

SHOREWOOD FOREST UTILITIES, INC.

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

ANNUAL MEETING OF THE MEMBERS

President, Greg Schafer
Vice President, Anthony Cimino
Secretary & Treasurer, Tom Szefc
Director, Margie Stiles

Meeting of July 1, 2019

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.

Note: Customer and member are used interchangeably except for the Shellbourne Conference Center which is a customer only; they are not a member because they do not have voting rights.

CALL TO ORDER (00:01)

President Greg Schafer called the July 1st, 2019 Shorewood Forest Utilities Annual Meeting of the Members to order at 7:00 p.m. at the Shorewood Forest Clubhouse. Present were President Greg Schafer, Secretary/Treasurer Tom Szefc, and Director Margie Stiles; Vice President Anthony Cimino was out of town and could not attend. Also, in attendance were Plant Manager Forest Ash, Administrative Assistant Linda Walla, and 12 members of Shorewood Forest Utilities.

President Greg Schafer welcomed everyone to the meeting and stated that meetings are run using the Rules of Roberts Law; every time there is an issue being presented, members will have a chance to interact by asking questions and commenting on these issues while the Board discusses each issue. He encouraged members to ask questions if they need clarification or provide their valuable input to help the Board of Directors better understand their concerns.

APPROVAL OF MINUTES (0:27)

Secretary/Treasurer Tom Szefc stated that the Executive Meeting Minutes for June 20th, 2019 and the Public Meeting Minutes for May 23rd, 2019 are ready to be approved.

The July 19th, 2018 Public Meeting Minutes are not ready for Board approval due to the class action lawsuit and collection of revenue from past due accounts taking a higher priority by the Board of Directors in which these tasks are extremely time consuming.

A motion was made by President Greg Schafer and seconded by Director Margie Stiles to accept the Executive Meeting Minutes for June 20th, 2019 and the Public Meeting Minutes for May 23rd, 2019. The motion was approved unanimously.

NEWLY ELECTED DIRECTORS (1:16)

Election of Margie Stiles and Carlotta Holmes to the Board

President Greg Schafer stated that our newly elected board members are Margie Stiles and Carlotta Holmes. He added that since nobody ran for the Board other than Carlotta Holmes and incumbent Margie Stiles who was appointed to the Board after the last election, they both won by default; to be fiscally responsible, we opted to just cancel the ballot procedure since they had no opposition and are going to win that position regardless. He informed the Membership that Margie Stiles and Carlotta Holmes are officially elected and will serve their three-year terms.

Secretary/Treasurer Tom Szeffc stated that we need to have an informal vote with the audience, so we can officially say we had an election. He went on to ask the audience who is in the favor of having Margie Stiles sit on the Board of Directors of Shorewood Forest Utilities. He stated we only need one vote (*more than one hand was raised*). Then he asked the audience who is in favor of having Carlotta Holmes sit on the Board of Directors of Shorewood Forest Utilities (*more than one hand was raised*). He further stated that let it be in the record we did have an election tonight and they both received votes to be on the Shorewood Forest Utility Board.

PERSONNEL (18:04)

Mike Wilder

President Greg Schafer stated that Mike Wilder received his Indiana Water Treatment Plant Class 1 Operator's Certification. He further added that this is a Class 2 Plant, so technically Mike Wilder is not able to run the plant yet but is working on his Class 2 Certification.

REPAIRS (18:48)

1994 Ford Vactor Truck

Plant Manager Forest Ash stated that when we bought the 1994 Ford Vactor Truck, it was in need of some repair; one of the things that went bad was the rodder pump that is used for high-pressure washing; this repair cost \$17,000.00. He also added that the clutch was slipping, so we had it repaired; we resurfaced the flywheel, replaced the low-pressure buzzer, and had the Department of Transportation (D.O.T.) inspection done for a total cost of \$3,440.00. He informed everyone that he repaired the inside of the holding tank by scraping off the loose paint, sandblasting the rust, welding any holes in the tank, and repainting the tank inside, as well as repairing the leaking tailgate. He reported that so far this summer, the Vactor Truck has been in good working order. **President Greg Schafer** further added that the Vactor Truck is not only used for cleaning out our 14 lift stations but assists with the televising of our sewer lines; it is also used to help suck out the overflow sewage when the main sewer line breaks, so the men are able to get in the hole and repair the pipe.

CAPITAL IMPROVEMENT & REPLACEMENT PURCHASES (21:18)

Float Switches for Lift Stations

Plant Manager Forest Ash stated that we purchased 50 float switches to replace the ones in the lift stations that are failing and to create a high-level flow alarm redundancy so if one float switch goes out, the other will kick in to give a warning that sewage is backing up in that lift station; the *cost for these float switches is \$2,213.76*.

Backup Natural Gas Generators for Lift Stations

President Greg Schafer stated that the cost for the Generac 30 kW, natural gas, water-cooled generators were purchased for the following lift stations and their purchase price was:

- Wexford Road, Amhurst Court, & Roxbury Road generators were purchased on September 26, 2018 at a cost of \$24,805.06.
- Devon Road, Shorewood Court & Surrey Hill Lane generators were purchased on January 8, 2019 at a cost of \$23,254.85.
 - Surrey Hill Lane Lift Station Variable Frequency Drive Enclosure & Components: \$14,200.00.
- Main Power Plant is a 150 kW, natural gas, water-cooled version (replaces our old used diesel generator) was purchased on February 28, 2019 at a cost of \$26,763.51; this *generator has not been installed yet*.

President Greg Schafer reported that all these generators are or will be installed in-house saving the Utility money; we have three more gas generators left to purchase and install.

Tsurumi Cutter Pump (backup)

Plant Manager Forest Ash stated that we are slowly replacing all of the old extractor pumps with cutter pumps in the lift stations. He also added that we have had only one problem with the cutter pumps in the last five years and that was due to a NIPSCO power surge that burned out the pump; since these cutter pumps are not jamming, it is reducing a lot of our callouts and maintenance. He informed the Members that we always try to keep three sizes of cutter pumps in stock which will cover all the lift stations; they are a 5 hp, 7 1/2 hp, and 10 hp. He reported the 7 1/2 hp Tsunami Cutter Pump that was purchased for backup on October 28, 2018 cost \$5,873.88.

President Greg Schafer stated that each lift station does have a redundancy designed into it where we have two pumps per lift station; one pump cycles one time and the other one cycles the next time; if one of those pumps plugs up, we are down to one and if that pump jams, we have to rush out to make repairs.

Secretary/Treasurer Tom Szefc stated that he has seen Plant Manager Forest Ash and employee Mike Wilder out in the pouring rain while it was lightning, repairing those lift stations so sewage doesn't back up in anyone's basement.

Refrigerated Wastewater Sampler (After the Micro-screens)

Plant Manager Forest Ash stated that the refrigerated waste water sampler is located after the micro screens. **President Greg Schafer** stated that the sampler is a piece of equipment that keeps the samples we are extracting to about 40°F; *the cost for this sampler was \$1,849.77*.

OPERATIONS REPORT (31:36)

I.D.E.M. (Indiana Department of Environmental Management) Violations

Plant Manager Forest Ash stated that due to all the rainfall we had in April and May, we have been experiencing high flows. He reported that on April 29th, 2019, we had a flow of 420,000 gallons; on April 30th, we had a flow of 490,000 gallons; on May 1st, we had a flow of 773,000 gallons. He stated that the plant normally runs at about 220,000 gallons per day.

Plant Manager Forest Ash also stated that due to these heavy flows, our monthly average of suspended solids exceeded the monthly average limit allowed by I.D.E.M.; we are talking to the lab that does our testing and we have a feeling that they have made a math error; we are arguing the issue and are trying to find out what the number really is; nevertheless, we have to report this as a violation to IDEM.

Alarms and Equipment Failures

Plant Manager Forest Ash stated that we:

- 1) Replaced the programmable logic controller (PLC) and the radio at Shorewood Court; this is used to report vital information about the lift station back to the Supervisory Control and Data Acquisition (SCADA) system, located at the plant, which failed due to a power surge.

- 2) Replaced underground piping for the waistline which connects the clarifier to the digester.
- 3) We were called out 7 times to the micro-screens for auger failures.
- 4) We were called out 4 times to the digester for high-level sensor (sonar device) failures.
- 5) We were called out twice to the Surrey Hill Lane Lift Station to pull pump #2 and un-jam it due to a buildup of toilet paper; we also had to replace the float switches.
- 6) Once again, we were called out in a storm twice in the same night to the Surrey Hill Lane Lift Station to restart pump #1 & #2 and un-jam it due to a buildup of toilet paper.
- 7) We were called out twice to the Wexford Lift Station because the pumps failed in a storm (power outages) and we had to manually restart the thermal overload.
- 8) Four times at the Utility Plant, the SCADA was not talking to any of the lift stations.
- 9) In all, we had 8 power outages between the plant and the 14 lift stations.
- 10) We were called out twice to the Wexford Lift Station to pull pump #2 and un-jam it due to a buildup of toilet paper.
- 11) We were called out once to the Nature Preserve Lift Station to pull pump #1 and un-jam it due to a buildup of toilet paper.
- 12) We were called out once to the Sagamore Lift Station to restart the motors due to a high-level alarm.
- 13) We were called out one night in January during -24°F to the at the Wexford Lift Station due to an electrical surge that tripped the Variable Frequency Drive pump; we had to restart it manually.

Headworks/Micro-screen Repairs and Upgrades Update

President Greg Schafer stated that the micro-screens are basically a pre-cleaning device that removes much of the paper and plastic that gets into our sewage; these units are about four years old and they're also rusting on us; we contacted the manufacture and they changed companies; we are not terribly happy with those micro-screens, but we are living with the decisions that the former Board has made; however, we are dealing with that and hopefully we can get some sort of satisfaction from the new manufacturer.

Televising Sewer Lines, Inspecting Manholes, Cleaning Out Lift Stations, Replacing Pumps, & Installing Gas Generators

Plant Manager Forest Ash stated that we are waiting on NIPSCO to run the gas lines at the lift stations on Devon Road, Shorewood Court, and Surrey Hill Lane before installing the generators; it's been about a month since we've been waiting on those gas lines to be installed. He also added that it took 3 1/2 months to get the gas lines run at the lift stations located at Amhurst Court, Roxbury Road, and Wexford Road; we have only three more lift stations left that need generators.

Plant Manager Forest Ash stated that we cleaned all the lift stations twice in October 2018 and we just recently cleaned them this year. He also added that in 2018, we crane cleaned the Roxbury Road sewer line.

Plant Manager Forest Ash stated that we have not really had a chance to do extensive manhole inspections, but we have done some and found out the manholes in the low-lying areas are allowing rain water to leak into them; we sealed these manholes off once, but a lot of the seals are worn out or missing, so we are looking at a new type of seal that will allow 3 to 4 gallons of water to leak into the manhole so we don't get a layer of ice over them in the winter time.

FINANCIALS (47:01)

Financial Report/Available Funds, Certificate of Deposit Account, Money Market Account

SHOREWOOD FOREST UTILITIES, INC.
MONTHLY, YTY & YTD FINANCIAL REPORT FOR MAY 31, 2019

LINE #	MAY INCOME & EXPENSES	SOURCE	CASH FLOW	MAY
1	Income:		Sewer Pymts, Tap-In Fees, Penalties	\$ 75,427.97
2	Expenses (Including Legal Expenses = \$600.00):		Operating Fund Account	\$ 41,252.46
3	Bond Payment (2014A & 2014B Regions Bank):		Bond Payment	\$ 26,527.92
4	Debt Service Reserve Payment (2014A & 2014B Regions Bank):		Escrow Payment	\$ -
5	Surplus / Deficit:	Line 1 - 2 - 3 - 4		\$ 7,647.59
	2019 INCOME & EXPENSES	SOURCE	CASH FLOW	YEAR-TO-DATE
6	Income:	+ Line 1	Sewer Pymts, Tap-In Fees, Penalties	\$ 389,234.14
7	Expenses (Including Legal Expenses = \$21,352.00):	+ Line 2	Operating Fund Account	\$ 176,163.79
8	Operating Income Before Bond Payments:	Line 6 - 7		\$ 213,070.35
9	Bond Payments (2014A & 2014B Regions Bank):	+ Line 3	Bond Payments	\$ 132,639.60
10	Debt Service Reserve Payments (2014A & 2014B Regions Bank):	+ Line 4	<i>Escrow Payments (Overpaid)</i>	\$ (1,686.26)
11	Surplus / Deficit:	Line 8 - 9 - 10		\$ 82,117.01
12	Debt / Service Ratio (Must be Greater Than 1.25):	Line 8 / (\$28,893 * 5)	Line 8 / (Highest Bond Pmt Ever x 5 Pmt Periods This Year)	1.47
	RESTRICTED FUNDS	SOURCE	CASH FLOW	YEAR-TO-YEAR
	BOND FUND:			
13	Bond Payment Fund (2014A & 2014B Regions Bank):	+ Line 3	Bond Payments + Int	\$ 1,662,364.86
14	<i>Escrow Reimbursement</i>	<i>Line 4</i>		\$ -
	<i>Swept from Debt Service Reserve (Regions Bank):</i>	<i>Line 18</i>		\$ -
15	Bond Payment Fund Target (2014A & 2014B Regions Bank):			\$ 4,687,458.01
16	Amount Still Owed:	Line 13 + 14 - 15		\$ (3,025,093.15)
	ESCROW ACCOUNT (WILL BE USED TO PAY DOWN THE BOND PAYMENT FUNDS 2014A & 2014B):			
17	Debt Service Reserve (2014A & 2014B Regions Bank):	+ Line 4	Debt Service Reserve + Int	\$ 327,040.00
18	<i>Swept to Bond Payment Fund (Regions Bank):</i>			\$ -
19	Debt Service Reserve Target:			\$ 325,920.00
20	Surplus:	Line 17 - 18 - 19		\$ 1,120.00
	UNRESTRICTED FUNDS	SOURCE	CASH FLOW	YEAR-TO-YEAR
	OPERATING FUNDS			
21	Operating Fund (First Source Bank): <i>TRF \$0.00 - Money Market Account (Fifth/Third Bank):</i> <i>AR \$0.00 - Money Market Account (Fifth/Third Bank):</i>	<i>Line 30</i>	Sewer Payments Include: Cash + Credit & Debit Cards + Savings & Checking Accounts.	\$ 10,071.90
22	Operating Fund (Business Elite Checking) (Fifth/Third Bank): <i>TRF \$0.00 - Money Market Account (Fifth/Third Bank):</i> <i>AR \$0.00 - Money Market Account (Fifth/Third Bank):</i>	<i>Line 30</i> <i>Line 26</i>	Tap-In Fees (\$1,000 / Home) Penalties + Int	\$ 64,193.90
23	Petty Cash:	Line 22	Operating Fund	\$ 100.00
24	Total:	Line 21 + 22 + 23		\$ 74,365.80
25	Operating Funds Available (Months):	Line 24 / \$40,000		\$ 1.86
	IMPROVEMENT & REPLACEMENT FUND			
26	Capital Improvement & Replacement Fund (First Source Bank): <i>TRF \$0.00 - Operating Fund (First/Third Bank):</i> <i>AR \$0.00 - Money Market Account (Fifth/Third Bank):</i>	<i>Line 30</i>	Capacity Fees (\$2,000 / Home) + Int	\$ 4,429.04
	RESERVE FUND			
27	Certificate of Deposit (Fifth/Third Bank)			\$ 1,499,999.90
28	Certificate of Deposit Interest (From Oct 9, 2017 to Apr 15, 2019): \$32,254.08			\$ 0.00
29	Total:	Line 27 + 28		\$ 1,499,999.90
30	Money Market Account (Fifth/Third Bank): <i>TRF \$0.00 - Operating Fund (First Source Bank):</i> <i>AR - \$0.00 - Operating Fund (First Source Bank):</i> <i>TRF \$0.00 - Capital I & R Fund (First Source Bank):</i> <i>AR \$0.00 - Capital I & R Fund (First Source Bank):</i>	<i>Line 22</i> <i>Line 26</i>		\$ 158,134.58
31	Money Market Interest (Since Mar 27, 2018):		Interest = \$272.82	\$ 272.82
32	Total:	Line 30 + 31		\$ 158,407.40
33	Total Reserve Funds:	Line 29 + 32		\$ 1,658,407.30
34	Total Unrestricted Funds (Operating, I & R, Reserve Funds):	Line 24 + 26 + 30 + 33 + 34		\$ 1,737,202.14

TRF = TRANSFERRED FUNDS

AR = ACCOUNTS RECEIVABLE

Money Market (Fifth/Third Bank):	\$ 338,133.73 @ 2.05% APY Interest Rate	Opened: Mar 27, 2019; Matures: Mar 27, 2020
CD (Fifth/Third Bank):	\$ 1,499,999.90 @ 2.65% APY Interest Rate	Opened: Apr 15, 2019; Matures: Mar 15, 2020
Bond 2014A (Regions Bank) [Non-Taxable]:	\$ 2,430,000 @ 1% » 4.6% Interest Rate	Opened: Apr 2014; Matures: Apr 2029
Bond 2014B (Regions Bank) [Taxable]:	\$ 1,045,000 @ 2% » 5.25% Interest Rate;	Opened: Apr 2014; Matures: Apr 2029

Arrearage Chart Update

ARREARAGE AS OF DECEMBER 19, 2018*

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
47	\$.01 - \$65.00	\$ 2,546.95
135	\$65.01 - \$140.00	\$ 17,037.73
10	\$140.01 - \$300.00	\$ 2,270.13
6	\$300.01 - \$450.00	\$ 2,251.55
1	\$450.01 - \$650.00	\$ 532.96
0	\$650.01 - \$800.00	\$ 0.00
2	OVER \$800.01	\$ 2,547.67
	AV. DELINQUENCY	
201	\$135.26	\$27,186.99

ARREARAGE AS OF JANUARY 23, 2019

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
22	\$.01 - \$65.00	\$ 634.42
52	\$65.01 - \$140.00	\$ 6,290.63
8	\$140.01 - \$300.00	\$ 1,932.09
3	\$300.01 - \$450.00	\$ 1,104.00
1	\$450.01 - \$650.00	\$ 597.96
0	\$650.01 - \$800.00	\$ 0.00
1	OVER \$800.01	\$ 1,103.70
	AV. DELINQUENCY	
87	\$134.06	\$11,662.80

(This chart was not made available at the time of the meeting, but it was discussed)

ARREARAGE AS OF FEBRUARY 18, 2019*

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
42	\$.01 - \$65.00	\$ 1,848.99
112	\$65.01 - \$140.00	\$ 14,096.01
23	\$140.01 - \$300.00	\$ 5,578.56
3	\$300.01 - \$450.00	\$ 1,086.72
4	\$450.01 - \$650.00	\$ 2,026.96
0	\$650.01 - \$800.00	\$ 0.00
1	OVER \$800.01	\$ 1,183.70
	AV. DELINQUENCY	
185	\$139.57	\$25,820.94

ARREARAGE AS OF MARCH 15, 2019

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
28	\$.01 - \$65.00	\$ 556.73
37	\$65.01 - \$140.00	\$ 4,535.94
14	\$140.01 - \$300.00	\$ 3,197.80
2	\$300.01 - \$450.00	\$ 738.76
2	\$450.01 - \$650.00	\$ 1,005.24
0	\$650.01 - \$800.00	\$ 0.00
1	OVER \$800.01	\$ 1,188.02
	AV. DELINQUENCY	
84	\$133.60	\$11,222.49

(This chart was not made available at the time of the meeting, but it was discussed)

ARREARAGE AS OF APRIL 17, 2019*

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
43	\$.01 - \$65.00	\$ 2,002.65
100	\$65.01 - \$140.00	\$ 12,710.48
22	\$140.01 - \$300.00	\$ 4,955.72
8	\$300.01 - \$450.00	\$ 3,091.88
3	\$450.01 - \$650.00	\$ 1,531.72
1	\$650.01 - \$800.00	\$ 667.28
1	OVER \$800.01	\$ 1,318.02
	AV. DELINQUENCY	
178	\$147.63	\$26,277.75

ARREARAGE AS OF MAY 13, 2019

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
26	\$.01 - \$65.00	\$ 598.33
71	\$65.01 - \$140.00	\$ 8,769.08
21	\$140.01 - \$300.00	\$ 4,948.48
4	\$300.01 - \$450.00	\$ 1,466.64
4	\$450.01 - \$650.00	\$ 2,064.92
1	\$650.01 - \$800.00	\$ 671.60
1	OVER \$800.01	\$ 1,322.34
	AV. DELINQUENCY	
128	\$133.60	\$19,841.39

(This chart was not made available at the time of the meeting, but it was discussed)

ARREARAGE AS OF JUNE 19, 2019*

CUSTOMERS IN ARREARS	DOLLAR RANGE OF ARREARS	PAYMENTS OUTSTANDING
44	\$.01 - \$65.00	\$ 2,105.09
105	\$65.01 - \$140.00	\$ 13,706.22
48	\$140.01 - \$300.00	\$ 11,718.48
18	\$300.01 - \$450.00	\$ 7,019.94
6	\$450.01 - \$650.00	\$ 3,242.32
0	\$650.01 - \$800.00	\$ 0.00
2	OVER \$800.01	\$ 2,261.64
	AV. DELINQUENCY	
223	\$179.61	\$40,053.69

Secretary/Treasurer Tom Szeffc stated that because we were so busy, the red-letter payment reminders did not go out in April and this caused the outstanding payments for the month of June to creep up to \$40,053.69. He also added that there are about 200 customers that don't pay on time and if you don't send them a letter, we won't get paid.

Bankruptcies/Moved and Unable to Locate

Administrative Assistant Linda Walla reported that we inherited some issues from past Boards: for example, we have two customers with bankruptcies, together totaling \$1,364.56, which we will write-off; another issue that has plagued us in the past is renters leaving without paying their bills and we have no way to track them down. Administrative Assistant Linda Walla stated that this is the reason we are sending out letters or making calls as soon as a customer has an arrearage; it is easier to collect a small outstanding balance than a large one.

Wessel Bengston (Lot 721) inquired if we could lien the property for nonpayment.

President Greg Schafer stated that only a municipality can lien a property and that we cannot because we are a private corporation. He explained that if you don't pay NIPSCO they cannot lien your property, but they can shut off your electricity; we can also terminate sewer service for non-payment by plugging up their sewer line.

Financially Tiered Reminder Letters

Secretary/Treasurer Tom Szeffc explained that there are several types of red reminder letters that we send to our customers depending on the outstanding balance that is owed; for example, if a customer missed one bi-monthly bill, we will send a letter reminding the customer that they owe \$134.32 (includes the late fee) and to please remit their payment immediately; if they are seriously in arrears, the letters will outline the consequences for non-payment, which includes termination of sewer services. Secretary/Treasurer Tom Szeffc remarked that the Utility is working toward a zero-arrearage balance.

Robin Carlascio (Lot 564) noticed that about the same amount of people each month are listed in the 1st time arrearage category and inquired whether these customers are new people moving in or just customers who catch up and then are late again.

Administrative Assistant Linda Walla replied that there are many customers in the 1st time arrearage category that just forgot to pay their bill; however there is a problem obtaining information on customers moving in and moving out; the Shorewood Forest Property Association is very good about sharing information with the Utility when they know a customer is leaving and/or moving into the Shorewood Forest Subdivision; the builders are also very good about letting us know when they sell their property and some of the title companies will contact our office to see if the sellers owe any Utility bills; the problem arises sometimes with sellers and buyers from other subdivision such as Arbor Lakes, Sagamore, Edgewood, and Deer Creek because they are not aware that they must contact our office to switch the sewer service in their name; once they become behind in their payment and they receive a red letter reminder, they will contact the office to inquire about the letter and that is how the Utility becomes aware of the new owner. **Secretary/Treasurer Tom Szeffc** pointed out that the number of customers owing balances as well as the balance owed on the arrearage charts goes down during the months following the bi-monthly billing months because we send the red reminder letters which prove to be effective in collecting balances owed. **President Greg Schafer** added that we put up signs at every entrance to the subdivisions reminding customers that the sewer bill is due by the 1st; it is a yellow sign that we put up a week before the payment is due and we leave it up until the 15th of the month or until the grace period is over; unless a customer is housebound, how can they simply ignore the sign and say that they forgot? He also informed everyone that 75% of the customers that pay late are habitual. He stated that we signed a contract with Indiana American Water to shut off the water if the sewer bill has not been paid; however, Indiana American Water is currently disputing that contract. President Greg Schafer stated that every customer is aware of their sewer service obligation (monthly fixed rate of \$65.00 that is billed bi-monthly at \$130.00) and needs to pay for the service they are receiving.

Friendly Reminder Phone Calls

Secretary/Treasurer Tom Szeffc stated that although we have given Director Margie Stiles the updated data log to make the friendly reminder calls just once so far this year, the calls prove to be effective in collecting the outstanding balances.

Mailbox Hangers

Secretary/Treasurer Tom Szeffc stated that we have not given anyone a mailbox hanger this year, but they too are effective.

Small Claims Court

Secretary/Treasurer Tom Szeffc stated that we have taken three customers to small claims court for nonpayment of their sewer bill; we received 3 judgements in our favor; one defendant paid their bill and is all caught up; another defendant could not be found and no longer lives in the Shorewood Forest Subdivision and the third defendant still refused to pay his bill even though there was a judgement against him; we mailed him a certified letter saying we are going to terminate his services by plugging up his sewer line; he came in and paid his bill in full.

Secretary/Treasurer Tom Szeffc stated that small claims court is not a good way to get money out of customers; there is not much success in it. President Greg Schafer stated that there is one advantage to small claims court and that is once you get a judgment against that person, there is a lien on that person and any assets he has.

Indiana American Water

Secretary/Treasurer Tom Szeffc stated that there is a dispute with Indiana American Water about the word municipality and that is what is holding this whole thing up; at this point in time, we cannot have their water shut off if they don't pay their bill.

The Donut (Plugging Delinquent Customer's Sewer Line)

Secretary/Treasurer Tom Szefer stated that we have a device which we call a Donut; it is capable of plugging up the customer's sewer line that enters our main sewage line; all we have to do is go to the closest manhole, and slide this device into our main sewer line; line it up with their service line; then blow it up just like you would do a car tire and it will block off any sewage that enters our main sewer line; after a couple of days, sewage will back up into the customer's home. He informed the membership that the day after we plug up the customer's sewer line, we have to notify the Board of Health and they will have the customers removed from the premises. He further added that if we do this to one or two homeowners, I think the word will get around pretty quick and everyone will start paying their bill; right now, this is probably the best way of collecting from customers who owe us a money.

Shellbourne Conference Center, Miscalculation of Sewer Usage

President Greg Schafer stated that the Shellbourne Conference Center is our only large commercial customer; they are not Members, but we do provide a service for them, and they pay for treating their sewage; this goes back about 18 months ago when there was a glitch in the meter; we ended up with about \$13,000 less than we ever received from them and we are currently on track to be about \$10,000 short again this year; He added that we are not sure what's wrong; we think it is the metering and we are looking into this, but Shorewood Forest Utilities should not be subsidizing Shellbourne; we are doing everything we possibly can, but not as aggressively as we would like. He further added that Shellbourne did install a new flow meter and we don't think that one is working properly either; it is a quagmire for us; we need to get this resolved now and not be arguing about this for two or three years; we are going to install a second flow meter in there and see if the two meters will report the same flow and maybe we should have the company that installed their flow meter to recalibrate it.

2019 - 2020 CAPITAL BUDGET PROJECTS (1:12:24)

Main Sewer Line Repairs Update

President Greg Schafer informed everyone that Plant Manager Forest Ash has done an initial study of all the camera work of the sewer lines; there are about 45 immediate repair jobs along the main sewer lines and there are another 45 repairs identified that are not so bad but need to be fixed as well. He went on to say that there are a couple of different methods to repair these cracked pipes; one is called Cast-In-Place Piping, where the inside of the pipe is relined and it comes with a 50 year warranty; however, you know how the business world works; if the company has five or six failures, they go out of business and they open up under another name and you no longer have a warranty. He added that we are on hold while we prioritize where we are going to allocate our money this year

Emergency/Payment Reminder, E-Mails and Phone Number Chain

Administrative Assistant Linda Walla stated that we are always trying to update our customer contact information with current phone numbers and email addresses for several reasons: if there is an emergency we need to be able to reach you quickly; if there is an issue with your account, we would like to speak with you so that we can promptly resolve the problem; and lastly, we are trying to create a mass email whereby we can remind our customers when the sewer bill is due. Administrative Assistant Linda Walla urged the Members to please call the Utility office with any changes in their contact information.

Arbor Lakes Service Road

Plant Manager Forest Ash stated that Don Blum is still planning on installing the 1200 to 1300 foot-long service road in Arbor Lakes, but due to the amount of rain that we had, it is just too wet for him to do it; however, he still plans to have it done this year once things dry out. President Greg Schafer told Plant Manager Forest Ash to get a target date on that because the road was supposed to be done by last year.

COMMENTS FROM THE MEMBERSHIP (1:17:40)

There were no comments.

COMMENTS FROM THE BOARD (1:18:16)

There were no comments.

ADJOURNMENT (1:18:44)

A motion was made by Director Margie Stiles to adjourn the meeting and seconded by Director Carlotta Holmes. The motion was unanimously approved.

The meeting was adjourned at 8:19 p.m.