

**EAST SEVIER COUNTY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
JULY 12, 2018
5:30 P.M.**

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to swear in Barbara Darby as Secretary-Treasurer
- 3) Motion to approve the minutes of the June 14, 2018 meeting
- 4) Motion to approve the Accounts Payable Listing in total as submitted

REPORTS:

- 5) 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.

- 6) Customers' Comments; Questions; and Concerns

OLD BUSINESS:

- 7) None

NEW BUSINESS:

- 8) Offsite Update
- 9) Adjournment – Next regular meeting to be held on Thursday, Aug 9, 2018 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, June 14, 2018

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, June 14, 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 5:35 p.m. for any old or new business.

A motion to approve the minutes of the May 10, 2018, meeting was made by Janice Brooks-Headrick; Barbara Darby seconded the motion. Motion carried.

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

Reports

James Ford, Local Manager, submitted his report concerning District financials. He went over the financials, showing that the numbers are stable. He stated that we are headed in a positive direction with our offsite billing endeavors to get all customers in our system and billed for current and past charges. Barbara made a motion to approve the financial report as presented; Janice seconded the motion.

James also submitted his report concerning District operations. The Wastewater Treatment Plant on English Mountain was burglarized. The police have looked at local pawn shop activity, and hopefully something positive will result from the investigation. We would like to find out who did this and see that he is punished. Barbara asked what was taken and when it was taken. James replied that tools were stolen this past weekend. He added that we are now taking pictures of our entire inventory of tools and making a list of the serial numbers of each. Tony Sneed, Regional Manager, added that the goal for completing the inventory list is by the end of the month.

We have updated Material Safety Data Sheets at all Well and Plant sites and have installed eye wash stations at various locations. We are moving forward with our safety goals.

Persons to be Heard

Cindy Mitchell of 954 Pawnee Court said she received our text communication which stated that water service might be interrupted while workers were fixing a leak, but she did not get a text stating that work was finished. She suggested that we communication at the start and end of service interruptions. At 7 p.m. the service was still out. James explained that the pipes became air-locked. He said that whenever pressure is dropped in the lines, he will check the booster station from now on and apologized for the inconvenience.

Cindy asked if we flush the lines after leak repairs. James said they we do in areas that might have air in the lines. If pressure drops below 20 psi, we test the water.

Cindy asked about the company that is trying to get the pump out at Well C. James said that they got the pump out, and the next step is to get the filtration system in place.

Cindy Lowry of 1339 Aintree Drive reported that we repaired a leak on her street, and a crew came out and repaired the street afterward. However, the street is now wavy. She was told that Clyde Breeden, a District employee, would be out to fix it.

Tony Lehman of 1556 Black Oak Drive asked if there was a surveillance system at the Wastewater Plant when the burglary took place. Evan replied that, yes, there was surveillance, and the tape was given to the police. Tony said that he has seen people walking out of the woods by his house that don't live in that area.

Old Business

There was no old business to discuss.

New Business

Tony addressed the topic of the offsite endeavor; our first goal is to get all customers in our system and paying. In the near future we will bill them for past service. We billed about 35 more offsite customers this month than last. There are thousands of lots in the subdivisions we service, but many of them are vacant. We are now better able to track the properties.

Some of the HOAs have been collecting the sewer payments from our customers but have not remitted the payments to us. These will be paid in lump sum checks. During the next billing, we will send these owners letters and applications with their bills. Sometime after that, we will send letters giving the owners options for paying the past-due amount. According to our attorney, we can bill for three years of unpaid service. The letters we send will give the owners the option to pay the total amount due or set up payment arrangements at an interest rate of 10% over up to 10 years, in which case we will provide a payment schedule to the customer. Barbara motioned and Janice seconded the motion to approve the policy for collecting past-due amounts owed to the District.

Tony showed the Board members a letter written by a couple who owe back payments and are asking for a waiver of these payments. The Board said that the customers must pay if they received the service.

The Board was presented with a memo listing the achievements Alliance has made since October of 2017, when the contract between the District and Alliance Water Resources, Inc., was signed. Alliance is asking that since the fiscal year for the District is July through June, that the Board might approve resetting the contract to align with the District budget. Janice motioned and Barbara seconded the motion to reset the contract between East Sevier County Utility District and Alliance Water Resources, Inc., to coincide with the District fiscal year. Motion carried.

The budget for fiscal year 2019 was discussed. Barbara motioned to approve the FYE 30 June 2019 budget; Janice seconded the motion. Motion carried.

The Board was presented with the agreement for the Wastewater Resolution. We have one year to review it. Barbara motioned to approve the Wastewater Resolution; Janice seconded the motion. Motion carried.

The subject of the USDA Revenue Bonds was discussed. Draw 2 was used to pay McGill bills. Draw 3 will be used to install meters, which are quite expensive. We are trying to push this through, but there is a chance that they might say no to our request. The District will then have to pay. This project will be a revenue enhancer.

Cindy Lowery asked if the Condo and Rehab, where meters are to be installed, have been consulted about the installation. We have not yet had a discussion with them, but we will. The State requires that they be metered. Janice motioned to approve Draw 3 of Loan 2; Barbara seconded the motion. Motion carried.

The next regular meeting will be held on, Thursday, July 12, 2018, at 5:30 p.m.

Adjournment

Barbara Darby motioned and Janice Brooks-Headrick seconded the motion to adjourn at 6:23 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills July 12, 2018**

Regular Checking for Consideration		Total
TDEC	Penalty, Installment #7	\$ 2,100.00
Tenn. Dept. of Labor	Unemployment payment	\$ 4,400.00
Barbara Darby	Insurance payment	\$ 350.00
Janice Brooks-Headrick	Insurance payment	\$ 350.00
Roy Ivey	Insurance payment	\$ 350.00
Barbara Darby	Meeting fee	\$ 266.05
Janice Brooks-Headrick	Meeting fee	\$ 277.05
Roy Ivey	Meeting fee	\$ 266.05
Alliance Water Resources, Inc	May 2018 Services	\$ 37,805.41
First Tennessee Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Legal Notices	\$ 70.88
Mark Jendrek, Inv# 15192, 15194, 15195	Legal Fees, various dates of service	\$ 5,293.00
Smoky Mountain Electric, Inv# SME4154	Electrical Supplies, dated 06/14/18	\$ 279.65
Big Orange Electric, Inv 1954, 1955, 1956	Pump Installs, dated 06/10/18	\$ 1,500.00
Caroline Marshall	Customer refund, \$105 deposit, \$45 overpayment	\$ 150.00
John Deer Financial, Inv# 3427930	Trailer hitch, dated 05/25/18	\$ 46.98
Total Regular Checking for Consideration		\$ 55,505.07

Charges and Bills Paid from Regular Checking Since June 14, 2018

Sevier County Electric	Utility, as of 07/09/18	\$ 2,668.37
Sevier County Water	Utility, Service period 04/13-05/16	\$ 38.41
Appalachian Electric	Utility, Service period 4/24-5/23/18 (All)	\$ 97.00
City of Pigeon Forge Water & Sewer	Utility, Service period 04/30-05/30/18	\$ 58.24
State of Tennessee	Sales tax-Jun18	\$ 1,535.00
IRS	Payroll tax-2018 2nd Qtr.	\$ 1,147.92
Total Regular Checking Charges and Bills Paid		\$ 5,544.94

Grand Total Regular Checking **\$ 61,050.01**

Charges and Bills Paid from Alpine Drive fund Since June 14, 2018

C. I. Thornburg	Inv# S100051654.002 Meter housing	\$ 878.70
	Inv# S100051654.003 Transceiver	\$ 621.02
	Inv# S100053134.001 Meter w/strainer X 2	\$ 4,894.00
	Inv# S100053134.002 Transceiver	\$ 304.00
Total Alpine Drive Fund Checking Charges and Bills Paid		\$ 6,697.72

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

Billing Charges For the Month of:	Jun-18	
Water Revenue		17,494.01
Sewer Revenue		53,337.43
Sales Taxes		1,564.03
Late Charges		868.82
Installation Fees-Water		2,250.00
Installation Fees-Sewer		-
Other Miscellaneous Fees		10,110.00
Returned Checks		268.78
Deposits Applied/Adjustments		-
Customer Refunds Paid		105.00
Total Billing Charges		85,998.07
Water Gallons Billed		655,791
Water Customers Billed		240
Sewer Gallons Billed		455,170
Sewer Customers Billed		716

Accounts Receivable	Jun-18	
Beginning Balance		57,469.00
Billing Charges		85,998.07
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(79,251.18)
End of Month Accounts Receivable		64,215.89

Water Revenue Checking	Jun-18	
Beginning Balance		96,760.65
Deposits:		
Accounts Receivable Collections		79,251.18
Pump Kits Sold		2,200.00
Hibernation Station Payment		9,000.00
Customer Deposits		1,260.00
		91,711.18
Disbursements:		
Accounts Payable Checks		(64,579.23)
Auto Debit Charges-Utilities		(3,178.82)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,535.00)
Refund Checks		(105.00)
Returned Checks		(268.78)
End of Month Balance		116,805.00
Cash Receipts Collected To Date in:	Jul-18	33,633.22
Auto Debited Utilities in:	Jul-18	(1,211.78)
Bills Submitted for Payment in:	Jul-18	(55,505.07)
Available Balance		93,721.37

**East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
June 30, 2018**

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		96,760.65	91,711.18	-	(71,666.83)	116,805.00
Checking Acct-Alpine Road Funding		51,778.48	12,226.42	-	(7,240.98)	56,763.92
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		148,599.13	103,937.60	-	(78,907.81)	173,628.92

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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		
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

June 2018

Administrative

A new two line phone system with fax capabilities has been purchased and installed to better serve our customers.

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

Staff installed two residential water meters as well as a commercial water meter at the English Mountain Condominiums.

Personnel completed all quarterly water testing for the English Mountain water system.

Staff completed all quarterly wastewater testing.

Several pump kits were installed at offsite locations.

A pump was replaced at Douglas Lake.

Both influent pumps were serviced at Bear Creek Crossing.

Customer Service

Staff counseled a customer on Low Sunset regarding pressure reducing valves. Install was successful, customer called to thank staff for their time and opinion.

Project Updates

The goal of 100% metered water is becoming a reality as we continue to install meters on the mountain.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Due to the hot weather, additional safety talks were given regarding heat related illness, and safe driving awareness.

Regulatory

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

Training

Our newest employee has participated in several pump kit installations and can handle basic offsite call-outs without supervision.

Concerns for the Month

We were unable to complete the installation of all water meters during the month of June as additional parts were needed for the Rehab Center meter. Staff will complete this installation as soon as the fittings are received.

Positives for the Month

As new offsite pump kits are installed, new revenue is generated for ESCUD.

Leak Repairs

Numerous on and offsite repairs were made.