

**EAST SEVIER COUNTY UTILITY DISTRICT  
BOARD OF COMMISSIONERS MEETING**

**April 9, 2020**

**5:30 P.M.**

**AGENDA**

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the March 12, 2020 meeting
- 3) Motion to approve the Accounts Payable Listing in total as submitted

**REPORTS:**

- 4) Alliance Water Resources – Financial Report / Operations

**PERSONS TO BE HEARD:**

**\*\*ONE AT A TIME AS RECOGNIZED\*\***

When it is your turn to speak, please stand and state your name.

Please be considerate of others that may wish to speak by keeping your comments brief.

- 5) Customers' Comments; Questions; and Concerns

**OLD BUSINESS:**

- 6) None

**NEW BUSINESS:**

- 7) Project update
- 8) Adjournment – Next regular meeting to be held on Thursday, May 14, 2020 – 5:30 p.m.

# MINUTES

## BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, March 12, 2020

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, March 12, 2020, in the Office of the East Sevier County Utility District, 1529 Alpine Drive, Sevierville, TN 37876. Commissioners present were Roy Ivey, President; Barbara Darby, Secretary/Treasurer; and Janice Brooks–Headrick.

President Roy Ivey called the meeting to order at 5:33 p.m. for any old or new business.

A motion to approve the minutes of the February 13, 2020, meeting was made by Janice; Roy seconded the motion. Motion carried.

A motion to approve the Accounts Payable listing in total as submitted was made by Janice; Roy seconded the motion. Motion carried.

### Reports

James Ford, Local Manager, went over key points of the financial packet. Janice motioned to approve the financial report as presented, Roy seconded the motion. Motion carried.

James then discussed operations. On the Mountain, we jetted a section of blocked sewer on Alpine Drive, installed two chlorine pumps for greater control of water quality, and assisted Sevier County while they replaced a culvert on Basswood Court. We hired a surveyor to clarify ESCUD real estate holdings as discussed at the last meeting. All new banking services are in place with no problems to report.

Offsite, we installed two pump kits at Lashbrooke and Smoky Mountain Ridge. Sewer leaks were addressed at Parkside, Timberlake Bay, and Douglas Lake. An offsite customer expressed his appreciation for being apprised of work being done on his property through phone calls and photos from ESCUD employee Jeff Bragonier.

James will eventually be transferring to Inez, KY, the newest District to contract with Alliance Water Resources, Inc. Alliance managers are interviewing candidates for the Local Manager position here at ESCUD.

Our February safety meeting was on basic first aid. Monthly water and wastewater reports were successfully submitted to the Tennessee Department of Environment and Conservation (TDEC).

Utilizing a systematic approach to leak detection, Jeff was able to locate and address a leak on Black Oak Drive in a timely fashion. James thanked Roy for sharing this valuable information with him.

Persons to be Heard

None

Old Business

None

New Business

An official letter of response has been sent to the chief engineer at TDEC regarding the proposed wastewater treatment plant on English Mountain. The project continues to move forward. We will postpone raising rates to pay for the plant as USDA funds might become available to us. The budget for Fiscal Year Ending June 2021 may reflect current rates for the first half of the fiscal year and increased rates for the second half if the project schedule anticipates using the loan funds around fiscal mid-year.

Brenda Fields, the office clerk, asked about a situation in which a customer has refused to pay the deposit required during the application process. The Board stressed that unless all the requirements are met, the water should remain off.

Evan Romo requested that the cash kept in the office and used to make change be increased by \$40, making the total cash amount \$100. The Board approved the increase.

Barbara requested that the next regular meeting be held on Thursday, April 23, 2020, at 5:30 p.m. instead of the 9<sup>th</sup>. There were no objections.

Adjournment

Janice motioned, and Barbara seconded the motion, to adjourn at 6:15 p.m. Motion carried.

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Secretary-Treasurer

**East Sevier County Utility District**  
**List of Bills**  
**9-Apr-20**

<u>Regular Checking for Consideration</u>		<b>Total</b>
Barbara Darby	Meeting fee	\$ 266.05
Janice Brooks-Headrick	Meeting fee	\$ 277.05
Roy Ivey	Meeting fee	\$ 266.05
Barbara Darby	Insurance payment	\$ 350.00
Janice Brooks-Headrick	Insurance payment	\$ 350.00
Roy Ivey	Insurance payment	\$ 350.00
Alliance Water Resources, Inc	April 2020 Services, Invoice# 8800	\$ 40,652.00
First Tennessee Bank	Alpine Drive Fund	\$ 2,000.00
The Mountain Press	Notice, Ad# 30897102, March 2020	\$ 22.65
Orenco Systems, Inc.	Control Panel, Inv# 364643, Installed last week. S&H, \$162.61	\$ 6,741.61
Water & Waste Equipment	Pumps, S&H \$120.68, Inv# 57810. Ordered and installed Mar20	\$ 3,240.68
	Pumps, S&H \$119.66, Inv# 57833. Ordered Mar20, inventory	\$ 3,239.66
Big Orange Electric	Inv# 2064. Site work, \$1,140.; service calls, \$380. Feb 2020	\$ 1,520.00
	Inv# 2065. Service call, Feb 2020	\$ 190.00
American Leak Detection	Inv# 8157561, work requested and completed Mar20; travel chg \$65.	\$ 2,830.00
John Powell, 1-5900-2	Refund, Balance due minus deposit	\$ 42.44
Dale Higdon, 1-4300-2	Refund, deposit	\$ 105.00
Mayte Asun, 4-15700-4	Refund, deposit	\$ 105.00
<b>Total Regular Checking Charges and Bills Paid</b>		<b>\$ 62,548.19</b>

**Charges and Bills Paid from Regular Checking Since March 12, 2020**

Ernest Tabor, 5-28100-2	Refund Deposit	\$ 105.00
Sevier County Electric	Utility	\$ 3,665.18
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 104.52
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
USDA	Loan Repayment	\$ 2,076.00
State of Tennessee	Monthly Sales Tax	\$ 1,830.00
IRS	Payroll Tax-4th Qtr 2018	\$ 382.64
Bank fee	Analysis Service Charge	\$ 199.12
<b>Total Regular Checking Charges and Bills Paid</b>		<b>\$ 8,357.95</b>

**Grand Total Regular Checking** **\$ 70,906.14**

**Charges and Bills Paid from Alpine Drive fund Since March 12, 2020**

**Total Alpine Drive Fund Checking Charges and Bills Paid** **\$ -**

**Charges and Bills Paid from WWTP fund Since March 12, 2020**

**Total WWTP Fund Checking Charges and Bills Paid**

**East Sevier County Utility District**  
**Balance Sheet**  
**February 29, 2020**

**02/29/2020**

**ASSETS**

**CURRENT ASSETS**

Checking Account - Operations	\$300,464.85
Checking Account - Alpine Rd Funding	75,869.85
Cash on Hand	60.00

<b>Total Cash</b>	<b>376,394.70</b>
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Accounts Receivable	151,931.21
Allowance for Doubtful Accts	(28,295.62)
Unbilled Accounts Receivable	6,045.00
Inventory	27,374.89
Prepaid Expenses	28,535.56

<b>Total Current Assets</b>	<b>561,985.74</b>
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**PROPERTY, PLANT & EQUIPMENT**

Land	31,657.80
Distribution & Collection System	2,183,198.19
Buildings	69,235.68
Machinery & Equipment	131,409.26
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	832,580.22
Less: Accumulated Depreciation	(1,116,455.08)

<b>Net Property, Plant &amp; Equipment</b>	<b>2,181,373.65</b>
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**RESTRICTED CASH**

Construction Account - Waste Wtr Project	833.37
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<b>Total Restricted Cash</b>	<b>833.37</b>
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**OTHER ASSETS**

Deposits	14,370.00
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<b>Total Other Assets</b>	<b>14,370.00</b>
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<b>Total Assets</b>	<b>\$2,758,562.76</b>
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**East Sevier County Utility District**  
**Balance Sheet**  
**February 29, 2020**

**02/29/2020**

***LIABILITIES AND DISTRICT'S EQUITY***

***CURRENT LIABILITIES***

Accounts Payable	\$24,087.66
Sales Tax Payable	1,992.95
Payroll Taxes Payable	382.48
Unearned Revenue	26,417.05
Accrued Interest Payable	4,408.37
Customer Deposits	40,075.00
<b><i>Total Current Liabilities</i></b>	<b><u>97,363.51</u></b>

***LONG-TERM DEBT***

USDA 2018 Loan #1	172,237.97
USDA 2017 Loan #2	288,352.66
USDA 2017 Loan #3	263,545.34
<b><i>Total Long-Term Debt</i></b>	<b><u>724,135.97</u></b>

***Total Liabilities***

**821,499.48**

***DISTRICT'S EQUITY***

Retained Earnings	1,399,050.54
YTD Net Income	538,012.74
<b><i>Total District's Equity</i></b>	<b><u>1,937,063.28</u></b>

***Total Liabilities and District's Equity***

**\$2,758,562.76**

**East Sevier County Utility District**  
**Statements of Revenues and Expenses**  
**For the Eight Months Ending February 29, 2020**  
*Actual vs Budget*

**February**

**YTD**

**Annual  
Budget**

<b>February</b>			<b>YTD</b>		<b>Annual Budget</b>
<b>Actual</b>	<b>Budget</b>		<b>Actual</b>	<b>Budget</b>	
		<b>Operating Revenues</b>			
\$18,461	\$15,605	Water Sales	\$148,907	\$182,556	\$279,067
45,557	40,901	Sewer Charges	359,850	353,013	495,048
0	0	Connection Fees - Water	0	2,500	2,500
2,250	1,146	Connection Fees - Sewer	24,500	9,167	13,750
927	1,613	Late Charge Fees	5,903	12,902	19,353
11,311	613	Reconnect/Meter Sets/Other Fees	93,363	4,906	7,359
0	0	Gain (Loss) on Sale of Assets	500	0	0
0	200	Miscellaneous Income	400	1,600	2,400
<b>78,506</b>	<b>60,078</b>	<b>Total Operating Revenues</b>	<b>633,423</b>	<b>566,644</b>	<b>819,477</b>
		<b>Operating Expenses</b>			
159	167	Payroll Taxes	1,275	1,333	2,000
40,652	40,652	Management & Operations Contract	325,216	325,216	487,824
3,808	4,000	Utilities	31,221	32,000	48,000
2,371	2,000	Insurance	18,551	16,000	24,000
774	4,417	Repairs & Maintenance	32,338	35,333	53,000
0	417	Professional Outside Services	450	3,333	5,000
2,082	2,083	Directors' Fees	16,660	16,667	25,000
0	1,000	Legal Expenses	5,084	8,000	12,000
0	0	Accounting	8,800	7,300	7,300
1,167	1,167	Bad Debts	9,333	9,333	14,000
0	0	Dues	0	825	825
23	0	Advertising Expense	201	0	0
0	0	Permits	7,262	4,306	5,200
163	250	Miscellaneous Expense	783	2,000	3,000
<b>51,199</b>	<b>56,153</b>	<b>Total Operating Expenses</b>	<b>457,174</b>	<b>461,646</b>	<b>687,149</b>
<b>27,307</b>	<b>3,925</b>	<b>Net Income B/4 Other (Inc) &amp; Exp</b>	<b>176,249</b>	<b>104,998</b>	<b>132,328</b>
		<b>Other Income (Expenses)</b>			
0	0	Grant Income	423,268	0	0
(471)	(1,792)	Interest Expense	(11,906)	(14,333)	(21,500)
(6,200)	(6,200)	Depreciation	(49,600)	(49,600)	(74,400)
0	(83)	Bond Issue Costs	0	(667)	(1,000)
<b>(6,671)</b>	<b>(8,075)</b>	<b>Total Other Income (Expenses)</b>	<b>361,762</b>	<b>(64,600)</b>	<b>(96,900)</b>
<b>\$20,636</b>	<b>(\$4,150)</b>	<b>Net Income(Loss)</b>	<b>\$538,011</b>	<b>\$40,398</b>	<b>\$35,428</b>

**East Sevier County Utility District, TN  
Treasury Report**

<b>Billing Charges For the Month of:</b>	<b>Feb-20</b>	
Water Revenue		18,460.66
Sewer Revenue		46,508.28
Installment Billing -Offsite Sewer Arrears		950.82
Sales Taxes		1,992.58
Late Charges		927.04
Installation Fees-Water		-
Installation Fees-Sewer		2,250.00
Other Miscellaneous Fees		11,310.53
Returned Checks		-
Deposits Applied/Adjustments		-
Customer Refunds Paid		-
<b>Total Billing Charges</b>		<u><b>82,399.91</b></u>
<b>Water Gallons Billed</b>		<u><b>761,205</b></u>
<b>Water Customers Billed</b>		<u><b>246</b></u>
<b>Sewer Gallons Billed</b>		<u><b>451,930</b></u>
<b>Sewer Customers Billed</b>		<u><b>788</b></u>

<b>Accounts Receivable</b>	<b>Feb-20</b>	
Beginning Balance		111,899.28
Billing Charges		82,399.91
Bad Debt Recoveries (Write Offs)		(242.54)
Accounts Receivable Collections		(79,590.45)
<b>End of Month Accounts Receivable</b>		<u><b>114,466.20</b></u>

<b>Water Revenue Checking</b>	<b>Feb-20</b>	
Beginning Balance		293,342.02
<b>Deposits:</b>		
Accounts Receivable Collections		79,590.45
Customer Deposits		210.00
		<u>79,800.45</u>
<b>Disbursements:</b>		
Accounts Payable Checks		(61,374.91)
Auto Debit Charges-Utilities		(4,840.96)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,840.00)
Payroll Taxes		(382.64)
Bank fees		(163.11)
End of Month Balance		<u>300,464.85</u>
Cash Receipts Collected To Date in:	<b>Mar-20</b>	78,800.77
Auto Debited Utilities in:	<b>Mar-20</b>	(3,870.19)
Bills Submitted for Payment in:	<b>Mar-20</b>	(64,471.43)
<b>Available Balance</b>		<u><u><b>310,924.00</b></u></u>

**East Sevier County Utility District, TN**  
**Treasury Report**  
**Summary of Cash and Investments**  
**February 29, 2020**

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<b>Bank Account / Security</b>	<b>Maturity Date</b>	<b>Beginning Balance</b>	<b>Deposits</b>	<b>Interest Earned</b>	<b>Payments</b>	<b>Ending Balance</b>
<b>Checking Acct-Operations</b>		293,342.02	79,800.45	-	(72,677.62)	300,464.85
<b>Checking Acct-Alpine Road Funding</b>		110,157.85	2,000.00	-	(36,288.00)	75,869.85
<b>Checking Acct-Waste Water Plant</b>		833.37	-	-	-	833.37
<b>Cash on Hand</b>		60.00	-	-	-	60.00
<b>Total Cash and Investments</b>		<b>404,393.24</b>	<b>81,800.45</b>	<b>-</b>	<b>(108,965.62)</b>	<b>377,228.07</b>

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**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Feb-20	18,829	162,426	761	8,136	246
Jan-20	19,615	143,597	931	7,375	246
Dec-19	19,456	123,982	883	6,444	246
Nov-19	26,715	104,527	1,740	5,561	247
Oct-19	19,447	77,812	930	3,821	247
Sep-19	19,745	58,365	964	2,891	246
Aug-19	19,662	38,620	950	1,927	246
Jul-19	18,958	18,958	977	977	246
Jun-19	18,888	221,506	894	8,978	249
May-19	17,763	202,618	783	8,084	250
Apr-19	17,463	184,855	668	7,301	250
Mar-19	17,535	167,392	627	6,633	250
Feb-19	19,679	149,857	723	6,006	243

**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
Feb-20	46,901	378,415	452	5,237	788	79,590
Jan-20	47,529	331,514	605	4,785	784	68,926
Dec-19	46,625	283,985	491	4,180	782	91,695
Nov-19	54,957	237,360	1,438	3,689	778	65,064
Oct-19	46,455	182,403	543	2,251	777	88,106
Sep-19	46,158	135,947	522	1,708	774	83,813
Aug-19	45,454	89,790	510	1,186	769	78,394
Jul-19	44,335	44,335	676	676	762	88,359
Jun-19	46,421	553,474	574	6,709	758	100,207
May-19	44,839	507,053	604	6,135	757	65,173
Apr-19	43,934	462,214	491	5,531	751	73,177
Mar-19	44,021	418,279	499	5,040	750	72,003
Feb-19	42,340	374,258	443	4,541	741	84,087



## **OUR MISSION**

*We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.*

**Alliance Water Resources, Inc.**

**206 S. Keene  
St. Columbia,  
MO 65201**

**(573)874-8080**

## **OPERATIONS REPORT – East Sevier County Utility District**

**March 2020**

### **Administrative**

AT&T is now being utilized by ESCUD. Our internet service has improved exponentially.

### **Treatment**

Treatment at the wells is monitored daily. Water treatment has improved since the installation of the filters at well C.

Treatment at the wastewater plant is effective. All monthly parameters were within permit limits.

### **Collection/Distribution**

Installed a control box at Sherwood Forest

Installed three pump kits at Sherwood Forest

Installed two pump kits at Smoky Mountain Ridge

Had transmission serviced on ESCUD vehicle

Flushed the entire distribution system

Replaced filters at the A/B well house

### **Customer Service**

A repair site was dressed up and raked. It is an important function of the utility, especially when it is in a customer's front yard.

### **Project Updates**

We are still awaiting word from TDEC regarding the proposed WWTP.



## **OPERATIONS REPORT – East Sevier County Utility District**

### **Safety**

Our March safety meetings were in regard to COVID-19. There will be more in coming months.

### **Regulatory**

Monthly Water and Wastewater reports were successfully submitted to the Tennessee Department of Environment and Conservation.

### **Training**

A staff member has been scheduled to take a collections examination in May.

### **Concerns for the Month**

Performing our daily functions during a pandemic.

### **Positives for the Month**

The team came through while addressing a difficult situation at the Douglas Lake Resort. After a lengthy and difficult battle, the situation has been greatly improved.

### **Leak Repairs**

A water leak was addressed on Black Oak.  
A sewer leak was addressed at Bear Creek Crossing.

**APPENDIX A**

**Water Rate, Charges and Fees  
for all water customers, types and classes; for all billings after January 1, 2016**

<u>Month/Year</u>	<u>Availability Charge</u>	<u>Commodity Rate (per each 1,000 gals or portion thereof)</u>
July 2019 thru June 2020	\$53.00	Includes 3,000 gallons of usage
After 3,000 gallons		\$3.00 per each 1,000 gallons or portion thereof
After 7,200 gallons	\$12.60 fee	\$8.00 per additional 1,000 gallons or portion thereof

The Availability Charge listed above includes the right to take water from the District's system, 3,000 gallons is included. All water taken from the system and all water use is per the Commodity Rates listed above. Unmetered residential use will be billed a flat rate of \$53/month.

<u>*Commercial Customers Water and Sewer</u>	<u>Flat Monthly Rate</u>
English Mountain Condos	\$8,139
EMR Stables	\$56
EMR Amenities	\$707
EMR Suites	\$2,205

\*These customers are now metered. Rates may be adjusted to commercial metered rates if/when standard usage has been determined.

**Billing:**

Bills will be distributed at monthly intervals and will be due for payment at the net rate by the date listed on the bill. Any account remaining unpaid after the due date shall be considered delinquent and the District may take any such action as specified in its Rules and Regulations. The charges as hereby amended above shall become effective with all water service billings dated on or after July 1, 2019.

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Approved: Roy Ivey, President Effective Date: 07/01/2019

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**APPENDIX B**  
**East Sevier County Utility District**  
**Rules and Regulations**

**Tariff Sheet – Rate Code A – Wastewater**

**Service Areas:** Any area or location from which wastewater is collected, flows or is pumped to and treated at the District's Wastewater Treatment Plant.

<u>Month/Year</u>	<u>Availability Charge</u>	<u>Usage Charge</u>	<u>Flat Rate Charge</u>
July 2019 thru June 2020	\$45.00		\$45.00
After first 3,000 gallons		\$3.10 per additional 1,000 gallons or portion thereof	
After 7,200 gallons	\$13.86 fee	\$8.80 per additional 1,000 gallons or portion thereof	

The above rate and fee schedule applies to all Residential customers.

The Availability Charge shown above includes up to 3,000 gallons of usage per month.

The Usage Charges shown above is for each additional 1,000 gallons per month or portion thereof.

After 7,200 gallons total, there is an additional flat fee and the usage charge increases for additional gallons.

The Flat Rate Charge shown is for residential customers only who are without water meters.

(All other types and classes of customers must have a water meter installed from which accurate water use information can be obtained).

**Billing:**

Bills will be distributed at monthly intervals and will be due for payment by the due date listed on the bill. Any account remaining unpaid after the due date shall be considered delinquent and the District may take any such action as specified in its Rules and Regulations. The charges as hereby amended above shall become effective with all sewer service billings dated on or after July 1, 2019.

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Approved: Roy Ivey, President Effective Date: 07/01/2019

**East Sevier County Utility District**  
**1529 Alpine Drive**  
**Sevierville, TN 37876**  
**(865) 453-6704**

**Memorandum**

**Discussion/Action**

**To:** East Sevier County Utility District Board of Directors

**From:** Staff

**Date:** April 9, 2020

**Re:** 2019-2020 Fiscal Year Audit RFQs

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ESCUD has historically used Mitchell Emert & Hill, P.C. to perform the District's annual audits. As we look forward to the upcoming audit, staff recommends seeking Requests for Qualifications from additional firms in order to obtain a fair price and acceptable service.