

BOARD MEETING

JUNE 8, 2023



MINUTES

THE MEETING BEGAN AT 5:34 P.M.

THOSE PRESENT WERE:

MR. JERRY HAYES, BOARD PRESIDENT

MR. DAN BARNETT, BOARD MEMBER

MR. EDDIE CROSBY, BOARD MEMBER

MR. GAVIN SMELCER, REPRESENTING ESCUD LAWYER

MR. BENJAMIN HARRIS, WITT UTILITY DISTRICT MANAGER

SEE SIGN IN SHEET

THE MEETING WAS CALLED TO ORDER BY JERRY HAYES IN WHICH WITT UTILITY DISTRICT MANAGER BENJAMIN HARRIS AS WELL AS OTHER BOARD MEMBERS WERE INTRODUCED.

MR. HAYES REQUESTED THAT THE PREVIOUS MONTHS' MINUTES BE LOOKED OVER. MOTION WAS MADE BY MR. BARNETTE TO APPROVE THE MINUTES

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THE SECOND WAS MADE BY MR. CROSBY.

MR. BARNETTE ASKED ABOUT THE FINANCIALS WITHIN THE DISTRICT, AND AFTER LOOKING OVER THE EXPENSE SHEET FOR THE MONTH, MR. HARRIS STATED THAT THE SHEET WAS ROUGHLY \$12,000 MORE DUE TO TWO CHECKS BEING WRITTEN OUT OF THE ACCOUNT FOR BERT UNDERWOODS PAYROLL AND FOR PAYMENT FOR THE ESCUD LAWYER, MR. OVERBEY ON PRESENT DAY.

HARRIS STATED THAT THERE ARE ROUGHLY \$450,000 TO \$500,000 IN UNPAID INVOICES THAT THE UTILITY STILL OWES TO DIFFERENT BUSINESSES. WHEN ASKED BY MR. BARNETTE HOW MUCH INCOME THE UTILITY MADE THE PAST MONTH HARRIS STATED THAT IT WAS AN ESTIMATED \$83,000 FROM BOTH WATER AND SEWER

A MOTION WAS MADE BY MR. BARNETTE TO APPROVE THE FINANCIALS

IT WAS SECOND BY MR. CROSBY

MR. HAYES THEN ASKED FOR UPDATES ON THE GRANT PROCESS, AND MR. BARNETTE STATED THAT HE HAD SOME FORMS FOR THE BOARD MEMBERS TO LOOK OVER AND SIGN IN ORDER TO CONTINUE WITH THAT PROCESS.

MR. HARRIS THEN UPDATED THE BOARD ON THE SEWER SYSTEM AND STATED THAT \$35,000 OF IMPROVEMENTS NEED TO BE DONE TO DOUGLAS LAKE RESORT DUE TO THEIR ROAD FALLING AND TEARING UP THE SEWER LINE. THIS ISSUE WAS ADDRESSED WITH THE OLD BOARD, BUT DOUGLAS LAKE IS NOW DEMANDING THAT IT BE FIXED IMMEDIATELY

HARRIS STATES THAT THREE OFFSITE SEWER STATIONS NEED ENORMOUS IMPROVEMENTS MADE TO THEM TOTALING AROUND \$300,00. THIS COST WOULD BE FOR IMPROVEMENTS TO BE MADE TO THOSE AND A FEW OTHER MINOR IMPROVEMENTS TO THE OTHER SEVEN.

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HARRIS BELIEVES THERE ARE STILL AROUND TWO HUNDRED PEOPLE THAT ARE STILL NOT PAYING A SEWER BILL DUE TO THEIR BEING NO PAPER TRAILS. MR. HAYES ASKED HOW MANY OPEN INVOICES THAT HAVE NEVER BEEN PAID BY SEWER CUSTOMERS AND HARRIS ESTIMATED IT AT \$10,000 TO \$13,000 AS WELL AS A ROUGHLY ESTIMATED \$180,000 BY CONTRACTORS WHO HAD A "RUNNING TAB" WITH THE PREVIOUS MANAGEMENT TEAM.

HARRIS STATES THAT HE MET WITH AUDITORS FROM THE MG GROUP AND THEY ARE AWARE OF THE SITUATION AT ESCUD AND ARE WILING TO HELP WITH THE BOOKS THAT ARE FIXING TO CLOSE FOR THIS YEAR'S AUDIT, BUT WE ARE STILL ON A WAIT DUE TO THE RATE STUDY STILL NOT BEING COMPLETED.

MR. HAYES STATED THAT THE ELECTRICAL WAS OUT AT WELL C DUE TO A LIGHTENING STORM WHICH IN RETURN BLEW A LINE OUT ON ALPINE. HARRIS STATED THAT THE LEAK WAS FIXED BY HIM AT AROUND 12:15 P.M. AS WELL AS A LEAK AT HOLLY BERRY COURT

HARRIS STATED THAT THE PUMP AT WELL C WAS REBUILT AND PUT BACK IN AND THE PUMP AT AB IS OUT AND WILL NEED TO BE REPLACED AT AN ESTIMATED \$3,500.

HARRIS INSTRUCTED THE BOARD THAT HE THINKS THAT IT WOULD BE BENEFICIAL TO REACH OUT TO NEIGHBORING UTILITIES TO SEE IF THEY WOULD BE INTERESTED IN PURCHASING THE OLD METERS FROM THE UTILITY TO AT LEAST BRING IN A LITTLE INCOME AND KEEP THE METERS FROM GOING TO WASTE BY BEING TOSSED OUT.

MR. CROSBY STATED THAT HE BELIEVES THE BOARD SHOULD BE ABLE TO FIND SOMEONE TO HELP THEM, SUCH AS A HIGHER UP OFFICIAL IN THE GOVERNMENT, TO FIND DIRECTION IN WHAT CAN BE DONE TO HELP THE RESIDENTS OF THE COMMUNITY.

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JACKSON BROWNFIELD ADDRESSED THE BOARD AND SPOKE ON HOW HIS FAMILY BUSINESS HAS SUPPLIED ESCUD WITH ITEMS TO HELP WITH THE TREATMENT SYSTEMS AND HOW ESCUD CURRENTLY OWES THEM \$90,000 AND HE REALLY NEEDED A TIMELINE ON PAYMENT BECAUSE HIS BUSINESS HAD TO PAY FOR THE SUPPLIES OUT OF POCKET AND IT IS BECOMING AN ISSUE.

MR. CROSBY TOLD HIM THAT THE BOARD IS TRYING TO COME UP WITH A STRATEGY TO GET HIM A PAYMENT IN THE NEAR FUTURE

LOUIE FROMM ADDRESSED THE BOARD AND ASKED WHY THEY HAVE NOT SOUGHT OUT THE FORENSIC AUDIT.

MR. HARRIS STATED THAT TAUD IS ON A WAITING LIST OF AROUND 6-8 MONTHS TO EVEN BE CONSIDERED FOR ONE, AS THEY ARE BEHIND.

MR. BARNETTE EXPLAINED THAT THE MG GROUP IS GOING TO BE PERFORMING THE AUDIT AS SOON AS POSSIBLE FOR THE UTILITY SINCE THEY ARE THE ONES WHO HAVE DONE IT FOR THE PAST THREE YEARS.

MRS. FROMM SUBMITTED A DOCUMENTS REQUEST AND ADDRESSED THE BOARD ON HER CURRENT DIRTY WATER SITUATION AT HER HOME THAT HAS BEEN ONGOING WITH NO RESOLUTION IN SIGHT.

MR. HAYES EXPLAINED TO MRS FROMM THAT HE BELIEVES THE ISSUE IS IN THE WATER LINE CONNECTING JUST TO HER ROAD, AS THE WATER COMING OUT WHILE BEING FLUSHED IS AS CLEAR AS HE HAS EVER SEEN IT.

A GENTLEMAN ADDRESSED THE BOARD EXPLAINING THAT A WATER LEAK WAS REPAIRED AT HIS RESIDENCE AND WAS TOLD THAT THE DITCH WOULD BE REPAIRED, BUT IT HAS YET TO BE DONE.

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MR. CROSBY STATED THAT HE WILL PUT IT ON THE LIST OF THINGS TO BE DONE AND PERSONALLY SEE TO IT THAT IT GETS FIXED FOR HIM.

AN ADDITIONAL CUSTOMER ASKED WHEN THE DIRT WOULD BE CLEANED OUT OF THE LINE TO CLEAR THE WATER UP AND MR. HAYES EXPLAINED THAT THE WHOLE LINE WOULD HAVE TO BE DUG UP AND REPLACED FOR THAT TO HAPPEN AND THE UTILITY DOES NOT HAVE FUNDS AVAILABLE FOR THAT AT THE TIME.

MIKE WILLIAMS ASKED IF THE COMMUNITY PART OF THE WEBSITE HAS BEEN DONE AWAY WITH AND HOW HE CAN OBTAIN COPIES OF THE BOARD MINUTES.

MR. HAYES STATED THAT HE CAN SUBMIT A DOCUMENT FORM LIKE MRS.FROMM AND THOSE CAN BE GIVEN TO HIM AND THAT THE COMPTROLLER'S OFFICE HAS THE UTILITY'S HANDS TIED AND THEY CANNOT DO ANYTHING WITHOUT THEIR APPROVAL.

HARRIS THEN READ A LETTER ADDRESSED TO THE UTILITY FROM THE MANAGER REVIEW BOARD STATING RULES THAT THEY MUST FOLLOW IN ORDER TO REMAIN IN GOOD STANDING.

A CUSTOMER ASKED WAS THE POLITICS SO CORRUPT THAT THEY COULDN'T GET WATER, AND THAT IF EVERYONE IN THE BUILDING WAS SMART THEY WOULD GO TO THE FEDERAL LEVEL AND PUT TOGETHER A CLASS ACTION LAWSUIT TOGETHER AND GO AFTER THE GOVERNMENT OFFICIALS RESPONSIBLE.

ESCUO EMPLOYEE BERT UNDERWOOD STATED THAT IT IS ALL POLITICAL, AND THE WHOLE MOUNTAIN WILL GO WITHOUT WATER AND SEWER DUE TO POLITICS.

A CUSTOMER ASKED THE BOARD SHOULD MEMBERS OF THE COMMUNITY START A LETTER WRITING CAMPAIGN TO HIGHER UPS WITHIN THE GOVERNMENT AND CROSBY STATES THAT HE ALONG WITH THE BOARD

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CANNOT INSTRUCT HIM TO DO SO BUT IF HE WAS NO LONGER A MEMBER, HE WOULD BE HELPING TO GET THAT GOING.

MR. HARRIS TOLD THE BOARD HE WOULD LIKE TO ADDRESS THEM AS WELL AS THE PUBLIC. HARRIS THEN READ A STATEMENT INFORMING THEM THAT HE WOULD BE STEPPING AWAY AND PAUSING HIS LICENSE WITH TDEC. HARRIS STATED THAT HE IS DOING THIS DUE TO HIM HAVING HIS OWN DUTIES TO HIS OWN UTILITY AND HE CANNOT BE GUARANTEED THAT HE WOULD NOT BE HELD LIABLE SINCE ESCUD DOES NOT HAVE ANY MONEY TO REPAY HIM AT THIS TIME. HE STATED THAT HE WOULD STILL VOLUNTEER TIME TO HELP THE RESIDENTS, BUT HE WOULD NOT BE ABLE TO OPERATE THE WATER UNTIL THE COMPTROLLER'S OFFICE HAS A WRITTEN AGREEMENT STATING THAT THERE WOULD BE NO RAMIFICATIONS FOR HIM HELPING THEM.

MR. CROSBY ASKED MR. HARRIS DID THAT MEAN THAT HE WOULD STILL MAINTAIN FLOW FOR THE MOUNTAIN, BUT WOULD HE NOT BE ABLE TO MAKE ANY REPAIRS

HARRIS STATED THAT "I CAN'T DO ANYTHING ELSE FOR YOU ALL UNTIL I CAN BE GUARANTEED BY THE COMPTROLLERS OFFICE THAT THIS IS OKAY AND KNOW THAT YOU ALL HAVE MONEY BECAUSE I CAN'T PUT MY OWN UTILITY CUSTOMERS AT RISK." HE THEN WENT ON TO EXPLAIN THAT THE STATE IS GOING TO GREAT LENGTHS TO COME AFTER HIM EVEN PERSONALLY AT THIS POINT.

MR. CROSBY SAID HE UNDERSTOOD THAT HE CANNOT JEOPARDIZE IT.

MR. HARRIS THEN STATED THAT THE WATER CAN CONTINUE, BUT WITHOUT A LICENSED OPERATOR THE UTILITY COULD BE HELD LIABLE FOR ANY SICKNESSES OR DAMAGES THAT COME WITH THAT.

JOSEPH HARRIS SPOKE UP AND STATED THE UTILITY COULD GET IN BIG TROUBLE AND BE CRIMINALLY CHARGED WITH FELONIES.

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PATRICIA ROGERS THEN ASKED MR. HARRIS DID THAT MEAN THAT THE RESIDENTS WOULD BE WITHOUT WATER ONCE HE LEFT THE MEETING UNTIL A LICENSED OPERATOR COULD RETURN TO TAKE CARE OF IT.

MR. CROSBY ASKED WAS THE ESCUD LAWYER GETTING SOMETHING TOGETHER FOR THIS LETTER, IN WHICH MR. SMELCER REPLIED THAT HE IS IN CONTACT WITH THE COMPTROLLER'S OFFICE BUT NOTHING SOLID HAS COME OF IT YET.

MR. CROSBY ASKED MR HARRIS DID HE UNDERSTAND CORRECTLY THAT THEY WOULD HAVE SIX HOURS BEFORE WATER RAN OUT, AND HARRIS STATED HE WOULD HAVE SIX DUE TO HIM BEING ON A GRAVITY TANK BUT THE OTHER SYSTEM IS A PUMP SYSTEM.

MR. CROSBY THEN ASKED TDEC REPRESENTEE GREG MIZE HAD HE EVER SEEN ANYTHING LIKE THIS, AND MR. MIZE STATED THAT HE HAS NEVER SEEN ANYTHING LIKE THIS, AND THE UTILITY WOULD RECEIVE A LETTER FROM TDEC THAT GIVES THEM THE NOTICE OF 30 DAYS TO COME UP WITH A CERTIFIED OPERATOR, AND HE HAD NEVER SEEN ANYTHING THIS BAD. MIZE ALSO STATES THAT TDEC WORKS UNDER THE ASSUMPTION THAT IT IS NOT UNUSUAL FOR A UTILITY TO OPERATE THE SYSTEM WITHOUT A LICENSE OPERATOR.

MR. HAYES STATED THAT HE WOULD NOT BE TURNING A PUMP ON OR OFF WITHOUT A LICENSED OPERATOR.

MEETING WAS ADJOURNED AT 7:22 P.M.