

SHOREWOOD FOREST UTILITIES, INC.

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

BOARD OF DIRECTORS MEETING

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

Meeting of November 17, 2016

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 17, 2016 meeting to order at 7:16 p.m. in the Shorewood Forest Club House. Directors Greg Colton, Dan Clark, Terry Atherton and Jerry Hanas were present. Director Ken Buczek was absent. Also attending were Forest Ash, Plant Manager, and two members of the Utility.

Approval of Prior Minutes:

Board President Colton asked if there were any questions concerning the minutes from the previous Board meeting of October 20, 2016. There were none. The minutes of the Board of Directors Regular Meeting of October 20, 2016 were then accepted and approved.

Shop Report:

A copy of the October 19, 2016 through November 9, 2016 Shop Report, prepared by Forest Ash, Plant Manager, was distributed to all Members who were present, and is summarized as follows:

Shop Report

October 19th through November 9th, 2016

Main Plant

1. Permit capacity is 450,000 GPD. We had an average flow of 195,200 GPD and our high flow was 255,600 GPD. We treated a total of 6.051 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: 99.6% removal of BODS; 99.6% of Suspended Solids; 99.6% of Ammonia; and 90.7% of Phosphorus (80% minimum).
2. On October 13th, we walked to the creek for our normal monthly inspection.
3. The Nexom prototype belt failed and we replaced it with the belt that came off the machine.
4. On October 31st, we changed the oil in the clarifier.
5. We have installed a new blower, replacing blower 1.
6. When reassembling blower 1 we noticed the silencer was cracked. We welded the silencer and reinstalled it.

Lift Stations

1. Lift station pump run times from October 1 - 31, 2016

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	746	36.1	Nature Preserve	1296	160
Pixley	446	27.1	Devon	807	58.1
Edgewood	546	53.8	Main	6023	155.2
Surrey Hill	511	28.4	Wessex	573	39.2
Wexford	631	28.7	Scarborough	752	17.8
Amhurst	1275	119.8	Shorewood ct.	892	165.9
Roxbury	1916	70.8			

- On October 27th, we were called to Sagamore for pump 2 failure. We pulled the pump, removed rags, and put the pump back in service.
- On October 28th, we were called to Devon Ct. for power failure. A contractor had hit power lines while excavating a foundation. We pulled the generator to Devon and left it until the power was restored.

Sewer Lines & Manholes

- On October 24th, we were called to Waters End Ct. for sewer back up. We opened the manholes to check flow and checked the cleanout. We informed the resident the issue was on their property and told them to contact a plumber.

Other

- On November 2nd, the front passenger side brake of the 2007 F-150 was smoking. Upon taking the calipers apart we found one cylinder had seized. We replaced it with a new caliper.

Submitted By

Forest W. Ash

Questions and Answers:

Director Atherton asked how many times have we been out to Sagamore to pull rags. Mr. Ash said approximately 15 times this year. Mr. Atherton asked how long has the pump been in service. Mr. Ash responded approximately 10 years. Mr. Atherton stated “the pump is at the end of the useful life are we going to replace it with the Tsurumi chopper pump, and do we have one on the shelf. Mr. Ash responded yes, and we do have one on the shelf. There was a discussion on the pumps, and Director Hanas moved that the Board authorize Mr. Ash to order 2 new cutter pump for Sagamore. Director Atherton seconded the motion and it was approved by the Board.

Mr. Colton asked how often we get called for service lines that have clogged between the main and a home. Mr. Ash stated it is more in the winter time, but we are called around 4-6 times a year. 90% of the time the line is clogged due to roots.

Treasurer's Report:

Treasurer Hanas gave the financial report: Restricted Bonds total \$160,996, Debt Service Reserve of \$279,180 with a Debt Service Reserve target of 325,920, leaving an amount still owed of \$46,740. Capital Replacement Fund totaled \$711,584; Construction Funds totaled \$203,144; Capacity Fees totaled \$356,265; and Restricted Investments totaled \$1,270,993. The Utility currently has Total Operating Funds of \$314,622 and 5.2 months of cash on hand. We have \$31,174 of payable and \$110,288 receivables. We had a total income of \$762,883 and expense of \$354,511 leaving a net Operating Income of \$408,371 year to date. Bond payments totaled \$286,325, resulting in an Income after Bond Payments of \$122,047. The Debt Service Coverage Ratio is 1.41. The Utility is required to maintain a Debt Service Coverage ratio of 1.25.

President Colton, asked if there were any questions on the financials. Mr. Atherton asked about the second line in the report stating bonds of \$424,495. It was deemed to be an error in the report; it should not have been there. President Colton asked if there were any further question. There were none.

Old Business:

President Colton stated that in the last meeting the Board approved a preliminary resolution concerning the expansion of the Utility's CTA to include the proposed new Arbor Lakes South subdivision, subject to membership approval. At this time the notice for a Special Meeting of the membership has not gone out yet as we are still waiting for a map from the developer Mr. Blum to include with the Notice.

New Business:

President Colton, presented the election of the new officers, he stated that they are the same as last year with the exception of Dan Clark, our newest board member. Dan Clark will now assume the role of Vice President, a position previously held by Randy Becker, who resigned.

President Colton then gave the floor to Ron Casassa. Mr. Casassa presented the new insurance policy to the Board. The premium has increased by \$227.00 for the year. The main increase was the tailored protection which is for the buildings. The cost of building materials has increased so therefore, the replacement value of the buildings has increased. Workman's comp has increased a little, based on payroll. The Board commended Mr. Casassa for the effort he has put into keeping the premiums as low as possible. After a short discussion, Mr. Atherton made the motion to renew the policy, Dan Clark seconded the motion, and all were in favor.

President Colton asked if there was any comment from the Board. Mr. Hanas asked Mr. Ash if we have given up on the sewer line repair for Roxbury for this year. Mr. Ash stated we did not receive any responses to the bids that went out. The invited bidders stated they were too busy to bid. Mr. Colton stated that he has talked to John Sturgill from McMahan and Mr. Sturgill is confident that we will be able to get bids this Spring. Mr. Hanas asked Mr. Ash what he felt about the situation, can it wait until then? Mr. Ash stated that he felt it should be okay but that now we know there is a problem we need to have it cleaned this Spring when Metz comes in to do the televising. Mr. Hanas asked if there was enough head pressure. Mr. Ash stated as of right now there is.

President Colton asked if there were any comments from the Board. There were none. He then asked if there were any questions from the membership. There were none.

President Colton adjourned the meeting at 7:38 pm.

Respectfully submitted,

Greg Colton for Kenneth L. Buczek, Secretary