

SHOREWOOD FOREST UTILITIES, INC
425 UTILITY DRIVE
VALPARAISO, IN 46385

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

July 15, 2016

NOTE: All minutes are summarized to give the community the essential information of what has happened at the meetings and what votes were taken. Board discussions and public comments are not presented verbatim.

Pursuant to the call of the Board of Director of Shorewood Forest Utilities, Inc., Board President Greg Colton called to order the Annual meeting of Shorewood Forest Utilities, Inc. July 15, 2016 at 7:00 p.m. in the Shorewood Forest Clubhouse. Directors Greg Colton, Terry Atherton, Ken Buczek, Jerry Hanas, and Randy Becker were present. Also in attendance were Plant Manager Forest Ash, Operator Philip Burbrink, Apprentice Mike Wilder, and John Sturgill from McMahan Associates along with four members of the utility.

President's Comments

Mr. Colton welcomed all that were in attendance.

Mr. Colton addressed the election of officer for this year. Do the fact only one application was turned in and that application was from Greg Colton. There will be no election, and the existing Board members will stay the same.

Mr. Colton spoke about the previous agreed order that we had due to the violation back in 2008, and we have been operating under the agreed order. In that agreed order there was a compliance plan that was created for improvement that had to be done to the plant. In September of 2015 IDEM has sent us a release of the agreed order stating that we have meet the requirements of the agreed order. Than in November of 2015 Nick Ream our IDEM inspector came for his yearly inspection and informed M. Ash that our plant has never looked so good and that his inspections have been trimmed down to bi-yearly inspection. However; due to the taken down of our aeration tank to change diffusers, we had to rely on our smaller tanks that was not sufficient to handle the flow of the plant, therefore we did have some Ammonia violations in April of this year stopping our violation free streak to seventy-two months. Once the aeration tank was put back into service we came back to compliance, starting our new streak.

Our collection system is something we have turned our attention to this year, primarily because we are concerned because we are looking at other infrastructure improvements at the plant, we wanted to make sure we had no unknown problem with the collection system that might require a large amount of our investment in our capital. We have started televising and cleaning the lines

in which we are going to be complete in three years' time. In the televising we have found a problem that needs to be addressed on Roxbury and Shorewood Drive that we are looking at to get repaired.

We have completed some capital project, and have some more of the capital projects to be complete. Mr. Colton turned it over to John Sturgill to explain what we have done and what is on the horizon. John brought the member up to speed on the project that we have completed, from the installation of the VFD for the blowers, the headworks project which included the Micro Screen, to the replacement of the air diffusers in the existing aeration tank. The projects that still need to be address is the replacement of the existing aeration tanks one and two, along with a new clarifier.

Mr. Colton said that we have funds available of about 1.3 million, however we want to keep some of that money into reserve to address any issues that may come up. That is one of the reasons we are televising our line. We also have the other subdivisions that have tied into our system that is bringing new revenue along with their tap in fee. We also have another development that want to come into our service that will also bring more revenue to the Utility.

Financials

Treasurer Jerry Hanas presented the financials as follows.

We have an audit for 2015 done by London Witte it is as follows:

Revenues of \$886,558.00 expense of 522,086.00 giving a net margin of 314,472 before any bond payments or interest payments we had a year in debt service coverage ratio of 1.55. That is good news for 2015 if anyone would like to see t ratio Mr. Ash has them in the office. As far as the 2016 budget is a little more difficult due to the added amount for the Metz sewer cleaning however we believe that the debt service ratio should come out to approximately 1.25. The budget is getting a little tight it may be possible that we would have to get a rate increase, it has been nine years since we have had a rate increase. Not saying we need to increase but we may be advantageous for us to look at the possibility.

We do have some people that are late that totals approximately \$20,000.00, some are due to forecloses, some bankruptcy, some are renters that have moved out and the homeowner is refusing to pay for their property.

Yearly operations Report

Mr. Ash submitted the operations report which is outlined below.

January 1 – December 31, 2015

Main Plant

1. Our Plant design flow is 450,000 gallons a day. We had an annual average flow of 187,800 gallons, and used 42% capacity. We removed at an average of 99% of BOD, 99% of TSS, 100% of Ammonia, and 94% of Phosphorus. Over the span of one year, we have taken 716 effluent samples. Of those effluent samples taken, we have had 0 violations.
2. Wealing Brothers removed solids from the digester twice. They took 174,000 gallons to their holding facility.

3. Phase 1B Construction on the new filter building has been complete
4. We had our raw sampler repaired.
5. Our clarifier stopped working and had to be repaired.
6. The belts were changed on the micro screens.
7. The micro screens have had 14 auger failures.
8. We replaced the thermal overloads on pump 1 in the backwash pit.
9. The micro screens were treated with rust preventer.

Lift Stations

1. We responded to 7 power failures.
2. 26 calls for pump related problems.
3. We replaced 1 failed transducer with newer, more reliable “Dwyer” style units.
4. All lift stations were cleaned once.
5. We replaced installed a new antenna at Scarborough.
6. We replaced the radio at Roxbury lift station.
7. We extended the radio masts on Nature Preserve.
8. The guide rail for Roxbury pump 2 broke and had to be repaired.
9. Sagamore was hit by lightning and damaged the radio, the 24-volt power supply, and the display screen.
10. The lid on Roxbury lift station was repaired.
11. We installed a new battery in the Sagamore generator.

Sewer Lines & Manholes

1. We responded to 8 calls for backed up sewers.
2. Sewer line on Devon rd. backed up and caused a service to break.
3. We raised 2 manholes to ground level.

Other

1. We responded to 1 notification for SCADA communication failures to the PLC.
2. We responded to 9 calls for emergency locates.
3. We had the fence around the plant repaired after the garbage truck damaged it.
4. We replaced a brake line, gas tank strap, and the return fuel line on the 99 F-150.
5. Traded 99 F-150 for 2015 F-250.
6. We installed a new brake caliper on the 07 F-150.

Improvement Projects

McMahon Engineers has provided a detailed listing of improvements needed to improve the capacity, reliability and efficiency of the wastewater facility. The following is the status of some of their suggestions:

1. Phase 2A Tankage: Replace the existing Aeration Tanks number 1 and 2, and Clarifier with a single concrete aeration tank and clarifier. The existing inefficient air lift pumps for the return and the wasting will be replaced with automated pumps, so we can better control the waste and the return of the aeration tanks. The completion of this project will provide additional redundant capacity and allow more efficient operation of the Plant.

2. Phase 2B Filtration: Replace the current cloth filters with more reliable and efficient disc filters. This project will improve reliability, reduce maintenance, and improve the quality of our effluent.

Submitted By:
Forest W. Ash, Plant Manager

Questions and answers

Mr. Colton asked if there were any questions by the membership.

Tom Szeffc asked if there were any pumps that would push all these items that keep clogging the pumps up. Mr. Ashed explained that we are in the process of exchanging pumps from a conventional to a cutter pump which will cut a lot of these things up. However, you still have fine things such as dental floss that still gets wrapped around the shaft that eventually will cause a failure.

Mr. Szeffc asked why we don't just shut people off that are past due. Mr. Colton said that we are in the process of doing that but we have to maintain certain legal steps in which we are verifying all steps to make sure there are no legal ramifications.

Mr. Colton asked if there were any further question. There was none the meeting was closed at 7:51 p.m.