

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
Director, Ken Buczek

Meeting of September 17, 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 September 17, 2015 meeting to order at 7:00 p.m. in the Shorewood Forest Clubhouse. Directors Terry Atherton, Randy Becker, Ken Buczek, and Greg Colton were present. Also in attendance were Plant Manager Forest Ash, John Sturgill of McMahon Associates (the Utility's engineering adviser), and three members of the Utility. Treasurer Jerry Hanas was absent.

Election of Officers:

President Atherton announced that the Board of Directors had elected new officers in the executive meeting, and they are as follows:

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

Mr. Atherton turned the meeting over to the new Board President, Greg Colton.

Approval of Prior Minutes:

The August 20, 2015 Board of Directors Regular Meeting minutes were accepted and approved.

Shop Report for August:

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

Shop Report

August 19th through September 11th, 2015

Main Plant:

1. Permit capacity is 450,000 GPD. We had an average flow of 221,811 GPD and our high flow was 293,225 GPD. We treated a total of 5.196 million gallons of wastewater last month, or 37% of our permitted capacity. The following percentage rates are an indication of how efficiently the plant is operating: 99.3% removal of BODS; 99.0% of Suspended Solids; 99.7% of Ammonia; and 93.8% of Phosphorus (80% minimum). We have gone 66 months with out a violation.
2. On August 17th, we walked to the creek for our monthly inspection.
3. We have been getting low Oxygen readings in the new filter building.

4. Blue Water sent technicians in to replace the augers on the micro screens in an effort to stop the auger faults we have been getting. They also removed rust and treated the micro screens to prohibit further rust.
5. On September 5th, we were called in for low D.O. in the plant. We found the VFD was in fault mode. We put blower 4 in service and reset VFD 1.
6. On September 6th, we were called out for a problem in the plant. The gas meter had detected low oxygen in the micro screen building.
7. On September 8th, we took blower 1 apart to examine the bearing. We cleaned it and put it back into service.
8. On September 9th, we installed a new decant pump on the digester crane.
9. On September 11th, we were called for high level in the micro screen. We put an additional micro screen in service until the flow returned to normal.

Lift Stations:

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

Station	Cycles	Run Time (hrs)	Station	Cycles	Run Time (hrs)
Sagamore	768	25.3	Nature Preserve	1734	163
Pixley	446	28.4	Devon	2069	79.3
Edgewood	625	59.9	Main	5959	156.6
Surrey Hill	602	32.1	Wessex	574	72.5
Wexford	622	27.6	Scarborough	576	18
Amhurst	1534	117.1	Shorewood ct.	820	136.1
Roxbury	2776	61.6			

2. On September 1st, we cleaned the transducers at the Devon, Roxbury, and Amhurst lift stations.
3. On September 8th, we pulled pump 1 at Sagamore. It was filled with rags. We put the pump back in service.

Sewer Lines & Manholes:

1. On August 26th, we raised a manhole in Arbor Lakes.

Other:

1. On August 19th, we removed a broken parking stop at the shop and replaced it with a new one.
2. On August 21st, we noticed the newly installed gas line had been washed out and called NIPSCO, who came and filled the trench.
3. On August 24th, we repaired part of the frame of our flat bed trailer.
4. We worked on our sewer televising camera in preparation to test out a replacement pass through valve.

Submitted By
Forest W. Ash

There was a discussion about the Big Mouth flow-through plug, which is being tested by the Utility in an effort to shut-off service to those who are behind with paying their sewage bill. If this device works, we will be able to shut off customers without digging up the yard. Mr. Colton asked if the donut hole in the device gets blocked, how long would we have before there is a problem, and who would be the first to know? John Sturgill responded that the person on the lowest lateral would be the first to know. Forest explained that we were going to do a test on the plug in an area that only has a few homes in it to make sure it is going to work.

Ron Casassa asked about the home building contractor who had buried the Utility's manholes. Mr. Ash said he had been contacted, and that he will be billed for the cost of raising the manhole.

Treasurer's Report:

Director Terry Atherton gave the Treasurer's report. The Capital Replacement Fund stands at \$528,582, and Capacity Fees total \$352,017. The Utility has Operating Cash of \$413,327. Year-to-date Income is \$589,445 and after Operating Expenses of \$223,029 resulted in Net Operating Income of \$366,416. Bond Payments totaled \$231,360, with a Debt Service Coverage Ratio of 1.59.

There were no questions regarding the financials.

Old business:

President Colton asked John Sturgill from McMahon Associates (the Utility's engineering adviser) to update the Board on the headworks. Mr. Sturgill informed the Board that there is still an unresolved issue with the blowers ramping up and down. Our Phase 1B contract with Automatic Systems requires them to make necessary adjustments. With regard to the microscreens, Mr. Sturgill reported that Blue Water came out and adjusted the augers. The output is better now, but still too wet. If we can get the output dry enough, Mr. Sturgill reported there may be someone willing to take all of the output, and thereby reduce our disposal cost to zero.

President Colton asked Mr. Ash for an update regarding cleaning and televising the sewer system. Mr. Ash explained that he did contact Metz Sewer, and they are willing to do a three year contract. However, they are going to raise their price up to \$1.95 a foot, and the root cutting, if needed, will be \$2.00 a foot. Mr. Ash explained that he did not ask Tierra, because Metz was cheaper than Tierra's original bid. The Board tabled a final decision until next month. In the meantime, Mr. Ash will continue reviewing videos taken of the system from several years ago in order to identify potential trouble spots..

New Business:

IDEM President Colton asked Director Atherton to comment on a letter the Utility received recently from IDEM. Director Atherton informed the Board that IDEM has now released us from the Agreed Order that was entered into a number of years ago to resolve past violations of our NPDES permit.

Sprint President Colton asked Mr. Ash about the proposed Sprint contract. Mr. Ash reported that under the new contract we would be adding a new phone line, hotspot, and three 7" Samsung tablets for nine dollars more a month. The phone line is for the new employee, the hot spot will replace the outdated WIFI connection we have for the laptop we use in the field. The tablets will be used for recording work in the field. It will connect to our central database. Director Atherton made a motion to accept the Sprint proposal. The motion was seconded and approved.

Comcast Comcast has asked again if we are interested in receiving internet and phone service from them. Mr. Ash explained that last time Comcast wanted \$ 6,000 to run a line, which we were not willing to pay. Comcast wants us to sign a contract, and then they will do a field survey to see if they can run a line at their cost. If they cannot, the contract would be voided. After discussion, it was decided we will not sign a contract. However; if Comcast wishes to perform the survey first, and then let us know that we can be serviced at no construction cost, we would consider the change.

President Colton adjourned the meeting at 7:46 p.m.

Respectfully submitted,

Kenneth L. Buczek, Secretary