

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

AUG 9, 2018

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the July 12, 2018 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 Updates
- 8) Adjournment – Next regular meeting to be held on Thursday, Sept 13, 2018 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, July 12, 2018

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, July 12, 2018, 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.

A motion to swear in Barbara Darby as Secretary/Treasurer was made by Janice Brooks-Headrick. Roy Ivey seconded the motion. Motion carried.

A motion to approve the minutes of the June 14, 2018, meeting was made by Janice; Barbara seconded the motion. Motion carried.

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

Reports

James Ford, Local Manager, went over the financials with the Commissioners. The number of water customers is stable; the number of offsite customers has increased from 615 to 716. We had a second line and a fax line installed on the office phone to better serve the customers. We have had numerous calls from recently added offsite customers who had various questions about their new accounts.

Concerning operations, we installed two residential water meters and one commercial water meter for the condos, which is complete. We had a difficult time at the Condos, but the final outcome is an improvement. In the past, if they had a main break, we had to shut off water for the entire mountain to fix the leak; that is no longer necessary. We are now able to keep track of how much water is being used, which will satisfy State requirements.

We have sold and installed several sewer pump kits offsite. Nick, who has been training with Darrell Baker in wastewater operations, is now able to coordinate the installation of pump kits and to answer offsite callouts without supervision. He will work on getting his wastewater license in May of 2019.

Janice motioned to approve the financial report as presented; Janice seconded the motion. Motion carried.

Persons to be Heard

Terry Wingate of 1136 Eagle Point thanked workers for fixing their leak. Mrs. Wingate asked if the water report we recently mailed was an annual report. James said it was, but it did not include a breakdown of copper and sodium since they don't have to be reported on every year. They will be included on the 2018 report.

Terry asked about the installation of a filter on Well D. Evan responded that he hopes to be able to bid the job out sometime in September 2018. Once the filter is in place, the residents using that well will see a great improvement in their water quality.

Old Business

There was no old business to discuss.

New Business

Evan said we had discovered that several Offsite owners had not applied for sewer service and, therefore, had not been paying us. We mailed letters last month with copies of our permits and a bill in order to get accounts set up for these customers and to start collecting from them. A second letter will be mailed in the future explaining how much they owe for past unpaid service with options for payment. They will be able to pay the total up front or make payments over five years with interest. Legally, we can collect for only three years of unpaid service.

The next regular meeting will be held on, Thursday, August 09, 2018, at 5:30 p.m.

Adjournment

Roy Ivey moved, and Barbara Darby seconded, a motion to adjourn at 5:58 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills August 09, 2018**

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 | August 2018 Services | \$ 39,397.59 |
| First Tennessee Bank | Alpine Drive Fund | \$ 2,000.00 |
| The Mountain Press | Legal Notices | \$ 45.00 |
| DSI Knoxville Inv# 8034736-00, 7/12/18 | SJE Pumpmaster PS 15" pump down w/o plug | \$ 248.52 |
| Big Orange Electric, Inv 1963, 1964 | Pump Installs/repairs for 6/21, 7/2, 7/3, and 7/5 | \$ 3,625.00 |
| Power Pumping, Inv# 6573 | Pump septic-Dated 04/18/18 | \$ 800.00 |
| Inv# 6590 | Pump septic-Dated 05/16/18 | \$ 1,400.00 |
| Inv# 6620 | Pump septic-Dated 06/12/18 | \$ 450.00 |
| Inv# 7020 | Pump septic-Dated 06/15/18 | \$ 800.00 |
| Inv# 7037 | Pump septic-Dated 06/30/18 | \$ 400.00 |
| Treasurer, State of Tennessee | Annual Maintenance Fee | \$ 434.20 |
| Orenco, Inv# 342595 | Pump kits, Dated 07/09/18 | \$ 15,070.10 |
| Mike & Sherry Sims | Customer refund-deposit | \$ 105.00 |
| Kimberly Mackey | Customer refund-deposit, replacement for Check# 18260 | \$ 105.00 |
| Leland Eagan | Customer refund-overpayment | \$ 4.34 |
| | Total Regular Checking for Consideration | \$ 66,743.90 |

Charges and Bills Paid from Regular Checking Since July 12, 2018

| | | |
|------------------------------------|--|---------------------|
| Mitchell, Emert & Hill, P.C. | FYE June 30, 2017, Audit Fee | \$ 7,300.00 |
| Debra Samples | Refund of sewer charges; billed in error | \$ 180.00 |
| TN Dept. of Labor & Workforce | Unemployment benefits | \$ 1,141.87 |
| TDEC | Penalty, Installment #8 | \$ 2,100.00 |
| Sevier County Electric | Utility, Various service periods | \$ 3,092.95 |
| Sevier County Water | Utility, Service period 05/16/18-06/15/18 | \$ 38.41 |
| Appalachian Electric | Utility, Service period 05/23/18-06/24/18 (All) | \$ 111.06 |
| City of Pigeon Forge Water & Sewer | Utility, Service period 04/30-05/30/18 | \$ 58.24 |
| State of Tennessee | Sales tax-July 2018 Billing | \$ 1,567.00 |
| IRS-Payroll tax | Payroll tax-2018 2nd Qtr. | \$ 1,147.92 |
| | Total Regular Checking Charges and Bills Paid | \$ 16,737.45 |

Charges and Bills Paid from Alpine Drive Fund since July 12, 2018

| | | |
|------------------------|--|--------------------|
| G & C Supply Co., Inc. | Distribution Improvements | \$ 1,302.68 |
| | Total Alpine Drive Fund Checking Charges and Bills Paid | \$ 1,302.68 |

East Sevier County Utility District
Balance Sheet
July 31, 2018

7/31/2018

ASSETS

CURRENT ASSETS

| | |
|--------------------------------------|--------------|
| Checking Account - Operations | \$143,094.76 |
| Checking Account - Alpine Rd Funding | 48,537.50 |
| Cash on Hand | 60.00 |

| | |
|-------------------|-------------------|
| Total Cash | 191,692.26 |
|-------------------|-------------------|

| | |
|------------------------------|-------------|
| Accounts Receivable | 33,805.51 |
| Allowance for Doubtful Accts | (14,145.34) |
| Inventory | 79,272.89 |
| Prepaid Expenses | 13,621.84 |

| | |
|-----------------------------|-------------------|
| Total Current Assets | 304,247.16 |
|-----------------------------|-------------------|

PROPERTY, PLANT & EQUIPMENT

| | |
|----------------------------------|--------------|
| Land | 31,657.80 |
| Distribution & Collection System | 977,492.46 |
| Buildings | 69,235.68 |
| Machinery & Equipment | 114,237.68 |
| Vehicles & Trailer(s) | 49,747.58 |
| Construction Work in Progress | 283,712.49 |
| Less: Accumulated Depreciation | (630,236.52) |

| | |
|--|-------------------|
| Net Property, Plant & Equipment | 895,847.17 |
|--|-------------------|

RESTRICTED CASH

OTHER ASSETS

| | |
|----------|-----------|
| Deposits | 11,375.00 |
|----------|-----------|

| | |
|---------------------------|------------------|
| Total Other Assets | 11,375.00 |
|---------------------------|------------------|

| | |
|---------------------|-----------------------|
| Total Assets | \$1,211,469.33 |
|---------------------|-----------------------|

East Sevier County Utility District
Balance Sheet
July 31, 2018

7/31/2018

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

| | |
|---|-------------------------|
| Accounts Payable | \$18,033.09 |
| Sales Tax Payable | 3,368.71 |
| Payroll Taxes Payable | 9,983.41 |
| Unemployment Payable | 1,058.13 |
| Unearned Revenue | 13,127.00 |
| Consent Order - TDEC | 4,183.00 |
| Accrued Interest Payable | 9,093.80 |
| Customer Deposits | 37,410.00 |
| <i>Total Current Liabilities</i> | <u>96,257.14</u> |

LONG-TERM DEBT

| | |
|------------------------------------|--------------------------|
| USDA 2017 Loan #2 | 238,190.39 |
| USDA 2017 Loan #3 | 184,014.00 |
| <i>Total Long-Term Debt</i> | <u>422,204.39</u> |

Total Liabilities

518,461.53

DISTRICT'S EQUITY

| | |
|---------------------------------------|--------------------------|
| Retained Earnings | 656,897.78 |
| YTD Net Income | 36,110.02 |
| <i>Total District's Equity</i> | <u>693,007.80</u> |

Total Liabilities and District's Equity

\$1,211,469.33

East Sevier County Utility District
Statements of Revenues and Expenses
For the One Month Ending July 31, 2018
Actual vs Budget

July

YTD

| <u>July</u> | | | <u>YTD</u> | | <u>Annual Budget</u> |
|-----------------|-------------------|---|-----------------|-------------------|----------------------|
| <u>Actual</u> | <u>Budget</u> | | <u>Actual</u> | <u>Budget</u> | |
| | | Operating Revenues | | | |
| \$19,213 | \$17,488 | Water Sales | \$19,213 | \$17,488 | \$251,290 |
| 51,847 | 28,083 | Sewer Charges | 51,847 | 28,083 | 444,900 |
| 0 | 1,250 | Connection Fees - Water | 0 | 1,250 | 2,500 |
| 2,250 | 1,146 | Connection Fees - Sewer | 2,250 | 1,146 | 13,750 |
| 1,025 | 1,543 | Late Charge Fees | 1,025 | 1,543 | 18,517 |
| 20,820 | 923 | Reconnect/Meter Sets/Other Fees | 20,820 | 923 | 11,072 |
| 0 | 200 | Miscellaneous Income | 0 | 200 | 2,400 |
| 95,155 | 50,633 | Total Operating Revenues | 95,155 | 50,633 | 744,429 |
| | | Operating Expenses | | | |
| 550 | 0 | Unemployment Benefits | 550 | 0 | 0 |
| 159 | 583 | Payroll Taxes | 159 | 583 | 7,000 |
| 38,640 | 38,640 | Management & Operations Contract | 38,640 | 38,640 | 463,680 |
| 3,301 | 3,994 | Utilities | 3,301 | 3,994 | 47,933 |
| 2,043 | 1,667 | Insurance | 2,043 | 1,667 | 20,000 |
| 5,074 | 5,215 | Repairs & Maintenance | 5,074 | 5,215 | 62,584 |
| 0 | 417 | Professional Outside Services | 0 | 417 | 5,000 |
| 2,082 | 1,800 | Directors' Fees | 2,082 | 1,800 | 21,600 |
| 0 | 1,333 | Legal Expenses | 0 | 1,333 | 16,000 |
| 0 | 0 | Accounting | 0 | 0 | 7,300 |
| 1,167 | 1,167 | Bad Debts | 1,167 | 1,167 | 14,000 |
| 0 | 69 | Dues | 0 | 69 | 825 |
| 45 | 0 | Advertising Expense | 45 | 0 | 0 |
| 434 | 433 | Permits | 434 | 433 | 5,200 |
| 0 | 2,083 | Miscellaneous Expense | 0 | 2,083 | 25,000 |
| 53,495 | 57,401 | Total Operating Expenses | 53,495 | 57,401 | 696,122 |
| 41,660 | (6,768) | Net Income B/4 Other (Inc) & Exp | 41,660 | (6,768) | 48,307 |
| | | Other Income (Expenses) | | | |
| (1,165) | 0 | Interest Expense | (1,165) | 0 | 0 |
| (4,384) | (4,384) | Depreciation | (4,384) | (4,384) | (52,608) |
| 0 | (833) | Bond Issue Costs | 0 | (833) | (10,000) |
| (5,549) | (5,217) | Total Other Income (Expenses) | (5,549) | (5,217) | (62,608) |
| \$36,111 | (\$11,985) | Net Income(Loss) | \$36,111 | (\$11,985) | (\$14,301) |

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

| Billing Charges For the Month of: | Jul-18 | |
|--|---------------|------------------|
| Water Revenue | | 19,212.67 |
| Sewer Revenue | | 51,847.07 |
| Sales Taxes | | 1,537.10 |
| Late Charges | | 1,024.74 |
| Installation Fees-Water | | - |
| Installation Fees-Sewer | | 2,250.00 |
| Other Miscellaneous Fees | | 20,820.00 |
| Returned Checks | | 156.48 |
| Deposits Applied/Adjustments | | - |
| Customer Refunds Paid | | 229.34 |
| Total Billing Charges | | 97,077.40 |
| Water Gallons Billed | | 1,006,854 |
| Water Customers Billed | | 239 |
| Sewer Gallons Billed | | 803,950 |
| Sewer Customers Billed | | 711 |

| Accounts Receivable | Jul-18 | |
|---|---------------|------------------|
| Beginning Balance | | 64,215.89 |
| Billing Charges | | 97,077.40 |
| Bad Debt Recoveries (Write Offs) | | - |
| Accounts Receivable Collections | | (91,068.76) |
| End of Month Accounts Receivable | | 70,224.53 |

| Water Revenue Checking | Jul-18 | |
|--|---------------|-------------------|
| Beginning Balance | | 116,805.00 |
| Deposits: | | |
| Accounts Receivable Collections | | 91,068.76 |
| Pmt Posted to Acct# 10-92500-1; Reversed on 8-5-2018 | | (675.00) |
| Customer Deposits | | 6,195.00 |
| | | 96,588.76 |
| Disbursements: | | |
| Accounts Payable Checks | | (61,796.94) |
| Auto Debit Charges-Utilities | | (3,300.66) |
| Transfer to Alpine Road Funding | | (2,000.00) |
| TN TAP - Sales Tax | | (1,567.00) |
| 2nd Qtr 2018 Payroll Tax Pmt | | (1,147.92) |
| Refund Checks | | (330.00) |
| Returned Checks | | (156.48) |
| End of Month Balance | | 143,094.76 |
| Cash Receipts Collected To Date in: | Aug-18 | 8,062.15 |
| Auto Debited Utilities in: | Aug-18 | (1,161.03) |
| Bills Submitted for Payment in: | Aug-18 | (70,146.58) |
| Available Balance | | 79,849.30 |

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
July 31, 2018

| Bank Account / Security | Maturity Date | Beginning Balance | Deposits | Interest Earned | Payments | Ending Balance |
|--|----------------------|--------------------------|------------------|------------------------|--------------------|-----------------------|
| Checking Acct-Operations | | 116,805.00 | 96,588.76 | - | (70,299.00) | 143,094.76 |
| Checking Acct-Alpine Road Funding | | 56,763.92 | 2,000.00 | - | (10,226.42) | 48,537.50 |
| Cash on Hand | | 60.00 | - | - | - | 60.00 |
| Total Cash and Investments | | 173,628.92 | 98,588.76 | - | (80,525.42) | 191,692.26 |

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

| DATE | WATER REVENUE | | WATER GALLONS (000s) | | NO. OF CUSTMRS |
|--------|---------------|-----------|----------------------|-----------|-------------------|
| | TOTAL | YTD TOTAL | TOTAL | YTD TOTAL | |
| Jul-18 | 19,213 | 19,213 | 1,007 | 1,007 | 239 |
| Jun-18 | 17,497 | 240,128 | 656 | 7,639 | 240 |
| May-18 | 17,161 | 222,630 | 666 | 6,983 | 240 |
| Apr-18 | 16,979 | 205,469 | 564 | 6,317 | 241 |
| Mar-18 | 18,079 | 188,489 | 506 | 5,753 | 240 |
| Feb-18 | 19,247 | 170,410 | 648 | 5,247 | 242 |
| Jan-18 | 19,832 | 151,164 | 537 | 4,599 | 244 |
| Dec-17 | 31,082 | 131,331 | 594 | 4,062 | 242 |
| Nov-17 | 16,327 | 100,249 | 569 | 3,468 | 241 |
| Oct-17 | 33,469 | 83,922 | 1,120 | 2,899 | 241 |
| Sep-17 | 16,798 | 50,453 | 572 | 1,779 | 239 |
| Aug-17 | 16,944 | 33,655 | 614 | 1,207 | 241 |
| Jul-17 | 16,711 | 16,711 | 593 | 593 | 241 |

**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 | | |
| Jul-18 | 51,847 | 51,847 | 804 | 804 | 711 | 91,069 |
| Jun-18 | 53,337 | 405,532 | 455 | 6,017 | 716 | 79,251 |
| May-18 | 35,762 | 352,195 | 514 | 5,562 | 615 | 63,370 |
| Apr-18 | 33,480 | 316,433 | 428 | 5,048 | 580 | 63,500 |
| Mar-18 | 32,824 | 282,952 | 422 | 4,620 | 571 | 61,372 |
| Feb-18 | 34,017 | 250,128 | 559 | 4,198 | 569 | 48,994 |
| Jan-18 | 31,418 | 216,111 | 447 | 3,639 | 570 | 56,853 |
| Dec-17 | 18,626 | 184,692 | 487 | 3,192 | 567 | 52,522 |
| Nov-17 | 34,617 | 166,066 | 440 | 2,705 | 564 | 57,755 |
| Oct-17 | 43,559 | 131,450 | 878 | 2,265 | 560 | 50,904 |
| Sep-17 | 30,999 | 87,890 | 447 | 1,387 | 560 | 29,500 |
| Aug-17 | 31,299 | 56,891 | 477 | 940 | 564 | 30,470 |
| Jul-17 | 25,592 | 25,592 | 463 | 463 | 567 | 31,486 |



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

July 2018

Administrative

Call waiting has been added to our new two line phone system to further improve our ability to give quality customer service.

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

The staff installed four pump kits at offsite locations.

Two tanks were pumped at offsite locations.

Personnel installed two taps at Smoky Mountain Ridge.

A float tree was rewired at Boulder Crest.

Staff cleaned four pumps and filters at Bear Creek Crossing.

The flushing program continues to be effective.

The oil and filter were changed on an ESCUD vehicle.

Staff installed a meter on McKinley Street.

Customer Service

The Local Manager attended the English Mountain Property Owners Association meeting, briefly discussing the improvement project's status. It was a positive situation.

Project Updates

Staff provided waste water treatment plant information to McGill & Associates in a timely manner to aide in the improvement process.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Individual water coolers were issued to all employees. Ice machine is now working properly. All employees leave the shop daily with a cooler of cold water.

Regulatory

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

Training

Our newest employee was trained in water meter disassembly and reassembly to ensure accurate readings at all well sites.

Concerns for the Month

As tourist season kicks into high gear, a strong focus has been placed on safe and defensive driving, in addition to hot weather working safety.

Positives for the Month

Approval process for the Well C improvements are going well. TDEC has approved the project.

Leak Repairs

Numerous on and offsite repairs were made.



STATE OF TENNESSEE
DEPARTMENT OF ENVIRONMENT AND CONSERVATION
DIVISION OF WATER RESOURCES

William R. Snodgrass Tennessee Tower
312 Rosa L. Parks Avenue, 11th Floor
Nashville, Tennessee 37243
PHONE: 615-532-0191 FAX: 615-532-0686

July 12, 2018

Mr. Jamie Carden, PE
McGill Associates
2240 Sutherland Avenue, Suite 2
Knoxville TN 37919

Re: East Sevier County UD (PWSID# 0000618)
Sevier County
Project Number DW 17-0803
Well C Improvements

Dear Mr. Carden:

The Tennessee Department of Environment and Conservation, Division of Water Resources, acknowledges receipt of four sets of final construction documents on July 5, 2018.

This project consists of a new fiberglass water treatment building (8 feet by 16 feet) at Well C along with 2-inch raw water piping and 4-inch finished water piping. The treatment building will contain four sodium hypochlorite solution tanks (30 gallons each), four feed pumps (two pre and two post), two retention/mixing tanks (120 gallons each), and seven pressure filter tanks (anthracite & greensand media). As indicated by our stamp, this project has been approved for construction.

This letter, with the enclosed engineering documents bearing our official stamp, constitutes approval by the Commissioner of the Tennessee Department of Environment and Conservation for construction of the referenced facility. Approval is granted in accordance with the Tennessee Safe Drinking Water Act of 1983 and Regulations of the Tennessee Board of Water Quality, Oil and Gas. One complete set of plans and specifications, bearing the official stamp, must be kept at the construction site. Projects utilizing previously approved standard specifications are not required to maintain a stamped copy of the specifications at the construction site. All construction must conform with these approved documents. It is the responsibility of the water utility and/or their engineer to ensure that construction conforms to the plans and specifications. We have retained one copy of this submittal for our records. Please take note of the following:

Sodium hypochlorite solution tanks should be vented to the building exterior.

Approval expires one year from the stamped approval date unless construction is either underway or complete. Any request for its extension must be made prior to this expiration date. Deviations from the approved plan documents which may affect the quality or quantity of potable water must be submitted and approved in writing before such changes are made.

Mr. Jamie Carden, PE
July 12, 2018
Page 2

The Division's appropriate Field Office may desire to schedule an inspection of the construction work to verify compliance with the approved plans and specifications. Therefore the engineer or the water utility shall notify the Knoxville Field Office of the start of construction. This notification may be made by completing and mailing the attached "Construction Start Notification" form to the field office.

To expedite matters, please reference the assigned DW Project Number on future correspondence. If we may be of any assistance, please contact us at (615) 532-0191.

Sincerely,



R. William Hench, P.E.
Drinking Water Engineering
Division of Water Resources

RWH/ DWS104

Enclosures: Approved Construction Documents
Construction Start Notification Form

cc: Knoxville Field Office - Division of Water Resources
East Sevier County UD