

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

July 8, 2021

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Introduction of Commissioners, Alliance Personnel and ESCUD Manager
- 3) Motion to approve the minutes of the June 10, 2021 meeting
- 4) Persons to be Heard
 - ****ONE AT A TIME AS RECOGNIZED****
 - When it is your turn to speak, please stand, state your name, address and phone number prior to your discussion. Time limit is 10 minutes.
 - Please be considerate of others that may wish to speak by keeping your comments brief.
 - Customers that interrupt others speaking may be asked to leave the meeting.

REPORTS:

- 5) Motion to approve the Accounts Payable Listing in total as submitted.
- 6) Alliance Water Resources – Financial Report / Operations

OLD BUSINESS:

- 7) None

NEW BUSINESS:

- 8) WWTP Update
- 9) Well Update
- 10) Adjournment – Next regular meeting to be held on Thursday, August 12, 2021 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, June 10, 2021

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, June 10, 2021, 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. Introductions were not made to acquaint visitors with Commissioners and Alliance staff due to the fact that the only visitor knew everyone present.

A motion to approve the minutes of the May 13, 2021, meeting was made by Barbara. Janice seconded the motion. Motion carried.

Persons to be Heard

Ron Cooley of 1386 Aintree Drive apprised the Board of a recent incident on Half High Street. Louie Fromm of 1545 Wilhite Creek Road was riding his four-wheeler on Half High Street recently and turned it over on the loose gravel ESCUD had placed there to temporarily fill in a repair spot until a company could be hired to lay asphalt at the location. He had only minor scrapes, but Ron felt he should report the incident. Roy said that he had contacted several asphalt companies to do the job, but none had followed through.

Barbara motioned to approve the Accounts Payable listing in total as submitted. Janice seconded the motion; motion carried. Evan asked for a motion to approve the financial report since there were no questions from the Board. Barbara motioned to approve the financial report; Janice seconded the motion. Motion carried.

Concerning operations, Evan reported that the building at the WWTP has been torn down, and the hole for the new tank has been partially dug. J. S. Haren employees should have the plant ready to receive the new components by next week.

We are having issues with Well D; we had to again replace the pump, which was under warranty. Once the pump was installed, we weren't getting the yield we expected. Staff discovered that there is a blockage in the AquaClear system. When we feed water through it, the gallons per minute are much less than if we bypass the system. Something may be wrong with the screening.

The Board had recently approved replacing the holding tank at Well D. Evan has sent TDEC pictures of the site for approval. Once we get permission from TDEC, we will replace the 4,500-gallon tank with a 10,000-gallon tank. We are trying to keep the project simple so we don't have to engineer it, which would raise the cost considerably. Evan offered suggestions on what to do with the old tank. He said we could move it to another spot for backup. Barbara asked where we would place it. Evan said he would figure that out later. He said we could instead donate it to the POA or, even better, donate it to the fire department. They could fill it up with creek water so that they would not have to get their water from our tanks.

Well C had gone down the first week of May. Suez was responsible for repairs per their maintenance contract with the District. They subcontracted B & R Drilling and Pump, LLC. They sent a camera down to get an idea of the condition of the well and try to keep using it, if possible. They could not find the old well; they think it might have fallen through. A special fracking drill is on the way to blow it out and install a new pump, if possible. If not, Chris, the owner of B & R, said he will drill a new well for us. It is actually up to Suez since they are paying for the work. A & B have so far been producing enough to keep everyone in water.

We found a leak yesterday in the Well C footprint and had to shut off 16 houses. It was hard to find because of the noise from the nearby creek and all of the recent rainfall. Last month the Board approved a SCADA upgrade; it is now up and running and helped us find the leak. Barbara commented that the information probably got to staff much quicker; Evan agreed—it prevented the loss of a lot of water.

Old Business

None

New Business

Evan said that the new WWTP should be up and running by the end of September. Evan asked for approval for Draw 8 from the USDA funds for the cost of materials and pouring the foundation. Barbara motioned to approve the release of Draw 8 funds for the WWTP project. Janice seconded the motion; motion carried.

Since customers have been asking for copies of the District Rules and Regulations, Evan recommended combining them into one document. The Board concurred.

Evan drew the Commissioners' attention to the budget for the coming fiscal year, which included the Alliance contract MOA with annual increase, and asked if they had any questions. Since there were no questions, he called for approval. Barbara motioned to approve the 2021-2022 fiscal year budget; Janice seconded the motion. Motion carried.

Evan brought up the topic of moving the sewer line in the Half High Street area, which was discussed last meeting. He had reported that if the customers put in a service line, there will be no problem. The customers will own it; we will allow them to tap into our line. If we do the project and keep it under \$5,000, we can do it on our own. There will

be no need to go through the State. There is a question of whether we keep it or let the POA have it. Barbara asked if there would be any advantage for the District to keep it; Evan said there would be no advantage. There was a consensus to give it to the POA.

Barbara said we should contact the homeowners to see what they want to do. Roy said he talked to one owner who said he was willing to donate \$5,000 toward the project. He said there are only five homes on the street, but one of those five has a fill line; and he's not sure if he would be interested in taking part in the project. Each individual owner would have to install a tank and pump and pay a tap fee to the District.

On the other hand, if we do the project and have to go through the State, the cost will be tens of thousands of dollars. On the other hand, with a sewer system in place, the empty lots in that area might sell, which would bring in more revenue for the Utility. Roy said that Tim assured him that we would not have to figure in Alliance employees' wages. We will figure the cost both ways and talk to the customers and try to keep it out of the States' hands.

Some good news, per Evan—The Preserve has hired a well company to put in a well and tank on their property. We can either give the infrastructure to the developer or they can deed it to ESCUD, which means we will have to maintain it. There has been no news about their final plans.

Lastly, Evan brought up the subject of hosting a community cookout here at the office. He said we could have it during the summer or wait until fall, when it is cooler and people will be home. Most people take their vacations in the summer months. All present liked the idea. ESCUD could provide the hamburgers, hot dogs, buns, condiments, and paper products. Customers could bring pot luck dishes and drinks. We could put fliers at the office asking participants to bring side dishes, desserts, and their own chairs. It was decided that Saturday would be the best day, possibly early afternoon. Everyone will think about it and work out the details in future meetings.

The next regular meeting will be held on Thursday, July 08, 2021, at 5:30 p.m.

Adjournment

Roy motioned and Barbara seconded the motion, to adjourn at 6:29 p.m. Motion carried.

Secretary-Treasurer

East Sevier County Utility District
List of Bills
8-Jul-21

Regular Checking for Consideration		Total
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	July 2020 Services	\$ 43,932.00
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
Power Pumping	Pump & Haul WWTP 6/3, 6/9, 6/24 @ \$700 each	\$ 2,100.00
Big Orange Electric	Inv# 2182, New installs, May21	\$ 3,200.00
	Inv# 2183, Service calls, Excavator rental, May21	\$ 2,314.00
	Inv# 2184, Service call, May21	\$ 190.00
	Inv# 2185, Service call, May21	\$ 190.00
Brann & Whittemore, Inc.	Inv# 2151041595, Pumps, Well D, Jun21, Installed	\$ 3,819.85
Specialized Operations Services, Inc.	Inv# 11099, PVC rings, Freight, \$66, Jun21. Installed	\$ 300.00
Drillers Service LLC	Inv# 108002529-00, Pumps/glue/cleaner, Jun21, installed	\$ 284.04
SE Diving Services, LLC	Inv# 02-06302021, Repair Well C tank, Jun21, work completed	\$ 4,725.00
Mark Jendrek	Inv# 15933, Legal Services, May21	\$ 632.50
TDEC	Inv# 640651, WPC-00605, Facility fee	\$ 690.00
Suez, Utility Service Co., Inc.	Inv# 536724, Well C-Annual, 06/01/21-05/31/22	\$ 10,543.92
Mark McDaniel, 5-37000-2	Refund, Deposit plus overpayment	\$ 282.50
Gratia Harrison, 4-20000-2	Refund, Deposit	\$ 105.00
Merrill Austin, 6-42000-5	Refund, Overpayment	\$ 267.62
Lisa Peterworth, 4-19100-3	Refund, Deposit plus overpayment	\$ 148.32
Rui Zheng, 5-27475-2	Refund, Deposit plus overpayment	\$ 152.50
Barry Goss, 3-13175-1	Refund, Deposit	\$ 105.00
Larry Russell, 1-10600-2	Refund, Deposit	\$ 135.00
John Bartleman, 1-1400-2	Refund, Deposit plus overpayment	\$ 170.00
Kevin Harden, 5-25850-1	Refund, Deposit plus overpayment	\$ 140.00
Mountain Men, LLC, 6-49100-4	Refund, Overpayment	\$ 107.67
Total Regular Checking for Consideration		\$ 77,583.90

Charges and Bills Paid from Regular Checking Since May 13, 2021

Sevier County Electric System	Deposit - 1025 Lin Creek Drive account	\$ 575.00
Sevier County Electric	Utility	\$ 3,635.00
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 130.54
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
USDA	Loan repayment	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,939.00
IRS	Payroll tax	\$ 382.64
Bank Fee	Analysis service charge	\$ 196.34
Total Regular Checking Charges and Bills Paid		\$ 9,035.01

Grand Total Regular Checking **\$ 86,618.91**

Charges and Bills Paid from Alpine Drive fund Since May 13, 2021

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

Charges and Bills Paid from WWTP fund Since May 13, 2021

McGill Associates, PA	WWTP Upgrade, Project 15.06205, Draw 7	\$ 54,938.57
J S Haren Company	WWTP Upgrade, Project 15.06205, Draw 2	\$ 150,090.78
Total WWTP Fund Checking Charges and Bills Paid		\$ -

East Sevier County Utility District
Balance Sheet
May 31, 2021

	05/31/2021	05/31/2020
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$289,076.04	\$317,182.86
Checking Account - Alpine Rd Funding	105,869.85	81,869.85
Cash on Hand	100.00	100.00
Cash-Restricted-Customer Deposits	(66,583.49)	0.00
Total Cash	328,462.40	399,152.71
Accounts Receivable	168,021.98	205,627.16
Allowance for Doubtful Accts	(48,833.37)	(31,795.63)
Unbilled Accounts Receivable	10,539.00	6,045.00
Inventory	112,454.55	50,631.40
Prepaid Expenses	24,281.63	23,953.90
Total Current Assets	594,926.19	653,614.54
PROPERTY, PLANT & EQUIPMENT		
Land	76,657.80	31,657.80
Distribution & Collection System	2,968,744.76	2,198,180.48
Buildings	69,235.68	69,235.68
Machinery & Equipment	122,963.26	119,884.26
Vehicles & Trailer(s)	88,334.99	61,272.58
Construction Work in Progress	383,925.98	832,842.72
Less: Accumulated Depreciation	(1,243,756.17)	(1,136,321.00)
Net Property, Plant & Equipment	2,466,106.30	2,176,752.52
RESTRICTED CASH		
Construction Account - Waste Wtr Project	813.37	833.37
Cash-Restricted-Customer Deposits	66,583.49	0.00
Total Restricted Cash	67,396.86	833.37
OTHER ASSETS		
Deposits	14,370.00	14,370.00
Total Other Assets	14,370.00	14,370.00
Total Assets	\$3,142,799.35	\$2,845,570.43

East Sevier County Utility District
Balance Sheet
May 31, 2021

	05/31/2021	05/31/2020
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$229,345.38	\$28,574.99
Sales Tax Payable	1,942.19	3,680.04
Payroll Taxes Payable	382.44	382.42
Unearned Revenue	30,420.85	26,417.05
Long Term Debt-Current	8,163.56	0.00
Accrued Interest Payable	6,496.33	1,386.95
Customer Deposits	66,583.49	42,276.00
Total Current Liabilities	343,334.24	102,717.45
LONG-TERM DEBT		
USDA 2018 Loan #1	152,506.25	172,237.97
USDA 2017 Loan #2	283,250.50	287,323.93
USDA 2017 Loan #3	258,355.00	262,778.42
Less: Current Portion of L-Term Debt	(8,163.56)	0.00
Total Long-Term Debt	685,948.19	722,340.32
Total Liabilities	1,029,282.43	825,057.77
DISTRICT'S EQUITY		
Retained Earnings	1,960,517.59	1,397,784.62
YTD Net Income	152,999.33	622,728.04
Total District's Equity	2,113,516.92	2,020,512.66
Total Liabilities and District's Equity	\$3,142,799.35	\$2,845,570.43

East Sevier County Utility District
Statements of Revenues and Expenses
For the Eleven Months Ending May 31, 2021
Actual vs Budget

<u>May</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$19,878	\$20,099	Water Sales	\$218,682	\$214,507	\$237,263
53,415	44,218	Sewer Charges	577,095	460,641	503,224
0	0	Connection Fees - Water	5,000	2,500	2,500
1,500	1,500	Connection Fees - Sewer	25,500	14,750	16,250
0	926	Late Charge Fees	(9)	10,181	11,107
8,680	7,222	Reconnect/Meter Sets/Other Fees	111,700	79,446	86,668
0	200	Miscellaneous Income	1,429	2,200	2,400
83,473	74,165	Total Operating Revenues	939,397	784,225	859,412
		Operating Expenses			
159	167	Payroll Taxes	1,699	1,833	2,000
43,932	43,932	Management & Operations Contract	483,252	483,252	527,184
4,212	4,000	Utilities	48,806	44,000	48,000
2,539	2,000	Insurance	27,449	22,000	24,000
3,739	4,417	Repairs & Maintenance	75,476	48,583	53,000
0	417	Professional Outside Services	0	4,583	5,000
2,082	2,083	Directors' Fees	22,205	22,917	25,000
633	1,000	Legal Expenses	13,905	11,000	12,000
0	0	Accounting	7,350	7,300	7,300
1,167	1,167	Bad Debts	12,833	12,833	14,000
0	0	Dues	0	825	825
0	0	Office Expense	231	0	0
32	0	Advertising Expense	298	0	0
0	894	Permits	6,162	5,200	5,200
216	250	Miscellaneous Expense	5,575	2,750	3,000
58,711	60,327	Total Operating Expenses	705,241	667,076	726,509
24,762	13,838	Net Income B/4 Other (Inc) & Exp	234,156	117,149	132,903
		Other Income (Expenses)			
(407)	(1,792)	Interest Expense	(12,957)	(19,708)	(21,500)
(6,200)	(6,200)	Depreciation	(68,200)	(68,200)	(74,400)
0	(83)	Bond Issue Costs	0	(917)	(1,000)
(6,607)	(8,075)	Total Other Income (Expenses)	(81,157)	(88,825)	(96,900)
\$18,155	\$5,763	Net Income(Loss)	\$152,999	\$28,324	\$36,003

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

Billing Charges For the Month of:	May-21	
Water Revenue		19,878.27
Sewer Revenue		53,415.18
Installment Billing -Offsite Sewer Arrears		678.23
Sales Taxes		1,939.27
Late Charges		-
Installation Fees-Water		-
Installation Fees-Sewer		1,500.00
Other Miscellaneous Fees		8,680.43
Returned Checks		255.00
Deposits Applied/Adjustments		(450.00)
Customer Refunds Paid		321.75
Total Billing Charges		<u>86,218.13</u>
Water Gallons Billed		<u>876,776</u>
Water Customers Billed		<u>248</u>
Sewer Gallons Billed		<u>538,080</u>
Sewer Customers Billed		<u>834</u>

Accounts Receivable	May-21	
Beginning Balance		146,523.70
Billing Charges		86,218.13
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(85,065.04)
End of Month Accounts Receivable		<u>147,676.79</u>

Water Revenue Checking	May-21	
Beginning Balance		311,396.77
Deposits:		
Accounts Receivable Collections		85,065.04
Customer Deposits		2,906.00
Builder subtracted from payment still owed		(1.00)
Miscellaneous - Deposit slip correction		(0.10)
		<u>87,969.94</u>
Disbursements:		
Accounts Payable Checks		(99,028.35)
Auto Debit Charges-Utilities		(4,788.79)
TN TAP - Sales Tax		(1,232.00)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
Refund Checks		(321.75)
Payroll Taxes		(382.64)
Bank fees		(192.14)
Charge backs		(135.00)
Utility bill owed by District to Builder		(134.00)
End of Month Balance		<u>289,076.04</u>
Cash Receipts Collected To Date in:	Jun-21	78,956.69
Auto Debited Utilities in:	Jun-21	(3,866.03)
Bills Submitted for Payment in:	Jun-21	(66,342.75)
Available Balance		<u><u>297,823.95</u></u>

**East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
May 31, 2021**

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		311,396.77	87,969.94	-	(110,290.67)	289,076.04
Checking Acct-Alpine Road Funding		103,869.85	2,000.00	-	-	105,869.85
Checking Acct-Waste Water Plant		833.37	-	-	(20.00)	813.37
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		416,199.99	89,969.94	-	(110,310.67)	395,859.26

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
May-21	19,984	246,419	877	13,119	248
Apr-21	20,542	226,435	988	12,242	248
Mar-21	28,478	205,893	1,925	11,254	250
Feb-21	21,063	177,415	977	9,329	247
Jan-21	19,944	156,352	750	8,352	249
Dec-20	21,862	136,408	1,227	7,602	250
Nov-20	20,126	114,546	935	6,375	250
Oct-20	19,644	94,420	817	5,440	250
Sep-20	19,440	74,776	854	4,623	245
Aug-20	19,566	55,337	841	3,769	249
Jul-20	35,771	35,771	2,928	2,928	247
Jun-20	19,948	241,664	1,032	12,014	247
May-20	19,393	221,715	911	10,982	247

**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		
May-21	52,878	594,592	538	8,132	834	85,065
Apr-21	53,487	541,714	630	7,594	836	82,017
Mar-21	61,708	488,227	1,565	6,964	830	93,418
Feb-21	52,180	426,518	465	5,399	830	95,566
Jan-21	52,376	374,338	456	4,934	825	96,451
Dec-20	54,364	321,963	859	4,478	827	110,401
Nov-20	52,333	267,599	572	3,619	824	69,016
Oct-20	51,849	215,266	492	3,047	824	79,482
Sep-20	51,729	163,417	502	2,555	824	70,655
Aug-20	51,329	111,689	499	2,053	820	98,021
Jul-20	60,359	60,359	1,554	1,554	816	85,621
Jun-20	49,449	572,773	621	7,531	814	95,517
May-20	48,576	523,324	528	6,910	811	82,140

**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

June - 2021

Administrative

Staff has been working with McGill, TDEC, and USDA to move the wastewater plant project as quickly as possible. The plant has been paid for and delivery is expected in late July or early August.

Treatment

Treatment at the wells is monitored daily. All testing results have been within regulatory compliance.

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

Collection/Distribution

A new sewer service was installed at Douglas Lake.

Customer Service

Several after hours and weekend call outs for the offsite wastewater facilities throughout entire month.

Project Updates

The Wastewater plant project is underway. Material is being delivered. The contractor has ordered the new plant and begun excavation. The foundation is being laid now.

Well C has been videoed and cleaned. A new well pump and pipe will be installed in the next month.

New style well D pump installed. Working very well.



OPERATIONS REPORT – East Sevier County Utility District

Regulatory

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

Concerns for the Month

Much discussion has been had with SUEZ and B&R regarding the repair of Well C. SUEZ holds the maintenance responsibilities per the service contract and wants to install another well pump in the hole that was inspected. However, B&R would prefer to drill a new well behind the Well C tank.

A diving company has been contacted to repair a crack in the well C tank. They have cancelled previous appointments, but plan to visit the site in July to make repairs.

Positives for the Month

The Mission SCADA system at well C has been repaired and proven very useful.

Well C has been down, but wells A and B are carrying the load for the top of the mountain.

Leak Repairs

Leak repaired on Rich Mountain that was causing Well D supply issues.

Replaced PRV on Alpine.

Repaired leak at vault on John Sevier.