

DUE TO COVID-19 WEARING MASK OR FACE COVERING IS MANDATORY

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

November 11, 2021

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Introductions of Commissioners, Alliance Personnel and ESCUD Manager
- 3) Motion to approve the minutes of the previous Board 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 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) English Mountain WWTP Project
- 9) Adjournment – Next regular Board Meeting to be held on Thursday, December 9, 2021- 5:30 pm

****Anyone without the authority or knowledge of ESCUD and/or water systems should refrain from giving instructions to other customers****

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, October 21, 2021

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, October 21, 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 5:30 p.m. for any old or new business. Introductions to acquaint visitors with Commissioners and Alliance staff were not necessary as there were no visitors in attendance.

A motion to approve the minutes of the September 09, 2021, meeting was made by Barbara. Janice seconded the motion. Motion carried.

Barbara motioned to approve the Accounts Payable list in total as submitted. Janice seconded the motion; motion carried. Evan called attention to the item on the list for Junior Hommel Excavating for \$5,000. He reminded the Board that the first invoice Hommel had submitted was over the agreed-upon limit of \$5,000. It also lacked any description for the work that had been done. We did not pay it, and Evan made a call to them. We then received another invoice sans detailed description for \$5,000, which is being paid. Roy commented that amount is still not correct. He said his original agreement with Hommel was for \$3,900. The first invoice included charges for work done on or near Steve Bradley’s property. A discussion ensued later in the meeting about getting agreements such as this in writing. Barbara was especially adamant about this, but there was a consensus among the Commissioners that all future agreements be put in writing.

Evan went over key points of the financial report with the Commissioners. Evan mentioned that we will be using the Alpine Road Fund to pay the engineering firm McGill Associates, P. A. Barbara motioned to approve the financial report; Janice seconded the motion. Motion carried.

James reported on recent activity on the Mountain. Some very important subjects, such as sanitary sewer flow and working in confined spaces and the supervisor’s responsibility in these situations, were discussed in the monthly safety meeting. Jan asked if we still have the cage the employees could use if needed; James answered that we do have one that is suitable for now.

The backhoe was delivered to Heavyquip for maintenance and repair. A tire rotation and oil change were performed on the ESCUD Ford Ranger. The Well D capacity improvement project is proceeding as scheduled. We received the new tank and are keeping the old one for backup, raising the capacity of the well.

Offsite, we installed a pump kit at Hibernation Station, and a pump was pulled and replaced at a Sherwood Forest Residence. We also replumbed the effluent piping at the Bear Creek Crossing WWTP. A pump kit at a residence in Douglas Lake had to be completely rewired.

Old Business

None

New Business

Evan pointed out that since the onset of COVID and state recommendations, we have not been charging penalties. The recommendations expired quite a while back, the Board was asked whether to reinstate them. All Commissioners agreed that there was no issue regarding the extended lack of penalties, however, we should reinstate them; a notice will be included with the next billing, and late fees will be charged for all subsequent billings. Barbara motioned to reinstate late fees starting with the billing cycle after next. Janice seconded the motion; motion carried.

Evan said that our SCADA system at Well C was recently updated by Mission Communications for around \$5,000. Wells A, B, and D systems are currently running off of 3G, which is being phased out. Mission is running a promotion for switching to a new network. If we turn in our old equipment, they will upgrade wells A, B, and D for \$5,800. This price can also be attributed to the fact that several years after Well F had been closed down, ESCUD was still paying those fees, which are now being credited to ESCUD's account. Barbara motioned to have the upgrade done on wells A, B, and D. Janice seconded the motion. Motion carried.

The contractors had poured a concrete slab at the WWTP site. It had some dips in it; and after it rains, water would pool on various spots. This was corrected by grouting the concrete. The plant was supposed to be here by now. It has already been constructed and paid for by J. S. Haren, the contracted company. However, we were told that the plant is still sitting at the manufacturer's property because they have no one to deliver it. The size of the structure complicates the matter as a large vehicle will be needed and an escort will be necessary to bring the plant up the mountain.

The due date for substantial completion of the project is November 04, 2021. Every day that passes after that, we are in the liquidated damages phase. J. S. Haren could owe the District a daily fee to be determined between ESCUD and USDA. Eventually, this will probably result in an arbitration hearing because they will most likely owe us money in the end. There have been no engineer inspectors involved in the project, which has saved the District about fifty thousand dollars. J. S. Haren had asked for 131 rain days, but

Evan and James had counted only 30 since the project began. The company had asked James for an extension for completion; he gave them 13 extra days.

The State is not going to be happy with the delay, but we can show them we have done all we can in the matter so as not to incur a fine.

Last month the Mitchells had requested that we install the water and sewer lines on Half High Street so that it could be paved. There is no sense in paving the road and then have ESCUD dig it back up to install the lines. We have tried ordering some of the materials from G&C, but they were out of stock. Roy suggested we call Drillers Service, Inc. Evan said he will call them. We did get the pipe ordered at a cost of \$7,500; however, there is a delay in delivery because of the shortage of dock workers and vehicles available for delivery due to COVID.

Roy said we can install the replacement water lines without having to tear up the road. Evan asked James to get with Roy to determine what is the best course of action and to relay their findings to the POA.

Brenda, the office clerk, had submitted a list of uncollectable accounts totaling \$1,124.84 for approval to write off. Barbara motioned, and Janice seconded the motion, to write off all five account balances. Motion carried.

Jan asked about the District paying the \$500 POA dues for which they had asked at previous meetings. Evan had spoken with the District's attorney, Mark Jendrek, who said that he has not been able to get a definitive answer as to why the POA has the right to charge dues to residents.

The next regular meeting will be held on Thursday, November 11, 2021, at 5:30 p.m.

Adjournment

Roy motioned and Barbara seconded the motion, to adjourn at 6:08 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills
11-Nov-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	Inv# PS-INV103279, Nov21 Services	\$ 50,464.59
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Ad# 70166189, Oct21 Board meeting notice	\$ 27.26
The MG Group, P.C.	Inv# 4739, Contracted Outside Audit, FYE Jun21	\$ 3,425.00
Sevier County Trustee	Property Taxes, 1025 Lin Creek Drive	\$ 63.00
Harald Kowa, 1-4400-3	Refund, deposit minus balance due	\$ 93.40
Margaret Klemm, 1-7200-4	Refund, deposit plus overpayment	\$ 275.80
Highlands Management, 5-26900-1	Refund, overpayment	\$ 75.00
Jan Hudson, 1-7800-3	Refund, deposit plus overpayment	\$ 123.90
	Total Regular Checking for Consideration	\$ 58,407.10

Charges and Bills Paid from Regular Checking Since October 21, 2021		
Citco Water	Annual Support, 11-09-21 to 11-08-22	\$ 2,450.00
Sevier County Electric	Utility	\$ 4,157.53
Sevier County Water	Utility	\$ 42.25
City of Pigeon Forge Water & Sewer	Utility	\$ -
Appalachian Electric	Utility	\$ 121.98
USDA	Loan repayment	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,748.00
IRS	Payroll tax	\$ 382.64
Bank Fee	Analysis service charge	\$ 238.62
	Total Regular Checking Charges and Bills Paid	\$ 11,217.02

Grand Total Regular Checking	\$ 69,624.12
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Charges and Bills Paid from Alpine Drive fund Since October 21, 2021		
USDA RD DCFO-Payment 210925000	Repay Loan	\$ 1,667.00
Bass, Berry, & Sims	\$555,000 Waterworks Revenue Bond, Series 2021, Final 20% of total	\$ 1,200.00
	Total Alpine Drive Fund Checking Charges and Bills Paid	\$ 2,867.00

Charges and Bills Paid from WWTP fund since October 21, 2021		
	Total WWTP Fund Checking Charges and Bills Paid	\$ -

East Sevier County Utility District

Balance Sheets September 30, 2021

	9/30/21	9/30/20
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$ 314,663.02	\$ 326,494.07
Checking Account - Alpine Rd Funding	112,202.85	89,869.85
Cash on Hand	100.00	100.00
Cash - Restricted - Customer Deposits	(75,481.49)	(43,786.00)
Total Cash	351,484.38	372,677.92
Accounts Receivable	149,451.34	189,158.66
Allowance for Doubtful Accounts	(73,500.01)	(39,500.01)
Unbilled Accounts Receivable	8,803.00	10,539.00
Inventory - Water and Sewer	23,268.51	39,629.02
Prepaid Expenses	19,773.83	12,579.82
Total Current Assets	479,281.05	585,084.41
PROPERTY, PLANT, & EQUIPMENT		
Land	76,657.80	31,657.80
Distribution & Collection System	3,133,825.25	2,928,620.45
Buildings	69,235.68	69,235.68
Machinery & Equipment	124,378.85	122,963.26
Vehicles & Trailer(s)	89,933.99	88,334.99
Construction Work in Progress	755,636.78	147,078.75
Less: Accumulated Depreciation	(1,330,766.70)	(1,194,156.17)
Net Property, Plant, & Equipment	2,918,901.65	2,193,734.76
RESTRICTED ASSETS		
Construction Account - Waste Water Project	67,595.71	833.37
Cash - Restricted - Customer Deposits	75,481.49	43,786.00
Total Restricted Assets	143,077.20	44,619.37
OTHER ASSETS		
Deposits	14,945.00	14,370.00
Total Other Assets	14,945.00	14,370.00
Total Assets	\$ 3,556,204.90	\$ 2,837,808.54

East Sevier County Utility District

Balance Sheets September 30, 2021

	9/30/21	9/30/20
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 171,831.37	\$ 53,773.40
Sales Tax Payable	1,748.86	1,943.86
Payroll Taxes Payable	382.52	382.58
Unearned Revenue	33,069.88	30,420.85
Long Term Debt - Current	8,417.23	8,163.56
Accrued Interest Payable	(1,503.33)	5,988.85
Customer Deposits	75,481.49	50,276.00
Total Current Liabilities	289,428.02	150,949.10
LONG-TERM DEBT		
USDA 2018 Loan #1	554,142.37	152,506.25
USDA 2017 Loan #2	281,861.52	285,973.95
USDA 2017 Loan #3	256,988.43	261,038.93
Less Current Portion of L-Term Debt	(8,417.23)	(8,163.56)
Total Long-Term Debt	1,084,575.09	691,355.57
Total Liabilities	1,374,003.11	842,304.67
DISTRICT'S EQUITY		
Retained Earnings (Deficit)	1,995,437.27	1,960,517.59
YTD Net Income	186,764.52	34,986.28
Total District's Equity	2,182,201.79	1,995,503.87
Total Liabilities and District's Equity	\$ 3,556,204.90	\$ 2,837,808.54

East Sevier County Utility District
Statements of Revenues and Expenses
Fiscal Year Jul 01 to Jun 30
For the Month(s) Ending
Actual vs Budget

<u>September, 2021</u>			<u>YTD</u>		<u>Annual</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
		Operating Revenues			
\$ 17,726	\$ 19,581	Water Sales	\$ 57,338	\$ 59,017	\$ 237,263
50,116	51,852	Sewer Charges	151,098	153,036	620,164
-	-	Connection Fees - Water	-	1,250	2,500
1,500	2,250	Connection Fees - Sewer	6,000	8,000	23,750
-	1,072	Late Charge Fees	802	3,215	12,861
14,831	8,938	Reconnect/Meter Sets/Other Fees	37,998	26,813	107,253
-	200	Interest Income	-	600	2,400
84,173	83,893	Total Operating Revenues	253,235	251,932	1,006,191
		Operating Expenses			
49,048	49,048	Management & Operations Contract	147,144	147,144	588,576
3,787	4,333	Utilities	12,889	13,000	52,000
2,539	2,500	Insurance	7,618	7,500	30,000
9,920	7,917	Repairs & Maintenance	40,066	23,750	95,000
-	1,000	Legal Expenses	4,538	3,000	12,000
3,425	3,700	Accounting/Audit	3,425	3,700	7,400
2,082	2,083	Director Fees	6,247	6,250	25,000
159	167	Payroll Taxes	478	500	2,000
1,167	1,167	Bad Debts	3,500	3,500	14,000
-	-	Dues & Subscriptions	-	-	100
27	-	Advertising	51	-	-
-	-	Permits	-	3,412	5,200
239	292	Miscellaneous Expenses	644	875	3,500
72,393	72,206	Total Operating Expenses	226,599	212,631	834,776
11,780	11,686	Net Income B/4 Other Income (Expenses)	26,636	39,300	171,415
		Other Income (Expenses)			
184,111	-	Grant Income	184,111	-	536,000
-	(1,792)	Interest Expense	(5,382)	(5,375)	(21,500)
(6,200)	(12,992)	Depreciation	(18,600)	(38,975)	(155,900)
177,911	(14,783)	Total Other (Income) Expenses	160,129	(44,350)	358,600
\$ 189,691	\$ (3,097)	Net Income (Loss)	\$ 186,765	\$ (5,050)	\$ 530,015

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

Billing Charges For the Month of:		Sep-21
Water Revenue		17,725.62
Sewer Revenue		50,115.74
Installment Billing -Offsite Sewer Arrears		522.25
Sales Taxes		1,748.63
Late Charges		-
Installation Fees-Water		-
Installation Fees-Sewer		1,500.00
Other Miscellaneous Fees		14,936.27
Returned Checks		125.00
Deposits Applied/Adjustments		(1,555.00)
Customer Refunds Paid		3,204.43
Total Billing Charges		<u>88,322.94</u>
Water Gallons Billed		<u>848,218</u>
Water Customers Billed		<u>251</u>
Sewer Gallons Billed		<u>493,140</u>
Sewer Customers Billed		<u>844</u>
<hr/>		
Accounts Receivable		Sep-21
Beginning Balance		139,909.15
Billing Charges		88,322.94
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(92,294.95)
End of Month Accounts Receivable		<u>135,937.14</u>
<hr/>		
Water Revenue Checking		Sep-21
Beginning Balance		304,309.13
Deposits:		
Accounts Receivable Collections		92,294.95
Customer Deposits		1,947.00
		<u>94,241.95</u>
Disbursements:		
Accounts Payable Checks		(69,188.01)
Auto Debit Charges-Utilities		(4,696.25)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(2,014.00)
Refund Checks		(3,204.43)
Payroll Taxes		(382.64)
Bank fees		(201.73)
Chargebacks		(125.00)
End of Month Balance		<u>314,663.02</u>
Cash Receipts Collected To Date in:	Oct-21	99,875.94
Auto Debited Utilities in:	Oct-21	(4,321.76)
Bills Submitted for Payment in:	Oct-21	(153,462.21)
Available Balance		<u><u>256,754.99</u></u>

**East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
September 30, 2021**

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		304,309.13	94,241.95	-	(83,888.06)	314,663.02
Checking Acct-Alpine Road Funding		111,869.85	2,000.00	-	(1,667.00)	112,202.85
Checking Acct-Waste Water Plant		101,760.29	184,110.91	-	(218,275.49)	67,595.71
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		518,039.27	280,352.86	-	(303,830.55)	494,561.58

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Sep-21	19,738	60,035	848	2,686	251
Aug-21	19,813	40,297	828	1,838	250
Jul-21	20,484	20,484	1,010	1,010	249
Jun-21	19,883	266,302	906	14,025	248
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

**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		
Sep-21	52,202	157,331	493	1,600	844	92,295
Aug-21	52,385	105,129	488	1,107	846	94,060
Jul-21	52,744	52,744	619	619	843	90,997
Jun-21	53,182	647,773	563	8,695	838	86,032
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



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

OCT– 2021

Administrative

All three board members have successfully completed their continuing education requirements as set forth by the state of Tennessee.

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

Cleared a blockage at Sherwood Forest

Installed a new pump for a customer at Douglas Lake

Replaced numerous bulbs and fixtures in the ESCUD office building

Installed a new pump at the Bear Creek Crossing WWTP

All electronic components for the SCADA project have been ordered

Installed a stack kit in the Well C booster building

Customer Service

A customer at Timber Lake Bay thanked ESCUD staff for spreading asphalt at a repair site near their home.

Project Updates

Surveyors have been contacted to identify available land for the Well C improvement project



OPERATIONS REPORT – East Sevier County Utility District

Safety

Orange safety fencing was installed around the perimeter of the WWTP project. The safety topic for the month was Arc Flash electrical training and chemical handling.

Regulatory

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

Concerns for the Month

Water Loss plus Inflow and Infiltration.

Positives for the Month

The team came together to repair a catastrophic main break near the English Mountain Horse stables. Water service was restored to all customers.

Leak Repairs

Repairs were made on Alpine Drive

Alliance Year-to-Date Capped Expenses through August 2021			
	Actual	Budget	Over (Under) Budget
Repair Expense	\$12,615	\$6,648	\$5,967
Chemical Expense	\$0	\$2,034	(\$2,034)