

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

May 10, 2018

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to certify Secretary-Treasurer
- 3) Motion to approve the minutes of the April 12, 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) Rules Discussion – Leak Adjustments
- 9) Project Updates
- 10) Adjournment – Next regular meeting to be held on Thursday, June 14, 2018 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, April 12, 2018

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, April 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 5:32 p.m. for any old or new business.

A motion to approve the minutes of the March 08, 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 the report concerning District financials and went over various points with the Board. The full set of monthly financial statements for fiscal year July 2017 to June 2018 will be provided for the first time next month.

James submitted his report concerning Operations. He purchased locks for all onsite and offsite locations for security reasons and for the convenience of employees who now need to carry only two keys for all.

Brenda's endeavor to collect for non-paying customers is moving forward.

We have been receiving positive feedback from customers about improvements in the quality of the water and our giving financially challenged customers who have fallen behind in their payments a chance to get caught up by allowing installment payments.

We are building a good relationship with Microbac; testing requirements are getting more involved every year. We want to be sure to complete all testing regularly and on time to meet TDEC requirements.

Tim Geraghty, Director of Operations at Alliance Water Resources, Inc., added that the 2016-2017 audit has been submitted by the auditor in draft form and is open to the Board for comments; none were made. The only issues with the findings was that the Utility could not provide a dollar amount for some of the real assets it holds and that the number of dedicated

systems in the District had no cash value attached to them. The impact these issues will have on the audit is unknown. We should receive the audit in its final form sometime next month when it will require a vote to accept by the Board.

Changes have been made by the District's attorney to the Hibernation Station agreement. The agreement is not yet in finalized form but is adequate for TDEC to look over. A termination of the project cannot take place without TDEC approval.

Jeff Harris, developer for the Hibernation Station reminded the Board that they need to approve the Master Wastewater Facility Operation and Maintenance Agreement made between the District and the Hibernation Station HOA. Barbara motioned to approve the Master Wastewater Facility Operation and Maintenance Agreement subject to final review by TDEC; Janice seconded the motion. Motion carried.

Persons to be Heard

Mike Jones of 1512 Alpine Drive asked for a credit to his March 2018 water bill. The meter report had alerted staff of a possible leak at his residence. When staff arrived, they found that there was a leak and alerted Mike, who called a plumber out the same day. The plumber repaired the pipe and left. Shortly thereafter, Mike discovered water gushing out of the pipe and came directly to the District office to have his water shut off, which staff did promptly. The leak was again fixed within a reasonable timeframe. James pointed out that the new Rules & Regulations state that only a one-time credit per twelve-month period for half of the water overage will be given. Mike pointed out that the sewer amount was also higher even though the water didn't go through the sewer but directly onto the ground. The Board agreed to allow full credit for the sewer overage as well. A revision is to be made to the Rules and Regulations to match the Board's decision in this case provided that the customer attempts to resolve the problem in a timely manner.

Cindy Mitchell of 954 Pawnee Court asked if the fire department had access to the Wells given that the locks have been changed. James said he will discuss the ability of the firemen to access Well C with the fire chief and possibly adding a hydrant near the well. He will also ask if the fire department has any interest in accessing Well C via a Knox Box. The fire trucks could not access Wells A and B because of the terrain and there are plenty of fire hydrants in the Well D area, so these areas will not be discussed. If or when a customer provides information on Firewise grants, James will research them and see if this would be an option for the District.

She then asked if the staff had flushed in the past week. James said not this past week, but staff had recently completed a round of flushing and would soon begin another round.

Cindy was curious about what was discussed in the last meeting concerning the filter placement on Well C. James reported that the filter will make a noticeable improvement on the quality of the water. The water from Well D tests well below the max contaminant levels in every category. We are merely waiting on numerous improvements to be made at Well C. We are working with the USDA and McGill engineers to make it happen.

Once all the improvements are made and the filter is installed, we hope to generate 50 gallons of high-quality water per minute.

Cindy asked about the damage we had done to Clingman's View (road) while making repairs at that site. James said we had put gravel over the spot in question but that it did not last. He will apply more and use the backhoe to pack it evenly so that it will stay in place.

Mike Jones's wife, Barbara Jones, asked if her water was safe to drink. She said she did not trust it and buys water for drinking and cooking. James said that their water is within TDEC standards and is fine to drink even though it is tinted. However, he is trying to get Well D water to as many customers as possible.

Cindy Mitchell asked if the new filter would prevent spotting as happens after her husband washes their vehicle. James responded that it will improve greatly. As it is now, the calcium content is four times higher than normal.

He added that it's possible that we may have to dig a new well at C. Suez was contractually obligated to get Well C pumping at a goal of 35-50 gallons per minute, but since they dropped the pump to the bottom of the well, we are getting only 18-20 gallons per minute. Therefore, one consumer leak can drain the tank. A lot of iron exists in that water; the filtration system must be able to remove it. President Roy Ivey expressed a desire to chemically treat the wells for increasing their production. A meeting will have to be arranged with a company that provides this service.

Old Business

There was no old business to discuss.

New Business

The next regular meeting will be held on, Thursday, May 10, 2018, at 5:30 p.m.

Adjournment

Roy Ivey moved, and Barbara Darby seconded, a motion to adjourn at 6:30 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills May 10, 2018**

Regular Checking for Consideration		Total
18400 TDEC	Penalty, Installment #5	\$ 2,100.00
18401 Mount Vernon Fire Ins. Co.-Pol#2000065L	Insurance payment, Inv. Date 03/29/18	\$ 1,363.00
18402 Barbara Darby	Insurance payment	\$ 350.00
18403 Janice Brooks-Headrick	Insurance payment	\$ 350.00
18404 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	\$ 37,882.41
First Tennessee Bank	Alpine Fund Drive	\$ 2,000.00
Orenco, Inv# 339255, dated 04/11/18	Pump kits and various parts	\$ 13,552.25
Orenco, Inv# 339797, dated 04/26/18	Pump kits	\$ 6,557.51
Power Pumping, Inv# 6784, dated 04/25/18	Pump septic at 4315 Forest Vista Way, SF	\$ 350.00
The Mountain Press dated 04/01/18	Legal notice	\$ 25.88
TDEC	Fee	\$ 690.00
Mark Jendrick, Inv# 15155 & 15156	Legal fees-Feb, Mar, Apr 2018	\$ 4,776.00
Big Orange Electric, Inv# 1944, dtd 5/1/18	Install pump at Well D	\$ 75.00
Big Orange Electric, Inv# 1945, dtd 5/1/18	Installation and Repair	\$ 1,540.00
Big Orange Electric, Inv# 1946, dtd 5/1/18	Installation	\$ 2,000.00
Jayshri Kala	Customer Refund, deposit and credit	\$ 150.00
Danny Higdon	Customer Refund, deposit and credit	\$ 217.50
	Total Regular Checking for Consideration	\$ 75,138.70
Charges and Bills Paid from Regular Checking Since April 12, 2018		
Sevier County Electric	Utility	\$ 3,697.93
Sevier County Water	Utility, Service period 02/15-03/16/18	\$ 38.41
Appalachian Electric	Utility, Service period 3/24-4/24/18 (All)	\$ 96.96
City of Pigeon Forge Water & Sewer	Utility, Service period 02/28-03/28/18	\$ 58.24
State of Tennessee	Sales tax-Mar18	\$ 1,641.00
State of Tennessee	Sales tax-Feb18 Tax Return Late Fee	\$ 77.59
IRS	Payroll tax-2018 1st Qtr.	\$ 1,147.92
	Total Regular Checking Charges and Bills Paid	\$ 6,758.05
	Grand Total Regular Checking	\$ 81,896.75

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

Billing Charges For the Month of:	Apr-18	
Water Revenue		16,979.47
Sewer Revenue		33,465.39
Sales Taxes		1,516.58
Late Charges		810.52
Installation Fees-Water		-
Installation Fees-Sewer		1,500.00
Other Miscellaneous Fees		10,233.97
Returned Checks		413.84
Deposits Applied		-
Customer Refunds Paid		-
Total Billing Charges		<u>64,919.77</u>
Water Gallons Billed		<u>564,077</u>
Water Customers Billed		<u>241</u>
Sewer Gallons Billed		<u>428,290</u>
Sewer Customers Billed		<u>580</u>

Accounts Receivable	Apr-18	
Beginning Balance		53,950.69
Billing Charges		64,919.77
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(63,499.71)
End of Month Accounts Receivable		<u>55,370.75</u>

Water Revenue Checking	Apr-18	
Beginning Balance		90,744.65
Deposits:		
Accounts Receivable Collections		63,499.71
Customer Deposits		945.00
Selective Insurance Refund		9,252.00
Payments Received & Posted in System; Not in Bank until April		166.00
Miscellaneous (Copying, Bank Error)		1.00
		<u>73,863.71</u>
Disbursements:		
Accounts Payable Checks		(47,808.82)
TN TAP - Sales Tax		(1,718.59)
Payroll Taxes		(1,147.92)
Transfer to Alpine Road Funding		(2,000.00)
Auto Debit Charges-Utilities		(3,891.54)
Refund Checks		(45.00)
Returned Checks		(413.84)
End of Month Balance		<u>107,582.65</u>
Cash Receipts Collected To Date in:	May-18	556.37
Auto Debited Utilities in:	May-18	(1,246.89)
Bills Submitted for Payment in:	May-18	(75,138.70)
Available Balance		<u><u>31,753.43</u></u>

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		90,744.65	73,863.71	-	(57,025.71)	107,582.65
Checking Acct-Alpine Road Funding		40,537.50	2,000.00	-	-	42,537.50
Total Cash and Investments		131,282.15	75,863.71	-	(57,025.71)	150,120.15

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

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

April 2018

Administrative

Customer's water/wastewater bills are being transported by staff directly to Sevierville or Cosby USPS to help customers receive bills as soon as possible

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

Installed two pump kits at Sherwood Forrest

Installed one pump kit at Lashbrooke

Two tanks were pumped at Sherwood Forrest

Repaired pressure valve at Bear Creek Crossing

Patched asphalt on Alpine Drive leak site

Ordered several meters for installation on mountain

Flushed entire mountain with positive results

Customer Service

Customer was appreciative for weekend service from staff

Offsite staff responded to customer concerns at Sherwood Forrest and Parkside Resort.

Project Updates

Received CAP/ER response from TDEC.

The Management, Operations, Maintenance report was approved by TDEC pending staff response regarding offsite locations.

Safety

Alliance holds monthly safety meetings with all staff. The April meetings were “Distracted Driver Forever and Ever,” and “Hot Weather Working Tips”

Regulatory

Quarterly sampling by water and wastewater staff was submitted to TDEC. All samples for the month are in compliance.

Training

Newest employee has shifted to offsite training to assist in the management of all our offsite obligations.

Concerns for the Month

Installation of new water meters to achieve our metering goals

Positives for the Month

Development of a new offsite work order and invoice form will impact offsite billing and service in a positive way

Leak Repairs

Repaired leaks at Smoky Mountaing Ridge, Sherwood Forrest and Timber Lake Bay

Rule #6. Water Rates and Charges (continued)

- G.** Water meters will be owned and maintained by the District. The District will keep meters in proper operating condition. Meter damaged or destroyed through tampering or abuse will be repaired or replaced at the customers' expense. Meters that fail or are replaced due to routine use and wear will be repaired or replaced at the District's expense.
- H.** Meter tests will be performed from time to time to determine accuracy and meters may be replaced from time to time to ensure accuracy. Meter tests will be performed as deemed necessary by the District at no charge to the customer. Meter tests requested by the customer that are deemed unnecessary in advance by the District will result in a \$50.00 testing charge to the customer, unless the meter registers outside of the 98 to 102 percent accuracy level in which no charge will incur.
- I.** The District reserves the option, at the District's sole discretion, to grant a customer a one-time leak adjustment in any 12 month period, provided the customer can prove by providing written documentation and justification that a leak occurred and was promptly repaired at time of discovery and after considering staff's recommendation. Leak adjustments will be based on average water usage over the previous three (3), six (6) or twelve (12) month period or as however deemed appropriate by the District. Leak adjustments will not be granted to customers who do not promptly repair leaks after notification by District personnel. Any leak adjustment will be calculated at the rate of 50% of the excess water billed to the customer over and above the average usage. The customer will not be charged any additional sewage fee if the water leak did not enter the sewer system. Any leak adjustment under this policy, which exceeds \$250, requires specific Board approval.
- J.** The District expressly prohibits all non-district and unauthorized personnel from accessing or entering district-owned facilities, including meter pits and grinder stations, for any reason. No person, other than authorized District staff or its representatives or authorized agents shall be permitted access to the interior of the meter pits. Unauthorized access shall be considered tampering and shall be subject to a tampering charge of up to \$500 per occurrence. All charges and any outstanding penalties and balances are to be paid in full prior to restoring services. Each day shall count as a separate occurrence.

Approved: _____ Effective Date: 02/08/2018