

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 November 19, 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 November 19, 2015 meeting to order at 7:05 p.m. in the Shorewood Forest Clubhouse. Directors Greg Colton, Randy Becker, Ken Buczek, and Jerry Hanas were present. Terry Atherton was absent. 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 October 15, 2015. There were none. The minutes of the Board of Directors Regular Meeting of October 15, 2015 were then accepted and approved.

Shop Report for November:

A copy of the October 7 through November 11, 2015 Shop Report, prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is summarized as follows:

Shop Report

October 7th through November 11th, 2015

Main Plant:

1. Permit capacity is 450,000 GPD. We had an average flow of 224,400 GPD and our high flow was 335,200 GPD. We treated a total of 4.698 million gallons of wastewater last month, or 34% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 99.5% removal of BODS; 99.5% of Suspended Solids; 99.6% of Ammonia; and 94.3% of Phosphorus (80% minimum). We have gone 68 months without a violation.
2. On October 12th, we walked to the creek for our monthly inspection.

3. On October 13th, we replaced one of the sealed bearings on the Micro-screens, and put grease zerker fittings in the other bearings.
4. On October 15th, we got multiple auger jams on the Micro-screens while Niles was unloading.
5. On October 19th, we had an auger jam on Micro-screen 2.
6. On October 21st, we had to blow back the clarifier.
7. We have had to blow out the magnesium feed line multiple times.
8. On October 27th, we noticed the Before Filter sampler was not pumping. We cleaned the head and replaced the suction tubing on the pump.
9. On November 7th, we had an auger jam on Micro-screen 2.
10. On November 9th, Phoenix Innovation calibrated our Raw and Final flow meters.

Lift Stations:

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

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	587	25.3	Nature Preserve	1370	121.7
Pixley	509	31.8	Devon	1385	60
Edgewood	689	53.3	Main	5569	142.6
Surrey Hill	608	33.3	Wessex	504	38
Wexford	516	23.1	Scarborough	496	14.4
Amhurst	1203	108.3	Shorewood ct.	658	106.6
Roxbury	1912	57.4			

2. On October 14 & 15, Niles cleaned all of the lift stations.
3. On October 16th, while cleaning the lift stations the lid fell off Roxbury lift station. We had Mobile Welding, weld hinges on the lid and frame.
4. On October 19th, we pulled pump 1 at Sagamore. We cleaned rags out of the pump and put it back in service.
5. On October 19th, we pulled pump 2 in the Head Works lift station. We could find nothing wrong with the pump. When we put it back in the lift station it was working.
6. On October 31st, we received a communication failure from the Main lift station. When we arrived, we noticed someone had removed the lock, and shut the power switch off to the station. We replaced the lock with a new one.
7. On November 2nd, we noticed that Edgewood had not called for generator run. We found the battery dead on the generator, and replaced it.
8. On November 9th, we pulled pump 2 at Shorewood Ct. lift station after it called for pump failure. We found nothing in the pump, reset it, and it worked properly.

Sewer Lines & Manholes:

1. We have tested the Big Mouth flow through plug. We will be able to use this method to shut off overdue accounts.
2. On October 26th, we were called out for an emergency locate on Fox Chapel Rd., due to NIPSCO electrical broken service line to the home.

Other:

1. On October 26, Nick Ream from IDEM came to the plant for an inspection. Nick was very impressed with the Micro-screens, he also told me that the plant has never looked better. Nick also informed me, our plant has been moved to having inspection every 2 years because of our history of no violations.
2. I would like to have your permission to upgrade our Microsoft Office program to office to office 365. It gives you all the latest office software including 1 TB of cloud space. The fee is approximately \$144.00 a year, this includes 5 computers, 5 tablets, and 5 phones.

Submitted by,
Forest W. Ash

Questions and Answers:

President Colton asked if the removal rate of the solids improved since the startup of the Micro-screens. Mr. Ash said that the Micro-screens had gotten slightly better, but it was not a significant difference. Director Becker asked how someone was able to get the lock off the Main Lift Stations control box. Mr. Ash said he was not sure if the lock was cut off, or was accidentally left unlocked. The lock was nowhere to be found.

Resident Bob Band asked how many of the Big Mouth Flow through plugs we have, and are we going to contact those that will be shut off first. Mr. Ash explained that we have one flow through plug at this time but if it works as intended we will be purchasing more. Also the Board is working on the proper protocol for the disconnection process. President Colton asked about the cost of the plug, Mr. Ash said it cost approximately \$1,000.00 per plug, with all the attachments that are needed for the process.

Treasurer's Report:

Treasurer Jerry Hanas gave the financial report. The Capital Replacement Fund stands at \$ 793,232, the construction fund stands at \$ 357,742 and the Capacity Fees total \$ 352,053; for a total investment of \$ 1,503,027. The Utility has Operating Cash of \$ 180,638, payables of \$ 601.00, and receivables of \$ 111,191. Year-to-date Income is \$ 739,691 and after Operating Expenses of \$ 274,674 resulted in a Net Operating Income of \$ 465,016. Bond Payments totaled \$ 289,038, leaving \$ 175,979, with a Debt Service Coverage Ratio of 1.61.

Treasurer Jerry Hanas explained that the reduction in net income for the year was expected due to the increase in bond payments.

Old Business:

President Colton asked Mr. Ash about the Big Mouth flow through plug; how many homes were on the line where the test was performed, and if there were any problems. Mr. Ash said there was a small amount of back up, the line was filled about half way. President Colton said he was concerned about any type of backup, and if we had to go in and clean the plug every couple of weeks, how much time would it take?

Mr. Ash explained it would take two to three hours to remove it, clean it, and put it back in position. President Colton then asked how many homes were attached to the sewer line where we tested the plug, would it be different if we had more homes on it, and would this cause a bigger problem?

Mr. Ash explained that there were four homes on the sewer line, and if there were more homes connected upstream, it could work either way: it could cause a backup quicker, or having more homes upstream could convey a larger flow and potentially reduce the likelihood of a backup. Director Jerry Hanas said that we have to make sure that we monitor the process closely to make sure we do not have a backup. What good would it be if we collected \$13,000 and created damage caused by a backup that was a greater expense than the money that was owed?

Mr. Ash explained there are other avenues that could be taken that would not cause a problem with a backup, but they would be more expensive to implement. Director Hanas stated that whatever was done, we needed to make sure that the debt had a good chance of being collected before shut-off action was taken.

Resident Tom Szeffc asked if it would be easier to put a lien on the home. There was a short discussion about the issue. President Colton explained it was his understanding that the utility would first have to obtain a judgment before it could file a lien against the property.

President Colton asked the Board to consider giving Mr. Ash the discretion to accept payment plans proposed by members with past due accounts, as long as the payment plan is in the best interest of the utility. Director Buczek made the motion; Director Hanas seconded, and it was passed.

Cleaning and Televising:

Mr. Ash presented the Board with a Sewer Line Report he prepared based upon the sewer televising that was done in 2010. The Report included a 24" x 36" color coded map of the utility's system, showing the locations of PVC and clay pipe, as well as the locations of problem areas that will require immediate repair. The Report also included an estimate for the proposed repairs, including rodding the lines, dig-up repairs, installation of CIPP, and patching. The total cost for the repairs came to \$69,190. After discussion, Director Hanas moved that the Board approve the repair projects outlined in Mr. Ash's report, and the related cost estimates, and also a fifteen percent contingency for unforeseen problems. The motion was seconded by Director Director Becker and approved by the Board.

President Colton thanked Mr. Ash for the great job he did in preparing the Report and that the Board appreciated the work that was put into it.

New Business:

President Colton asked Mr. Ash to discuss his request to upgrade SFU office software to Microsoft Office 365. Mr. Ash explained that he was creating a database to help reduce paper work, and to keep all records in one place. Mr. Ash stated that he was currently using Office 2003, and that the Access database in that program was too difficult to work with. He explained that Office 365 was much easier to work with, and he would like to update the utility office to the new Office 365 software. Director Hanas moved that the Board authorize the purchase of Office 365. The motion was seconded and approved.

President Colton informed the members that he was looking into reducing the fee currently charged by the consultant from MCO. President Colton stated that he wished to retain MCO's services but reduce the associated costs.

President Colton then asked Ron Casassa, the utility's current insurance agent, to discuss his insurance proposal for the coming year. Mr. Casassa explained that the insurance premium for 2016 had increased a small amount, due to the addition of a new building that houses the microscreens, and the purchase of a new truck. After discussion, Director Becker moved that the insurance proposal be accepted, and that the utility pay the premium in a lump sum in order to receive a discount. Director Buczek seconded the motion and it was approved.

Resident Bob Band asked if the Board knew what was going on with the proposed new Blum subdivision project south of 100 North. Mr. Band was informed that Mr. Blum was still waiting to hear back from Indiana American Water about extending water service in to the new subdivision. An issue about the potential diversion of Lake Michigan water was involved.

President Colton adjourned the meeting at 8:05 p.m.

Respectfully submitted,

Kenneth L. Buczek, Secretary