

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

NOV 8, 2018

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the October 11, 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) Fleet Discussion
- 9) Adjournment – Next regular meeting to be held on Thursday, Dec 13, 2018 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, October 11, 2018

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, October 11, 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 September 13, 2018, meeting was made by Barbara Darby; Janice Brooks-Headrick 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 District financials with the Commissioners. Barbara made a motion to approve the treasury report; Janice seconded the motion. Motion carried.

James submitted his report concerning District financials. We install three new pump kits, which means more revenue for the District. We installed a new line to the drip field at Sherwood Forest. Well C area was flushed twice.

A new checking account was opened for the WWTP project fund. In September a confined space training session was conducted to help safeguard our employees from hazardous environments.

Persons to be Heard

Barbara Jones of 1512 Alpine Drive brought in the elements from her hot water tank, which is about 15 months old. The elements were severely corroded. They also had to replace two thermostats. The hot water tank cost \$1,000 new, and they have spent \$300 in replacement parts. She said that since they moved into the house in January of 2017, they have had to keep bottled water in stock. This is an added expense that they should not have.

Tony Lehmann of 1556 Black Oak Drive commented about what a good job Alliance is doing with keeping up with leak repairs. He is doing improvements on his property and asked what he could do as the homeowner. James said he could install a new valve at the end of his street. James will work with him to find the line.

Brett Nichols of 1264 Low Sunset is thinking about putting a new addition on his house and asked if it is possible for him to tap into our sewer. We are going to research it and let him know at the next meeting.

Roy is working at Steve Bradley's house at 1121 Hollyberry Court and said that his sewer must be hooked up by next month.

Old Business

There was no old business to discuss.

New Business

The Well C improvements are out for bid. The bid opening will be October 23. We are hoping to break ground for the new wastewater plant by Spring 2019.

Janice motioned to approve Draws 1 and 2 for the USDA RD Wastewater Project. Barbara seconded the motion. Motion carried. Roy had signed Draw 1 Interim Certificate at September's Board meeting without an approval being made by the Board. This meeting, Roy signed the Interim Certificate for Draw 2. Funds for Draw 1 have already been deposited to the Wastewater Fund account. We will pay the attorney when Draw 2 moneys are available.

Tony Sneed brought up the topic of purchasing vehicles. He suggested we purchase one per year for rotation purposes and to prevent overspending. He suggested we purchase only one truck and one ATV this year. The vehicles do not have to be new; used with under 20,000 miles would suffice. Any vehicle with more that 150,000 miles on it will probably cost more in repairs than it would to replace it. We should begin by replacing the least reliable vehicle first.

The next regular meeting will be held on, Thursday, November 08, 2018, at 5:30 p.m.

Adjournment

Barbara moved, and Janice seconded, a motion to adjourn at 6:23 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills November 08, 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	November 2018 Services	\$ 38,640.00
First Tennessee Bank	Alpine Drive Fund	\$ 2,000.00
The Mountain Press	Board Meeting Notice Ad# 30829508	\$ 25.88
Orenco	Pump kits (4), Inv# 346029 dated 10/02/18-S&H \$553.04	\$ 8,755.64
Roto-Rooter	Labor-Jetting, Inv# 107304	\$ 871.71
Power Pumping	Pumping and hauling, Inv# 6924 and 6928	\$ 1,150.00
Goode Septic Tank Service	Pumping	\$ 250.00
Don Kubeck	Customer Refund	\$ 45.00
Peace of Mind Enterprise, LLC	Customer Refund	\$ 105.00
Total Regular Checking Charges and Bills Paid		\$ 53,702.38

Charges and Bills Paid from Regular Checking Since October 11, 2018

Sevier County Electric	Utility	\$ 3,507.11
Sevier County Water	Utility	\$ 41.16
Appalachian Electric	Utility	\$ 97.78
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
State of Tennessee	State Sales Tax	\$ 1,483.00
IRS	Payroll Tax-4th Quarter	\$ 1,147.92
Total Regular Checking Since September 13, 2018		\$ 2,828.10
Grand Total Regular Checking		\$ 56,530.48

East Sevier County Utility District
Balance Sheet
September 30, 2018

09/30/2018

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$168,647.94
Checking Account - Alpine Rd Funding	50,734.82
Cash on Hand	60.00

Total Cash	219,442.76
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Accounts Receivable	233,954.45
Allowance for Doubtful Accts	(44,500.01)
Unbilled Accounts Receivable	4,709.00
Inventory	23,934.15
Prepaid Expenses	9,535.34

Total Current Assets	447,075.69
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PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	1,071,126.02
Buildings	69,235.68
Machinery & Equipment	113,820.68
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	358,215.18
Less: Accumulated Depreciation	(646,547.92)

Net Property, Plant & Equipment	1,047,255.02
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RESTRICTED CASH

Checking Account - Waste Water Project	97,192.48
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Total Restricted Cash	97,192.48
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OTHER ASSETS

Deposits	14,370.00
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Total Other Assets	14,370.00
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Total Assets	\$1,605,893.19
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East Sevier County Utility District
Balance Sheet
September 30, 2018

09/30/2018

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$102,901.45
Sales Tax Payable	1,111.71
Payroll Taxes Payable	1,147.83
Unearned Revenue	22,709.00
Accrued Interest Payable	11,036.70
Customer Deposits	27,545.00
<i>Total Current Liabilities</i>	<u>166,451.69</u>

LONG-TERM DEBT

USDA 2018 Loan #1	96,854.11
USDA 2017 Loan #2	238,190.39
USDA 2017 Loan #3	184,014.00
<i>Total Long-Term Debt</i>	<u>519,058.50</u>

Total Liabilities

685,510.19

DISTRICT'S EQUITY

Retained Earnings	843,118.74
YTD Net Income	77,264.26
<i>Total District's Equity</i>	<u>920,383.00</u>

Total Liabilities and District's Equity

\$1,605,893.19

East Sevier County Utility District
Statements of Revenues and Expenses
For the Three Months Ending September 30, 2018
Actual vs Budget

<u>September</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$16,802	\$17,578	Water Sales	\$51,927	\$52,797	\$251,290
48,090	34,008	Sewer Charges	147,644	96,428	444,900
0	0	Connection Fees - Water	0	2,500	2,500
2,250	1,146	Connection Fees - Sewer	6,750	3,437	13,750
872	1,543	Late Charge Fees	2,917	4,629	18,517
11,481	923	Reconnect/Meter Sets/Other Fees	46,649	2,768	11,072
0	200	Miscellaneous Income	0	600	2,400
79,495	55,398	Total Operating Revenues	255,887	163,159	744,429
		Operating Expenses			
0	0	Unemployment Benefits	550	0	0
159	583	Payroll Taxes	478	1,750	7,000
38,640	38,640	Management & Operations Contract	115,920	115,920	463,680
3,447	3,994	Utilities	10,397	11,983	47,933
2,043	1,667	Insurance	6,130	5,000	20,000
0	5,215	Repairs & Maintenance	7,799	15,646	62,584
0	417	Professional Outside Services	0	1,250	5,000
2,082	1,800	Directors' Fees	6,247	5,400	21,600
2,035	1,333	Legal Expenses	3,465	4,000	16,000
0	0	Accounting	0	0	7,300
1,167	1,167	Bad Debts	3,500	3,500	14,000
0	275	Dues	0	275	825
162	0	Office Expense	162	0	0
27	0	Advertising Expense	52	0	0
0	433	Permits	434	1,300	5,200
0	2,083	Miscellaneous Expense	0	6,250	25,000
49,762	57,607	Total Operating Expenses	155,134	172,274	696,122
29,733	(2,209)	Net Income B/4 Other (Inc) & Exp	100,753	(9,115)	48,307
		Other Income (Expenses)			
(1,162)	0	Interest Expense	(3,493)	0	0
(4,384)	(4,384)	Depreciation	(13,152)	(13,152)	(52,608)
(6,845)	(833)	Bond Issue Costs	(6,845)	(2,500)	(10,000)
(12,391)	(5,217)	Total Other Income (Expenses)	(23,490)	(15,652)	(62,608)
\$17,342	(\$7,426)	Net Income(Loss)	\$77,263	(\$24,767)	(\$14,301)

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

Billing Charges For the Month of:	Sep-18	
Water Revenue		16,801.94
Sewer Revenue		48,090.23
Sales Taxes		1,546.54
Late Charges		871.72
Installation Fees-Water		-
Installation Fees-Sewer		2,250.00
Other Miscellaneous Fees		11,480.75
Returned Checks		-
Deposits Applied/Adjustments		(410.00)
Customer Refunds Paid		434.50
Total Billing Charges		81,065.68
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Water Gallons Billed		824,252
		<hr/>
Water Customers Billed		242
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Sewer Gallons Billed		643,960
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Sewer Customers Billed		722
		<hr/>

Accounts Receivable	Sep-18	
Beginning Balance		59,983.52
Billing Charges		81,065.68
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(78,156.75)
End of Month Accounts Receivable		62,892.45
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Water Revenue Checking	Sep-18	
Beginning Balance		158,013.53
Deposits:		
Accounts Receivable Collections		78,156.75
Customer Deposits		1,365.00
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		79,521.75
Disbursements:		
Accounts Payable Checks		(61,713.06)
Auto Debit Charges-Utilities		(3,447.28)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,393.00)
Refund Checks		(334.00)
		<hr/>
End of Month Balance		168,647.94
Cash Receipts Collected To Date in:	Oct-18	3,476.72
Auto Debited Utilities in:	Oct-18	(711.84)
Bills Submitted for Payment in:	Oct-18	(47,342.71)
Available Balance		124,070.11
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East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
September 30, 2018

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		158,013.53	79,521.75	-	(68,887.34)	168,647.94
Checking Acct-Alpine Road Funding		49,234.82	2,000.00	-	(500.00)	50,734.82
Checking Acct-Waste Water Plant		-	97,354.11	-	(161.63)	97,192.48
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		207,308.35	178,875.86	-	(69,548.97)	316,635.24

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Sep-18	18,540	55,481	824	2,556	242
Aug-18	17,728	36,941	725	1,732	241
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

**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-18	48,090	147,644	644	2,030	722	78,157
Aug-18	47,707	99,554	582	1,386	722	84,746
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



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

October 2018

Administrative

Several thousand dollars of arrearage money has been collected by ESCUD.

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

Replaced three sets of floats at offsite locations.

Repaired sewer leak on Basswood.

Performed preventative sewer jetting from WWTP manhole.

Replaced a check valve at Timber Lake Bay.

Flushed the entire ESCUD service area.

Installed a residential water meter on HollyBerry Ct.

Replaced a yoke and meter on Alpine Drive.

Repaired a service line on Lin Creek Drive.

Customer Service

While performing flushing duties, two separate customers complimented staff on water quality.

Project Updates

With the opening of a new account, the influx of funds, and the release of project for bid, our improvement goals are becoming a reality.



OPERATIONS REPORT – East Sevier County Utility District

Safety

To help safeguard our employees from hazardous environments, safety meetings regarding fatigue, fire extinguisher basics, and decision driving were held in the month of October.

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 on and offsite call out situations.

Concerns for the Month

Continuing to develop quality relationships with our offsite resort communities.

Positives for the Month

Because of numerous repairs, we are making less water than ever before.

Leak Repairs

Numerous on and offsite repairs were made.

EAST SEVIER COUNTY UTILITY DISTRICT OF SEVIER COUNTY, TENNESSEE

WATER AND SEWER REVENUE BOND ANTICIPATION NOTES

(INTERIM CERTIFICATES OF INDEBTEDNESS) (TAXABLE)

\$ 1,650

No. 2

FOR VALUE RECEIVED, East Sevier County Utility District of Sevier County, Tennessee hereby acknowledges itself to owe and for value received hereby promises to pay to the registered owner hereof the sum of \$ 1,650 on or before **November 14, 2020**, together with interest at the rate of **2.875%** per annum until paid, such interest being payable at maturity. Both principal hereof and interest hereon are payable in lawful money of the United States of America by electronic fund transfer or by check or draft mailed to the registered owner at the address shown on the registration book. Upon final payment, this certificate shall be submitted to the Registrar for cancellation.

This certificate, together with such notes as may be issued, is one of a series in an authorized aggregate principal amount of up to \$266,000, issued by the District, for the purpose of providing funds to finance water and sewer system improvements and extensions, pending the issuance of Water and Sewer Revenue Bond (the "Bond") authorized by resolution of the Board of Commissioners of the District on September 12, 2017 which the United States of America has agreed to purchase.

This certificate is transferable by the registered holder hereof, or by its attorney duly authorized in writing, on the registration books of the District, at the office of the Secretary of the District, as Registrar, and the notation of such transfer and registration by the Registrar on the registration books. All assignees shall take this certificate subject to such condition. The District may treat the registered owner as the absolute owner hereof for all purposes, and shall not be affected by any notice to the contrary whether or not any payments due on this certificate shall be overdue.

It is hereby certified and recited that all acts, conditions and things required by the constitution and by the laws of the State of Tennessee to exist, or to be done precedent to and in the issuance of this obligation, do exist, and have been properly done, happened, and been performed in regular and due form and time as required by law; and that provision has been made to pay the principal and interest thereon as same falls due.

This certificate and the income therefrom are exempt from all present state, county and municipal taxes in Tennessee except (a) Tennessee excise taxes on interest on the Certificate during the period the Certificate is held or beneficially owned by any organization or entity, other than a general partnership or sole proprietorship, doing business in the State of Tennessee, and (b) Tennessee franchise taxes by reason of the inclusion of the book value of the Certificate in the Tennessee franchise tax base of any organization or entity, other than a general partnership or sole proprietorship, doing business in the State of Tennessee.

This certificate is subject to prepayment prior to maturity at the option of the District, in whole or in part, at any time at the principal amount thereof and accrued interest to the date of prepayment.

This certificate is a special obligation of the District, payable from the proceeds of the above-described bond and from the net revenues of the water and sewer system of the District.

IN WITNESS WHEREOF, East Sevier County Utility District of Sevier County, Tennessee, through its Board of Governors, has caused this certificate to be signed by its President and attested by its Secretary under the corporate seal of the District on this 8th day of November, 2018.

President

ATTESTED:

Secretary

(Assignment)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto _____
_____ the within Certificate of East Sevier County Utility District of Sevier County,
Tennessee, Tennessee and does hereby irrevocably appoint _____ attorney to transfer
the said Certificate on the books of the Secretary of the District, as Registrar, with full power of
substitution in the premises.

Dated: _____

WITNESS:

(No writing in this blank except by the Registrar)

Date of Registration	In Whose Name Registered	Signature of Registrar
	United States of America Acting through U. S. Department of Agriculture, Rural Development 4300 Goodfellow Blvd., Bldg 104 St. Louis, MO 63120-1703	

23790362.1

CR

Invoice

McGill Associates, P.A.
Post Office Box 2259
Asheville, NC 28802



September 30, 2018
Invoice No: 15.06204 - 3111

East Sevier County Utility District
1529 Alpine Drive
Sevierville, TN 37876

Billing Manager Jamie Carden

Project 15.06204 Water System Improvements

Phase 043 Well C - Bidding and Award

Fee

Total Fee 9,500.00

Percent Complete 100.00 Total Earned 9,500.00

Previous Fee Billing 8,640.00

Current Fee Billing 860.00

Total Fee 860.00

Total this Phase \$860.00

Total Invoice - Net 30 Days \$860.00

CR

Invoice

McGill Associates, P.A.
Post Office Box 2259
Asheville, NC 28802



September 30, 2018

Invoice No: 15.06204 - 3112

East Sevier County Utility District
1529 Alpine Drive
Sevierville, TN 37876

Billing Manager Jamie Carden

Project 15.06204 Water System Improvements

Phase 143 Alpine WL - Bidding and Award

Fee

Total Fee 9,500.00

Percent Complete

100.00

Total Earned

9,500.00

Previous Fee Billing

8,710.00

Current Fee Billing

790.00

Total Fee

790.00

Total this Phase

\$790.00

Total Invoice - Net 30 Days

\$790.00

		ESCUD USDA LOAN 1		\$555,000	
INV					
#	DATE	VENDOR	DECSRIPTION	AMOUNT	DRAW #
1	7/31/2015	McGill	WW Improvements - Engineering	\$17,000.00	1
2	7/31/2015	McGill	WW Improvements - Engineering	\$10,000.00	1
3	8/31/2015	McGill	WW Improvements - Engineering	\$5,000.00	1
4	3/31/2016	McGill	WW Improvements - Engineering	\$5,800.00	1
5	1/31/2017	McGill	WW Improvements - Engineering	\$1,660.75	1
6	2/28/2017	McGill	WW Improvements - Engineering	\$621.61	1
7	7/31/2017	McGill	WW Improvements - Engineering	\$3,775.00	1
8	7/31/2017	McGill	WW Improvements - Engineering	\$3,682.00	1
9	8/31/2017	McGill	WW Improvements - Engineering	\$971.64	1
10	9/30/2017	McGill	WW Improvements - Engineering	\$3,827.00	1
11	10/31/2017	McGill	WW Improvements - Engineering	\$1,318.00	1
12	11/30/2017	McGill	WW Improvements - Engineering	\$3,237.40	1
13	12/31/2017	McGill	WW Improvements - Engineering	\$6,465.50	1
14	1/31/2018	McGill	WW Improvements - Engineering	\$2,514.00	1
15	2/28/2018	McGill	WW Improvements - Engineering	\$3,000.00	1
16	3/31/2018	McGill	WW Improvements - Engineering	\$4,748.71	1
17	4/30/2018	McGill	WW Improvements - Engineering	\$7,500.00	1
18	5/31/2018	McGill	WW Improvements - Engineering	\$6,932.50	1
19	7/31/2018	McGill	WW Improvements - Engineering	\$4,000.00	1
20	9/13/2018	Bass Berry & Sims	WW Improvements - Legal	\$4,800.00	1
20	10/11/2018	Mark Jendrek	WW Improvements - Legal	\$2,045.00	2
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			TOTAL	\$98,899.11	
			BALANCE	\$456,100.89	
			% REMAINING	82.2%	