reverse the wires and lift the pump to get it seated properly. When we left the station it was working, but failed again the same day.
3. On April 21st, MB Controls installed programmed, and installed a new radio in the Sagamore lift station to replace the one that was taken out during the lightning strike. Also he had to reprogram

the PLC, it had lost its program. We have also found that the Ethernet port on the PLC is not working, and the enunciator for the generator is shorted. I have ordered the PLC, and am trying to find the enunciator.

4. On May 13th, Wessex and Shorewood Ct lift stations experienced brief power outages while NIPSCO made repairs to the lines.

Sewer Lines & Manholes

1. No issues this month.

Other

1. We have had a new bumper crane installed on the F-250.
2. I have received a quote for the new clarifier drive, that quote is, \$21,823.00. Quote is enclosed.

Submitted By
Forest W. Ash

Mr. Ash noted that the bumper crane has been installed on the new Ford 250 truck. He also reported that he has received one quote for a clarifier and will be getting more quotes.

Director Colton asked how there could be a negative removal rate for CBODs, as reported in the Table for Micro Screen Removal. President Atherton explained that the amount of influent (which is a measurement required by law) is a 24-hour composite. The amount of effluent (which is a measurement not required by law) represents a single data point obtained during the day, and is not averaged.

President Atherton noted that TSS removal averaged 70%, which will result in lower sludge removal costs. Director Hanas pointed out that our cost for Waste Management, however, is going up.

Director Becker asked why the Nature Preserve pump ran so much. President Atherton explained that utility employees opened the manholes to see if there was any influent.

Director Colton asked if there was anything more to report on efforts to use the Big Mouth bladder as a possible means for shutting off customers. Mr. Ash said he called the manufacturer for advice and was told the device should work. Mr. Ash will try again.

Treasurer's Report:

Treasurer Jerry Hanas gave the Treasurer's report for April 30th. Treasurer Hanas reported that the Utility had Net Operating Income of \$187,109, Bond Payments of \$115,788 and a Debt Service Coverage Ratio of 1.62. Restricted Funds totaled \$1,365,142 and Total Restricted Cash and Checking was \$1,747,549. Treasurer Hanas noted that our cash flow is good. He suggested changing the phrase "debt service target" to "debt service *reserve* target."

Old Business - Phase 1B Project Status

John Sturgill from McMahon Associates distributed to Board members a copy of Disbursement Request #12, dated May 21, 2015, which summarized the project costs and disbursements to date.

Mr. Sturgill reported that the Gaskill & Walton made a claim to reduce the retainage from 5% to 2%, with \$18,000 still retained by the Utility. Mr. Sturgill reported that with regard to the outstanding issue

with Automation Systems, G&W has intervened and is directly resolving the issue; the Utility will not need to pay the \$3,600 additional charge that we disputed.

Mr. Sturgill reminded that Board that last month the Board authorized the issuance of a certificate of substantial completion to G&W. Mr. Sturgill reported that a punch list has been created that includes relocating the floats in the wet well. Mr. Ash added that G&W will need to restore the land with rock, not mud. With regard to the rust/corrosion that appeared on the stainless steel housing for the microscreen, Mr. Sturgill reported that Blue Water will be taking care of the problem, which may include an acid wash.

Mr. Sturgill reported that the unspent contingency funds now are projected to be \$358,642.59.

Mr. Sturgill asked if the Board had made any decision yet about future capital improvement projects. Director Colton explained to the members in attendance that a workshop was convened on May 4th and was attended by members of the Board, Mr. Sturgill and others from McMahon Associates. Potential projects and their estimated costs were outlined by Mr. Sturgill. In answer to Mr. Sturgill's question, President Atherton said the Board needs a cash analysis as a first step before any decision can be made.

Treasurer Hanas initiated a discussion about the condition of the Utility's existing plant, because such information would help with our risk analysis on how much cash reserves to keep, and thus help us determine what new projects we can afford at this time. President Atherton noted that we already have GPS coordinates for all of our manholes, but it would be helpful to have a GIS map that could identify the location and amount of clay pipe in our system. He noted that clay pipe has a life of about 40 years, which is approximately the age of our system. Mr. Hanas asked Mr. Sturgill what it would cost to develop a GIS map of our system. Mr. Sturgill replied that he can figure out the cost in about a week, and once authorized to move forward, could finish mapping the system in about two months.

New Business

Treasurer Jerry Hanas reported that the Utility has filed its Form 990 with the IRS for the year 2014. The Certified Audit required by the Bond Covenants has also been completed, and the quarterly unaudited statement has been submitted, as required.

Secretary Greg Colton reported that he received a letter of resignation from Donna Atherton, the Utility's Assistant Treasurer, after six years of service. Mr. Colton praised Donna for her contributions to the Utility and said that her work was greatly appreciated. Director Becker stated that a large majority of the improvements at the Utility since 2008 were the result of Donna's efforts. Utility members Ron and Marcia Casassa both expressed their appreciation for Donna's work on behalf of the Utility.

President Atherton adjourned the meeting at 7:40 p.m.

Respectfully submitted,


Gregory Colton, Secretary