

**EAST SEVIER COUNTY UTILITY DISTRICT
BOARD OF COMMISSIONERS MEETING
SEPT 13, 2018
5:30 P.M.**

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the August 9, 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) USDA Wastewater Loan Closing
- 8) Adjournment – Next regular meeting to be held on Thursday, October 11, 2018 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, August 09, 2018

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, August 09, 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 approve the minutes of the July 12, 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 Barbara; Janice seconded the motion. Motion carried.

Reports

James Ford, Local Manager, submitted the report concerning District financials for the month of July 2018. He went over the balance sheet and budget with the Commissioners and reported that we were well above the budget in July due in part to the purchase and reselling of the pump kits. Janice asked about the “Allowance for Doubtful Accounts” item, which are accounts that may have to be written off to bad debt in the future. Barbara motioned to approve the August 2018 financials as presented; Janice seconded the motion. Motion carried.

A letter from the Tennessee Comptroller of the Treasury was presented to the Board, which discussed important points of the 2016-2017 fiscal year audit. The most pressing point was ascertaining “the value of certain assets that were donated by homeowner associations related to agreements for operating and maintaining their sewer system.” The Comptroller suggested that “Utility district officials should treat this qualified opinion very seriously, taking whatever action is necessary to ensure priority is given to this matter...(and) should implement internal control procedures necessary to provide sufficient support for all of the district’s assets.”

James submitted his Operations report. We added the call waiting feature to our office phone and solved the problem of the voice mail not picking up a few days ago. He reported that construction is booming offsite and went over points concerning collection and distribution, pump kit sales and installation, vehicle maintenance, and safety.

We purchased coolers for everyone to help keep staff hydrated and cool while they are working in the heat. We lost one of our vehicles—the engine blew right in front of a repair shop. A mechanic there offered our employee \$400 for it. Roy said the District is supposed advertise and get a bid on it. Barbara made a tentative motion to attempt to solicit bids before selling the truck; Janice seconded the motion. Motion carried.

Persons to be Heard

Carol Peak of 1406 Lin Creek asked if we got the ok to start work on the new wastewater treatment plant. Evan said that he talked to a few people about it and turned in paperwork to TDEC. The job is too specific to a certain type of vendor to get many bids. Jamie Carden has the information and sent it back to the USDA tomorrow, the 10th. Evan expects to bid it out over the winter and have construction start in March of 2019.

Old Business

There was no old business to discuss.

New Business

It was discovered that one page of the budget, the Statement of Expenses in Dollars, contained an error. The error was corrected and was presented to the Board. That was the only correction necessary. Janice motioned to replace the page with the corrected copy. Barbara seconded the motion. Motion carried.

The next regular meeting will be held on, Thursday, September 13, 2018, at 5:30 p.m.

Adjournment

Roy Ivey moved, and Barbara Darby seconded, a motion to adjourn at 5:51 p.m. Motion carried.

Secretary-Treasurer

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

Regular Checking for Consideration

	Total
Barbara Darby	\$ 266.05
Janice Brooks-Headrick	\$ 277.05
Roy Ivey	\$ 266.05
Barbara Darby	\$ 350.00
Janice Brooks-Headrick	\$ 350.00
Roy Ivey	\$ 350.00
Alliance Water Resources, Inc	\$ 39,397.59
First Tennessee Bank	\$ 2,000.00
DSI Knoxville Inv# 8034736-00, 7/12/18	\$ 248.52
Big Orange Electric, Inv 1963, 1964	\$ 3,625.00
Power Pumping, Inv# 6573	\$ 800.00
Inv# 6590	\$ 1,400.00
Inv# 6620	\$ 450.00
Inv# 7020	\$ 800.00
Inv# 7037	\$ 400.00
Treasurer, State of Tennessee	\$ 434.20
Orenco, Inv# 342595	\$ 15,070.10
Mike & Sherry Sims	\$ 105.00
Leland Eagan	\$ 4.34
Total Regular Checking for Consideration	\$ 66,593.90

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

Mitchell, Emert & Hill, P.C.	\$ 7,300.00
Debra Samples	\$ 180.00
TN Dept. of Labor & Workforce	\$ 1,141.87
TDEC	\$ 2,100.00
Sevier County Electric	\$ 3,092.95
Sevier County Water	\$ 38.41
Appalachian Electric	\$ 111.06
City of Pigeon Forge Water & Sewer	\$ 58.24
State of Tennessee	\$ 1,567.00
IRS-Payroll tax	\$ 1,147.92
Total Regular Checking Charges and Bills Paid	\$ 16,737.45

Grand Total Regular Checking \$ 83,331.35

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

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

East Sevier County Utility District
Balance Sheet
August 31, 2018

08/31/2018

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$158,013.53
Checking Account - Alpine Rd Funding	49,234.82
Cash on Hand	60.00
Total Cash	207,308.35
Accounts Receivable	231,041.02
Allowance for Doubtful Accts	(43,333.34)
Unbilled Accounts Receivable	4,709.00
Inventory	23,934.15
Prepaid Expenses	11,578.59
Total Current Assets	435,237.77

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	1,066,026.02
Buildings	69,235.68
Machinery & Equipment	113,820.68
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	266,161.07
Less: Accumulated Depreciation	(642,163.92)
Net Property, Plant & Equipment	954,484.91

RESTRICTED CASH

OTHER ASSETS

Deposits	14,370.00
Total Other Assets	14,370.00

Total Assets

\$1,404,092.68

East Sevier County Utility District
Balance Sheet
August 31, 2018

08/31/2018

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$15,971.37
Sales Tax Payable	958.17
Payroll Taxes Payable	765.22
Unearned Revenue	22,709.00
Consent Order - TDEC	2,083.00
Accrued Interest Payable	9,874.39
Customer Deposits	26,485.00
<i>Total Current Liabilities</i>	<u>78,846.15</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

501,050.54

DISTRICT'S EQUITY

Retained Earnings	843,118.74
YTD Net Income	59,923.40
<i>Total District's Equity</i>	<u>903,042.14</u>

Total Liabilities and District's Equity

\$1,404,092.68

East Sevier County Utility District
Statements of Revenues and Expenses
For the Two Months Ending August 31, 2018
Actual vs Budget

August

YTD

August			YTD		Annual Budget
Actual	Budget		Actual	Budget	
		Operating Revenues			
\$15,913	\$17,731	Water Sales	\$35,125	\$35,219	\$251,290
47,707	34,337	Sewer Charges	99,554	62,420	444,900
0	1,250	Connection Fees - Water	0	2,500	2,500
2,250	1,146	Connection Fees - Sewer	4,500	2,292	13,750
1,020	1,543	Late Charge Fees	2,045	3,086	18,517
14,349	923	Reconnect/Meter Sets/Other Fees	35,169	1,845	11,072
0	200	Miscellaneous Income	0	400	2,400
81,239	57,130	Total Operating Revenues	176,393	107,762	744,429
		Operating Expenses			
0	0	Unemployment Benefits	550	0	0
159	583	Payroll Taxes	319	1,167	7,000
38,640	38,640	Management & Operations Contract	77,280	77,280	463,680
3,649	3,994	Utilities	6,949	7,989	47,933
2,043	1,667	Insurance	4,087	3,333	20,000
2,725	5,215	Repairs & Maintenance	7,799	10,431	62,584
0	417	Professional Outside Services	0	833	5,000
2,082	1,800	Directors' Fees	4,165	3,600	21,600
1,430	1,333	Legal Expenses	1,430	2,667	16,000
0	0	Accounting	0	0	7,300
1,167	1,167	Bad Debts	2,333	2,333	14,000
0	0	Dues	0	0	825
(20)	0	Advertising Expense	25	0	0
0	433	Permits	434	867	5,200
0	2,083	Miscellaneous Expense	0	4,167	25,000
51,875	57,332	Total Operating Expenses	105,371	114,667	696,122
29,364	(202)	Net Income B/4 Other (Inc) & Exp	71,022	(6,905)	48,307
		Other Income (Expenses)			
(1,165)	0	Interest Expense	(2,331)	0	0
(4,384)	(4,384)	Depreciation	(8,768)	(8,768)	(52,608)
0	(833)	Bond Issue Costs	0	(1,667)	(10,000)
(5,549)	(5,217)	Total Other Income (Expenses)	(11,099)	(10,435)	(62,608)
\$23,815	(\$5,419)	Net Income(Loss)	\$59,923	(\$17,340)	(\$14,301)

East Sevier County Utility District, TN
Treasury Report

Billing Charges For the Month of:	Aug-18	
Water Revenue		15,912.72
Sewer Revenue		47,706.77
Sales Taxes		1,156.07
Late Charges		1,020.11
Installation Fees-Water		-
Installation Fees-Sewer		2,250.00
Other Miscellaneous Fees		14,348.50
Returned Checks		-
Deposits Applied/Adjustments		(410.00)
Customer Refunds Paid		259.50
Total Billing Charges		82,243.67
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Water Gallons Billed		725,375
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Water Customers Billed		241
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Sewer Gallons Billed		581,630
		<hr/>
Sewer Customers Billed		722
		<hr/>

Accounts Receivable	Aug-18	
Beginning Balance		62,486.28
Billing Charges		82,243.67
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(84,746.43)
End of Month Accounts Receivable		59,983.52
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Water Revenue Checking	Aug-18	
Beginning Balance		143,094.76
Deposits:		
Accounts Receivable Collections		84,746.43
Pmt Posted to Acct# 10-92500-1; Reversed on 8-5-2018		675.00
Customer Deposits		3,360.00
Void old refund checks		315.00
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		89,096.43
Disbursements:		
Accounts Payable Checks		(66,684.56)
Auto Debit Charges-Utilities		(3,648.75)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,735.00)
Miscellaneous		(0.01)
Refund Checks		(109.34)
End of Month Balance		<hr/>
		158,013.53
Cash Receipts Collected To Date in:	Sep-18	16,696.59
Auto Debited Utilities in:	Sep-18	(960.14)
Bills Submitted for Payment in:	Sep-18	(64,046.06)
Available Balance		<hr/> <hr/> 109,703.92

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		143,094.76	89,096.43	-	(74,177.66)	158,013.53
Checking Acct-Alpine Road Funding		48,537.50	2,000.00	-	(1,302.68)	49,234.82
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		191,692.26	91,096.43	-	(75,480.34)	207,308.35

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
Aug-17	16,944	33,655	614	1,207	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		
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
Aug-17	31,299	56,891	477	940	564	30,470



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

August 2018

Administrative

Staff are still working to set up accounts for offsite customers.

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

Renewed our membership with the Tennessee Association of Utility Districts. TAUD is an important ally.

Continue to coordinate effectively with the Douglas Lake Homeowner's association to ensure a successful relationship.

Installed 5 pump kits at offsite resort communities.

Had a brake job and oil change on an ESCUD vehicle.

Replaced the pump motor at the Well C booster station.

Worked with the Board President to develop an effective inventory at ESCUD.

Worked with the Board President to purchase much needed tools at ESCUD.

Replaced two broken yokes on Lin Creek Road.

Customer Service

The staff performed a house call for a senior member of the community to discuss possible scenarios regarding sewer odors in her home and how to correct them.

Project Updates

The USDA is officially ready to release funds for the wastewater project.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Safety meetings regarding proper use of razor knives, safe driving practices, and lockout/tagout were held during the month of August.

Regulatory

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

Training

Our newest employee, Seth Self, can run daily water ops without supervision.

Concerns for the Month

Staying hydrated and aware during hot weather working conditions.

Positives for the Month

A new focus on utilizing “One Call” for non-emergency situations has had a quality impact with our customers. It has become apparent that the community likes to know what type of projects we are working on.

Leak Repairs

Numerous on and offsite repairs were made.