

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

FEB 14, 2019

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the January 10, 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) Project Updates
- 8) Adjournment – Next regular meeting to be held on Thursday, March 14, 2019 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, January 10, 2019

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, January 10, 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 5:30 p.m. for any old or new business.

The minutes of the December 13, 2018, meeting were approved on December 18 through telephone conversations with each of the Commissioners. A motion was made and seconded to approve the minutes of the December 13, 2018, meeting; motion carried. As a result, we were able to show McGill that the Board had approved the Well C project, and therefore the work could begin sooner.

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

Evan Romo, District Manager, went over each section of the District financials with the Board of Commissioners. Barbara motioned to approve the financials as presented; Janice seconded the motion. Motion carried.

James Ford, Local Manager, submitted his report concerning District operations. We are looking into the most economical way to offer convenience payments to our customers. ACH payments (bank drafts) would be a viable method that would simplify the payment process for customers and office staff. We should be ready to submit that information at the next Board meeting.

Since the last meeting, we completed winterization of Well C. We also installed 100 feet of sewer pipe and two taps at Smoky Mountain Ridge. Asphalt repairs at Douglas Lake Resort and Glasgow Street were completed. The entire English Mountain service area has been flushed. Additionally, new piping was installed at the Bear Creek Crossing WWTP.

At December's safety meeting, we discussed winter driving tips. The monthly water and wastewater reports were successfully submitted to the Tennessee department of

Environment and Conservation (TDEC). An operations training guide is underway and is to be placed at all of our well sites to ensure TDEC's requirements are being met. We are continuing the offsite drip field evaluation for TDEC and Sevier County. Numerous offsite repairs were made. On a positive note, a senior member of the community thanked James for quality service and troubleshooting at her property.

Persons to be Heard

There was no one present to be heard.

Old Business

There was no old business to discuss.

New Business

We received a total of three bids for the Water System Improvements—Alpine Drive project. Merkel Bros. Construction, Inc., was the lowest bidder with a \$361,540.00 base bid amount. They provided all the required bid documentation.

According to the Tennessee Department of Commerce & Insurance license search and verification web site, Merkel Bros. holds an appropriate contractor's license in the State of Tennessee which qualifies them to perform this work.

Based on McGill's review of the qualifications of Merkel Bros. Construction, Inc., it appears that the company has the experience and capability to perform the work required for this project. It is understood that the District would like to reduce the Base Bid to accommodate Well C construction activities within the same funding allotment. This will be done by issuance of Change Order 1 at the pre-construction meeting tentatively scheduled for January 24, 2019.

Therefore, McGill recommends that East Sevier County Utility District approve the award of this construction contract in the amount of **\$ 365,540.00** (Base Bid + Additive Alternate 17B) to Merkel Bros. Construction, Inc., with the intent to reduce the contract amount to **\$282,660.00**.

Barbara motioned to approve the acceptance of the Merkel Bros. Construction, Inc., bid; Janice seconded the motion. Motion carried.

Merkel Bros. was also the lowest bidder on the Well C Discharge Line project, having bid \$25,250. The line will run from Clingman's View to Glasgow. Any additional work not foreseen could bring the bid to a maximum of \$32,000.

Barbara motioned to accept the Merkel Bros. Construction, Inc., bid for the installation of the Well C Outfall Line; Janice seconded the motion. Motion carried.

The next regular meeting will be held on, Thursday, February 14, 2019, at 5:30 p.m.

Adjournment

Roy Ivey moved, and Barbara Darby seconded, a motion to adjourn at 5:52 p.m. Motion carried.

Secretary-Treasurer

East Sevier County Utility District
14-Feb-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	February 2019 Services, Inv# 8186	\$ 38,640.00
Power Pumping	Pump Septic, Inv# 6641 dated 01/15/19	\$ 450.00
Big Orange Electric	Labor, Inv# 1989, \$2175 and Inv# 1996, \$2300. both dated 01/01/	\$ 4,475.00
Mark Jendrek, P. C.	Legal Fees, Lien, Inv# 15353 dated 01/08/19	\$ 212.00
G & C Supply, Inc.	Repair coupler and clamp, Inv# 6723921 dated 01/28/19	\$ 1,606.02
A & A Rentals	Equip Rental/Fuel, Res# 43125, Con# 122866, dated 10/31/18	\$ 394.40
Orenco Systems	Pump Packages/S&H \$669.86, Inv# 349773 dated 01/22/19	\$ 16,952.42
Gary Click, 4-15775-1	Customer refund-deposit minus balance due	\$ 67.50
Tatum Properties, 4-15100-3	Customer refund-deposit	\$ 105.00
Jim Ruiz, 6-46600-1	Customer refund-overpayment	\$ 60.12
Total Regular Checking Charges and Bills Paid		\$ 64,821.61

Charges and Bills Paid from Regular Checking Since January 10, 2019		
Sevier County Electric	Utility	\$ 3,617.24
Sevier County Water	Utility	\$ 41.16
Appalachian Electric	Utility	\$ 107.31
City of Pigeon Forge Water & Sewer	Utility	\$ 29.12
State of Tennessee	Sales Tax-December 2018	\$ 1,543.00
IRS	Payroll Tax-4th Qtr 2018	\$ 1,147.92
Total Regular Checking Since January 10, 2019		\$ 6,485.75
Grand Total Regular Checking		\$ 71,307.36

East Sevier County Utility District
Balance Sheet
December 31, 2018

12/31/2018

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$255,908.58
Checking Account - Alpine Rd Funding	56,734.82
Cash on Hand	60.00

Total Cash	312,703.40
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Accounts Receivable	228,113.48
Allowance for Doubtful Accts	(48,000.02)
Unbilled Accounts Receivable	4,709.00
Inventory	23,934.15
Prepaid Expenses	5,447.29

Total Current Assets	526,907.30
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PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	1,247,448.86
Buildings	69,235.68
Machinery & Equipment	125,345.68
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	197,415.18
Less: Accumulated Depreciation	(672,040.00)

Net Property, Plant & Equipment	1,048,810.78
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RESTRICTED CASH

Checking Account - Waste Water Project	41,083.37
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Total Restricted Cash	41,083.37
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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	\$1,631,171.45
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East Sevier County Utility District
Balance Sheet
December 31, 2018

12/31/2018

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$6,977.18
Sales Tax Payable	1,171.56
Payroll Taxes Payable	1,147.74
Unearned Revenue	22,709.00
Accrued Interest Payable	15,149.67
Customer Deposits	30,990.00
<i>Total Current Liabilities</i>	<u>78,145.15</u>

LONG-TERM DEBT

USDA 2018 Loan #1	139,644.11
USDA 2017 Loan #2	238,190.39
USDA 2017 Loan #3	185,664.00
<i>Total Long-Term Debt</i>	<u>563,498.50</u>

Total Liabilities

641,643.65

DISTRICT'S EQUITY

Retained Earnings	827,620.12
YTD Net Income	161,907.68
<i>Total District's Equity</i>	<u>989,527.80</u>

Total Liabilities and District's Equity

\$1,631,171.45

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

<u>December</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$17,023	\$32,527	Water Sales	\$101,231	\$137,434	\$251,290
44,485	20,434	Sewer Charges	316,627	202,626	444,900
0	0	Connection Fees - Water	3,000	2,500	2,500
2,250	1,146	Connection Fees - Sewer	10,250	6,875	13,750
826	1,543	Late Charge Fees	5,308	9,258	18,517
12,123	923	Reconnect/Meter Sets/Other Fees	74,008	5,536	11,072
0	200	Miscellaneous Income	0	1,200	2,400
76,707	56,773	Total Operating Revenues	510,424	365,429	744,429
		Operating Expenses			
0	0	Unemployment Benefits	550	0	0
0	0	Training	975	0	0
159	583	Payroll Taxes	956	3,500	7,000
38,640	38,640	Management & Operations Contract	231,840	231,840	463,680
3,092	3,994	Utilities	20,213	23,967	47,933
2,043	1,667	Insurance	12,260	10,000	20,000
1,764	5,215	Repairs & Maintenance	13,534	31,292	62,584
0	417	Professional Outside Services	0	2,500	5,000
2,082	1,800	Directors' Fees	12,495	10,800	21,600
275	1,333	Legal Expenses	2,888	8,000	16,000
0	0	Accounting	0	7,300	7,300
1,167	1,167	Bad Debts	7,000	7,000	14,000
0	100	Dues	450	825	825
0	0	Office Expense	162	0	0
19	0	Advertising Expense	123	0	0
3,850	433	Permits	4,284	2,600	5,200
32	2,083	Miscellaneous Expense	32	12,500	25,000
53,123	57,432	Total Operating Expenses	307,762	352,124	696,122
23,584	(659)	Net Income B/4 Other (Inc) & Exp	202,662	13,305	48,307
		Other Income (Expenses)			
(1,398)	0	Interest Expense	(7,606)	0	0
(4,384)	(4,384)	Depreciation	(26,304)	(26,304)	(52,608)
0	(833)	Bond Issue Costs	(6,845)	(5,000)	(10,000)
(5,782)	(5,217)	Total Other Income (Expenses)	(40,755)	(31,304)	(62,608)
\$17,802	(\$5,876)	Net Income(Loss)	\$161,907	(\$17,999)	(\$14,301)

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

Billing Charges For the Month of:	Dec-18	
Water Revenue		17,023.29
Sewer Revenue		45,419.99
Sales Taxes		1,542.83
Late Charges		825.94
Installation Fees-Water		-
Installation Fees-Sewer		2,250.00
Other Miscellaneous Fees		12,123.00
Returned Checks		98.00
Deposits Applied/Adjustments		(210.00)
Customer Refunds Paid		216.37
Total Billing Charges		<u>79,289.42</u>
Water Gallons Billed		<u>606,291</u>
Water Customers Billed		<u>246</u>
Sewer Gallons Billed		<u>475,080</u>
Sewer Customers Billed		<u>734</u>

Accounts Receivable	Dec-18	
Beginning Balance		65,577.71
Billing Charges		79,289.42
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(84,498.65)
End of Month Accounts Receivable		<u>60,368.48</u>

Water Revenue Checking	Dec-18	
Beginning Balance		238,847.61
Deposits:		
Accounts Receivable Collections		84,498.65
Customer Deposits		735.00
		<u>85,233.65</u>
Disbursements:		
Accounts Payable Checks		(61,571.48)
Auto Debit Charges-Utilities		(3,091.83)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,398.00)
Refund Checks		(111.37)
End of Month Balance		<u>255,908.58</u>
Cash Receipts Collected To Date in:	Jan-19	82,848.00
Auto Debited Utilities in:	Jan-19	(3,794.83)
Bills Submitted for Payment in:	Jan-19	(49,186.93)
Available Balance		<u><u>285,774.82</u></u>

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		238,847.61	85,233.65	-	(68,172.68)	255,908.58
Checking Acct-Alpine Road Funding		56,384.82	2,000.00	-	(1,650.00)	56,734.82
Checking Acct-Waste Water Plant		338.37	40,745.00	-	-	41,083.37
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		295,630.80	127,978.65	-	(69,822.68)	353,786.77

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

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

**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		
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
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



**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

January 2019

Administrative

Staff held meeting with Bear Creek Crossing representatives to ensure a quality relationship with clear cut performance expectations.

Treatment

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

Collection/Distribution

Quarterly VOC's sample results were successful

Expanded Well D to maximum footprint

Replaced bypass valve at Red Maple Lane

Several offsite holding tanks were pumped

Two offsite pump kits were installed

Attended meeting with Sevier County regarding resort community sewer systems

Customer Service

Communicated effectively with customers during a difficult two week span

Project Updates

Numerous meetings with McGill & Associates, Mark Jendrek, and Kirk Morris of the USDA have created a positive situation for our upcoming projects.



OPERATIONS REPORT – East Sevier County Utility District

Safety

January's safety meeting was on trenching and excavating.

Regulatory

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

Training

An employee has been scheduled for a three day TAUD training seminar for water distribution.

Concerns for the Month

Remembering that winter is not over while navigating our roadways.

Positives for the Month

Although we experienced an extremely challenging situation, we fought hard until the goal was accomplished.

Leak Repairs

Numerous repairs were made.