

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

August 15, 2019

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the July 18, 2019 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) WWTP Discussion
- 8) Adjournment – Next regular meeting to be held on Thursday, Sept 12, 2019 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, July 18, 2019

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, July 18, 2019, 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 5:34 p.m. for any old or new business.

A motion to approve the minutes of the June 13, 2019, 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 Barbara; Janice seconded the motion. Motion carried.

Reports

James Ford, Local Manager, having submitted the financial report, asked if any members of the Board had any questions. Having no questions, Janice motioned to approve the financials as presented; Barbara seconded the motion. Motion carried.

James then submitted the operations report. He began by thanking Roy Ivey for his assistance in repairing several line breaks that occurred since the last meeting. The new employee, Jeff Bragonier, is a hard worker who also worked skillfully on the repairs as well as many other tasks since being hired. He repaired a broken spring on the utility truck, which is now back in commission. He also worked on Wells C, D, and F and got them online again with the computer system. He lives across the street from the office, and enjoys the convenience of being close to work.

Jan asked about getting him certified. James said he will have to either get nine months of experience and take an online college course, or get one year of experience to get a license. Barbara asked if he is dependable. James said he is dependable and is a hard worker. He is also experienced in Supervisory Control and Data Acquisition (SCADA).

We completed the Alpine Drive phase of our improvement project. We repaired a service line on Alpine Drive and several other breaks and replaced a meter yoke on Yellow Pine. We took a utility truck to the transmission shop for repair. Offsite, we installed two pump kits and repaired a sewer leak at Sherwood Forest. Our June safety meeting was on

trenching and excavating. The monthly water and wastewater reports were successfully submitted to TDEC.

Persons to be Heard

The caretaker for Sharon Crabb's property at 1543 Wilhite Creek Road, asked for a one-time forgiveness on her behalf of a portion of her water and sewer bill. The hot water heater had been leaking. The caretaker found it fairly early, but circumstances prevented the replacement of the tank in a timely manner. They had called out one company only to be told when they arrived that they did not work on hot water tanks. The new tank was eventually installed, but by that time, thousands of gallons of water had leaked onto the ground, bringing her bill to \$507.73. The Commissioners agreed to allow one-half of the water overage and all of the sewer overage be adjusted off the account.

Old Business

None

New Business

James discussed the price of the 2018/2019 audit, which will be \$8,400 plus a possible per-hour fee, if additional time is needed to complete the Capital Assets portion. This portion is regarding the offsite wastewater facilities and the property transfers that TDEC is requiring of us. Barbara motioned to approve the cost of \$8,400 plus a possible per-hour fee for the 2018/2019 audit to be performed by Mitchell, Emert & Hill. Janice seconded the motion. Motion carried.

James requested that \$6,186 of the \$10,000 budget amount for office purchases be used to purchase a new computer, server, and installation of the United Alliance billing software for Brenda's office. Barbara motioned to approve the \$6,186 cost of a new computer, server, and installation of the United Alliance billing software for Brenda's office. Janice seconded the motion. Motion carried.

James discussed the advantages of purchasing a new utility van vs. a used utility truck. The van offers more storage space; storage bins and a rack to hold pipes can be installed to maximize storage. We would also get a much better warranty than what we would get for a used vehicle with 150,000 miles on it. The cost for a brand new utility van would be \$25,000-\$30,000, depending on whether the van already has storage racks and bins. This price is very comparable for what we would spend on a used truck. Barbara asked if it would perform well on snow-covered roads. James said if the weather is about the same as it has been in the past couple of years, we would be able to use the van 99 percent of the time. Janice motioned to approve the purchase of a new utility van at a cost of \$25,000-\$30,000. Barbara seconded the motion. Motion carried.

First Tennessee Bank has given us many options to offer convenience payments to our customers. ACH Bank Drafts will probably be the best choice; the Bank will give us a free scanner when we sign up. They charge \$0.15 per item, which will come to around \$300-\$500 per month. James offered the Commissioners the opportunity to think about it before making a final decision, and said the Bank would be willing to send employees to

the next meeting to make a presentation, giving the Board a better understanding of the process. The Board decided to approve the use of bank drafts now rather than wait. Barbara motioned to offer the use of bank drafts to our customers at a cost of \$0.15 per item, or \$300-\$500 per month. Janice seconded the motion. Motion carried.

James mentioned that Tony Sneed and Evan Romo are in Nashville for a meeting with TDEC negotiating the new Wastewater Treatment Plant requirements in an effort to keep costs for the Utility at a minimum.

Barbara requested that the next Board meeting be changed from the 8th to the 15th next month so that she can attend to some personal matters. All in attendance agreed. The next regular meeting will be held on, Thursday, August 15, 2019, at 5:30 p.m.

Adjournment

Roy Ivey motioned, and Barbara Darby seconded the motion, to adjourn at 6:21 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
15-Aug-19**

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 2019 Services, Inv# 8444	\$ 42,664.00
First Tennessee Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Meeting Announcement Ad#	\$ 25.88
Power Pumping	Inv# 7661 dated 07/09/19, Pump septic	\$ 800.00
TDEC	Inv# 522894 dated 07/15/19, Annual Fee-Public Water System	\$ 412.10
DC&R Construction, Inc.	Purchase of spare parts from Alpine project	\$ 7,032.82
Cheryl Brown	Customer refund, deposit minus balance due	\$ 88.03
Angela Bowens	Customer refund, overpayment	\$ 4.50
Bryan Partridge	Customer refund, overpayment	\$ 12.96
Kim Yost	Customer refund, overpayment	\$ 45.00
Total Regular Checking for Consideration		\$ 54,944.44

Charges and Bills Paid from Regular Checking Since July 18, 2019

Roger's Transmission	Repairs, Utility Truck	\$ 998.94
Sevier County Electric	Utility	\$ 3,240.04
Sevier County Water	Utility	\$ 41.16
Appalachian Electric	Utility	\$ 363.48
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
State of Tennessee	Sales tax	\$ 1,513.00
IRS	Payroll tax	\$ 382.64
Total Regular Checking Charges and Bills Paid		\$ 6,597.50

East Sevier County Utility District
Balance Sheet
June 30, 2019

6/30/2019

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$292,952.12
Checking Account - Alpine Rd Funding	76,426.13
Cash on Hand	60.00

Total Cash	369,438.25
-------------------	-------------------

Accounts Receivable	241,251.99
Allowance for Doubtful Accts	(55,000.04)
Unbilled Accounts Receivable	4,709.00
Inventory	36,785.01
Prepaid Expenses	7,118.68

Total Current Assets	604,302.89
-----------------------------	-------------------

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	1,305,111.57
Buildings	69,235.68
Machinery & Equipment	125,345.68
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	397,908.80
Less: Accumulated Depreciation	(698,344.00)

Net Property, Plant & Equipment	1,280,663.11
--	---------------------

RESTRICTED CASH

Checking Account - Waste Water Project	833.37
--	--------

Total Restricted Cash	833.37
------------------------------	---------------

OTHER ASSETS

Deposits	14,370.00
----------	-----------

Total Other Assets	14,370.00
---------------------------	------------------

Total Assets	\$1,900,169.37
---------------------	-----------------------

East Sevier County Utility District
Balance Sheet
June 30, 2019

6/30/2019

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$58,227.06
Sales Tax Payable	1,155.50
Payroll Taxes Payable	382.28
Unearned Revenue	22,709.00
Accrued Interest Payable	4,246.22
Customer Deposits	34,655.00
<i>Total Current Liabilities</i>	<u>121,375.06</u>

LONG-TERM DEBT

USDA 2018 Loan #1	148,340.00
USDA 2017 Loan #2	291,000.00
USDA 2017 Loan #3	266,000.00
<i>Total Long-Term Debt</i>	<u>705,340.00</u>

Total Liabilities

826,715.06

DISTRICT'S EQUITY

Retained Earnings	827,620.12
YTD Net Income	245,834.19
<i>Total District's Equity</i>	<u>1,073,454.31</u>

Total Liabilities and District's Equity

\$1,900,169.37

East Sevier County Utility District
Statements of Revenues and Expenses
For the Twelve Months Ending June 30, 2019
Actual vs Budget

<u>June</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$18,888	\$18,312	Water Sales	\$206,192	\$251,290	\$251,290
45,428	58,513	Sewer Charges	597,908	444,900	444,900
0	0	Connection Fees - Water	4,250	2,500	2,500
6,000	1,146	Connection Fees - Sewer	25,750	13,750	13,750
1,159	1,543	Late Charge Fees	9,868	18,517	18,517
27,440	923	Reconnect/Meter Sets/Other Fees	147,554	11,072	11,072
0	200	Miscellaneous Income	564	2,400	2,400
98,915	80,637	Total Operating Revenues	992,086	744,429	744,429
		Operating Expenses			
0	0	Unemployment Benefits	550	0	0
0	0	Training	975	0	0
159	583	Payroll Taxes	1,912	7,000	7,000
38,640	38,640	Management & Operations Contract	463,680	463,680	463,680
3,755	3,994	Utilities	47,349	47,933	47,933
2,312	1,667	Insurance	25,726	20,000	20,000
19,711	5,215	Repairs & Maintenance	57,156	62,584	62,584
0	417	Professional Outside Services	0	5,000	5,000
2,082	1,800	Directors' Fees	24,989	21,600	21,600
(3,354)	1,333	Legal Expenses	15,986	16,000	16,000
0	0	Accounting	7,900	7,300	7,300
1,167	1,167	Bad Debts	14,000	14,000	14,000
0	0	Dues	450	825	825
0	0	Office Expense	209	0	0
0	0	Advertising Expense	217	0	0
0	433	Permits	4,974	5,200	5,200
0	2,083	Miscellaneous Expense	32	25,000	25,000
64,472	57,332	Total Operating Expenses	666,105	696,122	696,122
34,443	23,305	Net Income B/4 Other (Inc) & Exp	325,981	48,307	48,307
		Other Income (Expenses)			
(1,802)	0	Interest Expense	(16,823)	0	0
(4,384)	(4,384)	Depreciation	(52,608)	(52,608)	(52,608)
(3,870)	(833)	Bond Issue Costs	(10,715)	(10,000)	(10,000)
(10,056)	(5,217)	Total Other Income (Expenses)	(80,146)	(62,608)	(62,608)
\$24,387	\$18,088	Net Income(Loss)	\$245,835	(\$14,301)	(\$14,301)

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

Billing Charges For the Month of:	Jun-19	
Water Revenue		18,887.79
Sewer Revenue		46,421.34
Installment Billing -Offsite Sewer Arrears		992.89
Sales Taxes		1,512.74
Late Charges		1,159.22
Installation Fees-Water		-
Installation Fees-Sewer		6,000.00
Other Miscellaneous Fees		27,440.00
Returned Checks		-
Deposits Applied/Adjustments		(210.00)
Customer Refunds Paid		552.08
Total Billing Charges		102,756.06
Water Gallons Billed		893,987
Water Customers Billed		249
Sewer Gallons Billed		574,315
Sewer Customers Billed		758

Accounts Receivable	Jun-19	
Beginning Balance		89,645.96
Billing Charges		102,756.06
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(100,207.02)
End of Month Accounts Receivable		92,195.00

Water Revenue Checking	Jun-19	
Beginning Balance		295,165.16
Deposits:		
Accounts Receivable Collections		100,207.02
Customer Deposits		735.00
		<u>100,942.02</u>
Disbursements:		
Accounts Payable Checks		(95,652.23)
Auto Debit Charges-Utilities		(3,320.69)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,585.00)
Payroll Taxes		(382.64)
Refund Checks		(214.50)
End of Month Balance		<u>292,952.12</u>
Cash Receipts Collected To Date in:	Jul-19	89,830.16
Auto Debited Utilities in:	Jul-19	(3,702.92)
Bills Submitted for Payment in:	Jul-19	(96,908.62)
Available Balance		282,170.74

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
June 30, 2019

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		295,165.16	100,942.02	-	(103,155.06)	292,952.12
Checking Acct-Alpine Road Funding		66,734.82	104,726.38	-	(95,035.07)	76,426.13
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		362,793.35	205,668.40	-	(198,190.13)	370,271.62

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Jun-19	18,888	221,506	894	8,978	249
May-19	17,763	202,618	783	8,084	250
Apr-19	17,463	184,855	668	7,301	250
Mar-19	17,535	167,392	627	6,633	250
Feb-19	19,679	149,857	723	6,006	243
Jan-19	22,743	130,178	748	5,283	241
Dec-18	17,023	107,435	606	4,535	246
Nov-18	16,729	90,411	560	3,929	244
Oct-18	18,202	73,683	813	3,369	245
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

**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-19	46,421	553,474	574	6,709	758	100,207
May-19	44,839	507,053	604	6,135	757	65,173
Apr-19	43,934	462,214	491	5,531	751	73,177
Mar-19	44,021	418,279	499	5,040	750	72,003
Feb-19	42,340	374,258	443	4,541	741	84,087
Jan-19	52,706	331,918	553	4,098	735	82,323
Dec-18	43,711	279,212	475	3,545	734	84,499
Nov-18	43,187	235,501	423	3,070	732	85,252
Oct-18	44,670	192,314	617	2,647	741	94,066
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

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 2019

Administrative

The board approved the transition to First Tennessee’s “Remote Capture” technology to modernize our billing capabilities. It will materialize in the coming months.

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

The ESCUD fleet is slowly getting back in shape

Replaced pump at customer’s home on Magnolia

Repaired two leaks on Magnolia

Flushed the entire mountain

Repaired leak at Well A/B

Installed pump kit at offsite resort community

Customer Service

Helped customer to determine that there was an “in home” water filter that was harming their water quality and minimizing pressure. With the removal of the filter, the customer now has clean water.

Project Updates

Staff is in contact with Aquaclear to ensure that the new treatment system is “dialed in” and running properly.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Our July safety meetings were on water and sewer maintenance as well as trenching and excavating

Regulatory

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

Training

Our newest employee has begun backhoe training

Concerns for the Month

Making sure employees are properly hydrated.

Positives for the Month

Water quality continues to improve

Leak Repairs

Numerous on and offsite repairs were made.