

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

**June 13, 2019**

**5:30 P.M.**

**AGENDA**

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the May 16, 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) Budget discussion
- 8) Project Updates
- 9) Well C booster discussion
- 10) First Tennessee billing services discussion
- 11) Adjournment – Next regular meeting to be held on Thursday, July 11, 2019 – 5:30 p.m.

# MINUTES

## BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, May 16, 2019

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, May 16, 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 5:32 p.m. for any old or new business.

A motion to approve the minutes of the April 11, 2019, meeting was made by Barbara; Janice 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

Tony Sneed, Director of Operations for Alliance Water Resources, Inc., went over key points of the financials with the Board. Barbara motioned and Janice seconded the motion to approve Financials. Motion carried.

Tony has been meeting with HOA managers and developers of the subdivisions we provide with sewer service. Our contract with Smoky Mountain Ridge is implied because our signed contract with them cannot be found. We were recently told by the State that they will no longer issue permits to us for any offsite location for which we do not own the sewer system. Our old permits implied that we owned the systems; the State knows we did not declare ownership. Tony has been working with the developers at each site to obtain ownership of the systems.

Barbara asked what exactly we would own. Tony replied that we would own the entire infrastructure, the sewer lines, tanks, the land the WWTP sits on, and the filtration system. Roy said we will have to purchase liability insurance when that takes place.

The State is concerned that there may be a problem if the contract between the District and Alliance is not renewed when it expires in two years so Tony suggested we extend our contract five years.

Steve Miller, Developer of Smoky Mountain Ridge, was extremely reluctant to relinquish his ownership, but in time, Tony was able to get him to sign an intent to own agreement. Obtaining ownership of the offsite systems will help the District to grow because we will be able to set the rates and eventually be in a position to service more and more sites.

Tony suggested we install a trailer somewhere off the Mountain for Darrell to shorten his commute and get him closer to the offsite properties.

Tony reported that Alliance had paid out more in repairs in the past fiscal year than agreed upon, and the District owes Alliance \$10,000. The current repair cap is \$29,900, which can be raised to \$39,900. Barbara asked if transactions were documented, and Tony said that Alliance kept an itemized list of all repairs. We could also raise the amount of the cap on the next contract; James said he is in favor of this.

James Ford, Local Manager, submitted his report concerning District operations. One of our employees left on good terms for another job. So far, we have one applicant to interview.

In order to find ways to offer convenience payments for our customers, James has been meeting with First Tennessee Bank. He has a meeting next Wednesday, May 22, to look at some packages they have to offer.

We have made numerous on- and offsite repairs; the One Call Now system has been working well in alerting customers to repairs and water outages before they happen. Janice and Barbara agreed.

#### Persons to be Heard

None

#### Old Business

None

#### New Business

The Alpine Drive project is going very well; the crew has made it up Alpine in a timely manner. The pressure test they did on the lines went well. Rob the construction manager is doing a fine job. During the winter months, progress on Well C has been slow going but is now picking up. James ordered a green metal roof for our new well-housing building. All the inconveniences have been brief, and everyone is in the loop. Water quality is already starting to improve in certain areas.

Janice asked what we decided about hiring Tommy Turner to do the hydrofracking project at Wells A and B. James said they decided to put that off until Well C improvements are done.

Tony requested signatures for the release of funds for Draws 4 of Loan 2 and Draw 5 of Loan 3 for the Water Storage project.

Janice motioned and Barbara seconded the motion to submit the paperwork for Loan 2, Draw 4 and Loan 3, Draw 5.

The next regular meeting will be held on, Thursday, June 13, 2019, at 5:30 p.m.

Adjournment

Roy Ivey motioned, and Barbara Darby seconded the motion, to adjourn at 6:20 p.m.  
Motion carried.

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Secretary-Treasurer

**East Sevier County Utility District  
13-Jun-19**

<b>Regular Checking for Consideration</b>		<b>Total</b>
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	June 2019 Services, Inv# 8360	\$ 38,640.00
First Tennessee Bank	Alpine Drive Fund-monthly deposit	\$ 2,000.00
The Mountain Press	Meeting Notice, Ad# 30861089 dated 05/11/19, May 2019	\$ 25.88
Mark Jendrek, P. C.	Inv# 15405, 15406, 15407, 15408, 15409, 15422, dated 2/19-4/19, legal fees	\$ 9,037.50
LabtronX	Inv# 15932 dated 05/21/19, Calibration and maintenance	\$ 1,210.00
Dale Parton	Inv# 559644 dated 05/09/19 for gravel	\$ 1,800.00
Orenco Systems, Inc.	Inv# 353393 dtd 05/10, parts; Inv# 354158 dated 5/29, pump kits; S&H \$594.54	\$ 9,795.78
G & C Supply	Inv# 6738233 dated 05/31/19, Hymax coupling	\$ 580.00
Driller Services Inc. (DSI)	Order# 10123534-00 dated 5/22/19, pumps	\$ 1,071.49
Tri-County Services	No Inv#, Dated 05/10/19, septic pumping	\$ 275.00
Big Orange Electric	Inv# 2011, \$1107; Inv# 2012, \$4930; Inv# 2013, \$3000. DOS 3/5-5/31	\$ 9,037.00
Mark Johnson	Refund deposit, 1-3900-3	\$ 105.00
Randy Atkins	Refund deposit, 1-2300-3	\$ 105.00
Kathy Wilkinson	Refund overpayment, 11-64-1	\$ 4.50
	<b>Total Regular Checking Charges and Bills Paid</b>	<b>\$ 75,546.30</b>

<b>Charges and Bills Paid from Regular Checking Since April 11, 2019</b>		
Sevier County Electric	Utility	\$ 3,778.81
Sevier County Water	Utility	\$ 41.16
Appalachian Electric	Utility	\$ 103.13
City of Pigeon Forge Water & Sewer	Utility	\$ 29.12
State of Tennessee	Sales Tax-monthly	\$ 1,538.00
IRS	Payroll Tax-monthly	\$ 382.64
	<b>Total Regular Checking Since March 14, 2019</b>	<b>\$ 5,872.86</b>
	<b>Grand Total Regular Checking</b>	<b>\$ 81,419.16</b>

**East Sevier County Utility District**  
**Balance Sheet**  
**April 30, 2019**

**04/30/2019**

**ASSETS**

**CURRENT ASSETS**

Checking Account - Operations	\$299,050.93
Checking Account - Alpine Rd Funding	89,984.82
Cash on Hand	60.00

<b>Total Cash</b>	<b>389,095.75</b>
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Accounts Receivable	214,296.65
Allowance for Doubtful Accts	(52,666.70)
Unbilled Accounts Receivable	4,709.00
Inventory	28,231.71
Prepaid Expenses	14,519.78

<b>Total Current Assets</b>	<b>598,186.19</b>
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**PROPERTY, PLANT & EQUIPMENT**

Land	31,657.80
Distribution & Collection System	1,293,244.30
Buildings	69,235.68
Machinery & Equipment	125,345.68
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	251,530.30
Less: Accumulated Depreciation	(689,576.00)

<b>Net Property, Plant &amp; Equipment</b>	<b>1,131,185.34</b>
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**RESTRICTED CASH**

Checking Account - Waste Water Project	833.37
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<b>Total Restricted Cash</b>	<b>833.37</b>
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**OTHER ASSETS**

Deposits	14,370.00
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<b>Total Other Assets</b>	<b>14,370.00</b>
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<b>Total Assets</b>	<b>\$1,744,574.90</b>
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**East Sevier County Utility District**  
**Balance Sheet**  
**April 30, 2019**

**04/30/2019**

***LIABILITIES AND DISTRICT'S EQUITY***

***CURRENT LIABILITIES***

Accounts Payable	\$35,014.77
Sales Tax Payable	1,180.87
Payroll Taxes Payable	382.34
Unearned Revenue	22,709.00
Accrued Interest Payable	20,969.95
Customer Deposits	33,395.00
<b><i>Total Current Liabilities</i></b>	<b><u>113,651.93</u></b>

***LONG-TERM DEBT***

USDA 2018 Loan #1	148,340.00
USDA 2017 Loan #2	238,190.39
USDA 2017 Loan #3	216,083.23
<b><i>Total Long-Term Debt</i></b>	<b><u>602,613.62</u></b>

***Total Liabilities***

**716,265.55**

***DISTRICT'S EQUITY***

Retained Earnings	827,620.12
YTD Net Income	200,689.23
<b><i>Total District's Equity</i></b>	<b><u>1,028,309.35</u></b>

***Total Liabilities and District's Equity***

**\$1,744,574.90**

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

<i>April</i>			<i>YTD</i>		<b>Annual Budget</b>
<b>Actual</b>	<b>Budget</b>		<b>Actual</b>	<b>Budget</b>	
		<b>Operating Revenues</b>			
\$17,175	\$17,769	Water Sales	\$169,679	\$215,018	\$251,290
41,254	36,731	Sewer Charges	508,406	347,151	444,900
0	0	Connection Fees - Water	3,000	2,500	2,500
0	1,146	Connection Fees - Sewer	14,000	11,458	13,750
1,071	1,543	Late Charge Fees	7,779	15,431	18,517
615	923	Reconnect/Meter Sets/Other Fees	99,173	9,227	11,072
0	200	Miscellaneous Income	735	2,000	2,400
<b>60,115</b>	<b>58,312</b>	<b>Total Operating Revenues</b>	<b>802,772</b>	<b>602,785</b>	<b>744,429</b>
		<b>Operating Expenses</b>			
0	0	Unemployment Benefits	550	0	0
0	0	Training	975	0	0
159	583	Payroll Taxes	1,593	5,833	7,000
38,640	38,640	Management & Operations Contract	386,400	386,400	463,680
7,945	3,994	Utilities	40,242	39,944	47,933
1,364	1,667	Insurance	18,733	16,667	20,000
8,246	5,215	Repairs & Maintenance	31,011	52,153	62,584
0	417	Professional Outside Services	0	4,167	5,000
2,082	1,800	Directors' Fees	20,825	18,000	21,600
8,238	1,333	Legal Expenses	12,220	13,333	16,000
0	0	Accounting	7,900	7,300	7,300
1,167	1,167	Bad Debts	11,667	11,667	14,000
0	0	Dues	450	825	825
0	0	Office Expense	209	0	0
23	0	Advertising Expense	191	0	0
690	433	Permits	4,974	4,333	5,200
0	2,083	Miscellaneous Expense	32	20,833	25,000
<b>68,554</b>	<b>57,332</b>	<b>Total Operating Expenses</b>	<b>537,972</b>	<b>581,455</b>	<b>696,122</b>
<b>(8,439)</b>	<b>980</b>	<b>Net Income B/4 Other (Inc) &amp; Exp</b>	<b>264,800</b>	<b>21,330</b>	<b>48,307</b>
		<b>Other Income (Expenses)</b>			
(1,488)	0	Interest Expense	(13,426)	0	0
(4,384)	(4,384)	Depreciation	(43,840)	(43,840)	(52,608)
0	(833)	Bond Issue Costs	(6,845)	(8,333)	(10,000)
<b>(5,872)</b>	<b>(5,217)</b>	<b>Total Other Income (Expenses)</b>	<b>(64,111)</b>	<b>(52,173)</b>	<b>(62,608)</b>
<b>(\$14,311)</b>	<b>(\$4,237)</b>	<b>Net Income(Loss)</b>	<b>\$200,689</b>	<b>(\$30,843)</b>	<b>(\$14,301)</b>



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

<b>Billing Charges For the Month of:</b>	<b>Apr-19</b>	
Water Revenue		17,175.05
Sewer Revenue		43,911.61
Installment Billing -Offsite Sewer Arrears		2,657.31
Sales Taxes		1,530.70
Late Charges		1,071.48
Installation Fees-Water		-
Installation Fees-Sewer		-
Other Miscellaneous Fees		614.50
Returned Checks		-
Deposits Applied/Adjustments		(210.00)
Customer Refunds Paid		198.00
<b>Total Billing Charges</b>		<b>66,948.65</b>
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<b>Water Gallons Billed</b>		<b>667,601</b>
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<b>Water Customers Billed</b>		<b>250</b>
		<hr/>
<b>Sewer Gallons Billed</b>		<b>490,780</b>
		<hr/>
<b>Sewer Customers Billed</b>		<b>751</b>
		<hr/>

<b>Accounts Receivable</b>	<b>Apr-19</b>	
Beginning Balance		66,992.89
Billing Charges		66,948.65
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(73,176.94)
<b>End of Month Accounts Receivable</b>		<b>60,764.60</b>
		<hr/>

<b>Water Revenue Checking</b>	<b>Apr-19</b>	
Beginning Balance		294,871.81
<b>Deposits:</b>		
Accounts Receivable Collections		73,176.94
Customer Deposits		830.00
		<hr/>
		74,006.94
<b>Disbursements:</b>		
Accounts Payable Checks		(61,735.50)
Auto Debit Charges-Utilities		(4,006.68)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,503.00)
Payroll Taxes		(382.64)
Refund Checks		(200.00)
		<hr/>
End of Month Balance		299,050.93
Cash Receipts Collected To Date in:	<b>May-19</b>	68,707.19
Auto Debited Utilities in:	<b>May-19</b>	(3,952.22)
Bills Submitted for Payment in:	<b>May-19</b>	(58,105.24)
<b>Available Balance</b>		<b>305,700.66</b>
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**East Sevier County Utility District, TN**  
**Treasury Report**  
**Summary of Cash and Investments**  
**April 30, 2019**

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<b>Bank Account / Security</b>	<b>Maturity Date</b>	<b>Beginning Balance</b>	<b>Deposits</b>	<b>Interest Earned</b>	<b>Payments</b>	<b>Ending Balance</b>
<b>Checking Acct-Operations</b>		294,871.81	74,006.94	-	(69,827.82)	299,050.93
<b>Checking Acct-Alpine Road Funding</b>		62,734.82	32,419.23	-	(5,169.23)	89,984.82
<b>Checking Acct-Waste Water Plant</b>		833.37	8,695.89	-	(8,695.89)	833.37
<b>Cash on Hand</b>		60.00	-	-	-	60.00
<b>Total Cash and Investments</b>		<b>358,500.00</b>	<b>115,122.06</b>	<b>-</b>	<b>(83,692.94)</b>	<b>389,929.12</b>

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**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
May-18	17,161	222,630	666	6,983	240
Apr-18	16,979	205,469	564	6,317	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-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
May-18	35,762	352,195	514	5,562	615	63,370
Apr-18	33,480	316,433	428	5,048	580	63,500



**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**

**MAY 2019**

**Administrative**

Consumer Confidence Reports were mailed to our customers.

**Treatment**

Treatment at the wells is monitored daily.

Treatment at the wastewater plant is effective.

**Collection/Distribution**

Arranged several offsite pumping jobs

Diagnosed and replaced several floats

Installed two pumps at Offsite WWTP

Installed blow off valve on Hickory Tree

Replenished stock to prepare for future distribution needs

Staff continues to work well with contractors on Alpine Drive project

**Customer Service**

Staff continues to use verbal communication and our one-call system to effectively keep customers in the loop regarding are many construction related endeavors.

**Project Updates**

The Well C and Alpine projects are nearing completion.



## **OPERATIONS REPORT – East Sevier County Utility District**

### **Safety**

An emphasis on sharing the road with tourists continues to be a priority.

### **Regulatory**

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

### **Training**

Our youngest employee continues to be cross trained on and off the mountain.

### **Concerns for the Month**

Providing the best service we can while working to upgrade our distribution system.

### **Positives for the Month**

The last two months have been action packed. The staff has performed admirably.

### **Leak Repairs**

Numerous on and offsite repairs were made.

***East Sevier County Utility District***  
**1529 Alpine Drive**  
**Sevierville, TN 37876**  
**(865) 453-6704**

June 13, 2019

TO: East Sevier County Utility District Commissioners  
FROM: James Ford and Evan Romo  
RE: FYE 30 June 2020 Budget Proposal

The District's FYE 2020 budget is respectfully submitted for your review and consideration. The proposed budget covers the District's 2020 fiscal year revenues, expenses and debt service. A rate increase will be required in order to meet our debt service on the USDA Water Project loans closed in June 2019. The rate increase will be a \$5 increase on water availability from \$45/month to \$50/month for residential customers. There will also be a 10% increase to water rates for the commercial flat rate customers.

2020 Revenues –

- Water Sales - Growth is projected to remain relatively flat. By means of the rate increase and more accurate usage information from new meters, the proposed water revenue budget for the 2019-2020 fiscal year is an increase of 37% over the 2017-2018 budget.
- Sewer Charges - Growth in the number of sewer customers is projected to rise in the offsite developments. With a conservative projected average of 751 customers in the 2019-2020 fiscal year, sewer revenues are projected to rise 18.7%.
- Connection Fees - Total connection fee revenue is based on 2 new water customers and 15 new sewer customers, resulting in revenue of \$2,500 for new water connections and \$13,750 for new sewer connections. Total 2019-2020 proposed revenues are equal to the 2018-2019 budgeted revenues due to conservative connection fee estimates.

2019-2020 Operating Expenses

- Professional Operations –The cost of providing professional operations services increases 5.21%. Proposed FY2019-2020 expenses include a \$10,000 increase to the Alliance repair budget. This \$10,000 has been removed from the District's repair budget. Proposed professional operations expenses for FY2019-2020 total \$487,824. Without the Repair Budget change, the increase would be 2.6% to cover cost of living increases, insurance increases, and increased supply costs.
- Miscellaneous Expenses – Miscellaneous expenses have been reduced 88% due the payoff of the state fine during the 2018-2019 fiscal year.
- Total District Operating Expenses – Total operating expenses in FY2019 are budgeted at \$687,149. This amount is 1.2% under the FY2018-2019 budget and includes the Director's fees, payment of the state fine, reconciling bad debts, increased repair budget to maintain District assets, and power costs.

The budget proposal is presented on a cash needs basis. The FYE2020 budget is respectfully submitted for your consideration prior to the start of the District's 2019-2020 fiscal year.

**East Sevier County Utility District  
Sevierville, TN**

**FYE 30 June 2020 Budget Proposal  
Water and Sewer Systems**

~ Statement of Revenues and Expenditures ~

Revenue Source	Budget	Budget	Through Feb Projected Budget	Proposed Budget	Notes
	FYE 30JUN18	FYE 30JUN19	FYE 30JUN19	FYE 30JUN20	
Water Sales	251,259	251,290	203,615	279,067	
Sewer Charges	416,883	444,900	610,087	495,048	
Other Revenue	55,748	48,238	297,502	45,362	
<b>Total Revenue</b>	<b>723,890</b>	<b>744,428</b>	<b>1,111,204</b>	<b>819,477</b>	
<b>Expenditures</b>					
Operating Expenses	662,400	696,122	675,650	687,149	
<b>Total Expenditures</b>	<b>662,400</b>	<b>696,122</b>	<b>675,650</b>	<b>687,149</b>	
<b>Net Income B4 Debt &amp; Capital</b>	<b>61,490</b>	<b>48,306</b>	<b>435,554</b>	<b>132,328</b>	
<b>Debt Service</b>	<b>100</b>	<b>15,204</b>	<b>15,204</b>	<b>44,079</b>	
<b>Net Income B4 Capital</b>	<b>61,390</b>	<b>33,102</b>	<b>420,350</b>	<b>88,249</b>	
<b>Coverage</b> (1.15 or better required) <small>(debt restructured in 2009)</small>	<b>614.90</b>	<b>3.18</b>	<b>28.65</b>	<b>3.00</b>	
<b>Total 2019-2020 Capital Funded from Cash</b>				<b>\$45,000</b>	
<b>Net Income FY 2019-2020 After Capital</b>				<b>\$43,249</b>	
<b>2019-2020 Capital Funded from USDA Proceeds</b>				<b>\$1,000,000</b>	
<b>Grand Total Capital FY 2019-2020</b>				<b>\$1,045,000</b>	



**East Sevier County Utility District  
Sevierville, TN**

**FYE 30 June 2020 Budget Proposal**

~ **Statement of Revenues in Dollars** ~

<u>Revenue Source</u>	<u>Actual FYE 2017</u>	<u>Actual FYE 2018</u>	<u>Projected FYE 2019</u>	<u>Proposed FYE 2020</u>	<u>Notes</u>
Water Sales (1)	204,492	251,259	203,615	279,067	243 cust @ 2600 gals/month each, \$50 Plus Condos and EMR Flat Rates
Sewer Charges (2)	377,656	416,883	610,087	495,048	751 cust @45/month avg. Plus Condo and EMR Flat Rates & larger Bedrooms
Connection Fees - Water (3)	30,949	3,000	3,600	2,500	2 new @ \$1,250 each
Connection Fees - Sewer (4)	0	28,700	16,800	13,750	2 new paid @ \$1,250 each, 15new @ 750 each
Late Charge Fees	8,013	7,698	9,335	19,353	2.5% of Water and Sewer Base
Reconnect/NSF Check/Other Fees	0	7,750	119,008	7,359	1.75% of Water Base, 0.5 Sewer Base
Gain (Loss) Sale of Assets	0	0	0	0	
Miscellaneous	0	8,600	0	2,400	
<b>Total Revenues</b>	<b>621,110</b>	<b>723,890</b>	<b>1,111,204</b>	<b>819,477</b>	

**(1) Proposed Water Rate Structure for 2020:**

Monthly Availability Charge = \$50 per month per meter      Cover Debt Service on Water Project  
 Commodity Rate = \$3.00 per 1,000 gallon over 3,000 gallons  
 Average Typical Use 2,600 gal/month/customer = \$45 per month  
 Commercial flat rate increased 10% as well

**(2) Proposed Sewer Rate Structure for 2020:**

Monthly Availability Charge = \$48 per customer  
 Usage Charge = \$3.10 per 1,000 gallons over 3,000  
 Average Typical Water Use 2600 gal/month/customer = \$48 per month

**(3) Water Connection Fee Structure for FYE 2020:**

Residential = \$1,250 per each unit (each 3/4 inch meter setting)  
 Commercial = \$2,650 per acre or \$1,250 per unit whichever is greater

**(4) Sewer Connection Fee Structure for FYE2020:**

\$1,250 per each unit on mountain/\$750 Offsite

**East Sevier County Utility District  
Sevierville, TN**

**FYE 30 June 2020 Budget**

~ **Statement of Expenses in Dollars** ~

	<u>Actual FYE 2017</u>	<u>Actual FYE 2018</u>	<u>Budget FYE 2019</u>	<u>Projected FYE 2019</u>	<u>Proposed FYE 30JUN20</u>	<u>Notes</u>
<b><u>Operating Expenses</u></b>						
Wages	229347	73203	0	0	0	Alliance Expense
Meals		213	0	0	0	Alliance Expense
Lodging		918	0	0	0	Alliance Expense
Payroll Taxes	18853	3843	7000	1911	2,000	
Mileage Reimbursement	1022	418	0	0	0	Alliance Expense
Vehicle & Equipment Expense	48294	7007	0	0		
Management & Operations Contract		328,343	463,680	463,680	487,824	
Power and Utilities	56365	43,322	47,933	42,728	48,000	More in line with actuals
Insurance	33604	28,824	20,000	24,009	24,000	
Repairs and Maintenance	93878	61,450	62,584	29,919	53,000	Deducted 10K moved to AWR
Professional Services		0		0	0	
Engineering, misc. not project related		0		0	0	
Chemicals		1,182	0	0	0	Alliance Expense
Outside Services	10952	5,918	5,000	0	5,000	
Lab Services	11017	5,550	0	0	0	Alliance Expense
Director's Fees		24,989	21,600	24,990	25,000	In line with actuals
Legal	11698	10,426	16,000	4,773	12,000	Closer to previous actuals
Accounting	10952	7,300	7,300	7,900	7,300	
Utility Dues & Subscriptions		825	825	825	825	
Office Expense	7939	3,782	0	162	0	Alliance Expense
Bad Debts		28,021	14,000	14,000	14,000	
Permits	4974	4,334	5,200	6,426	5,200	
Reimbursed by USDA		0	0	0	0	USDA RD
Miscellaneous	6649	<u>22,532</u>	<u>25,000</u>	<u>1,719</u>	<u>3,000</u>	State Fine Paid
Depreciation	52146			52,608		
<b>Total Operating Expenses</b>	<b>597,690</b>	<b>662,400</b>	<b>696,122</b>	<b>675,650</b>	<b>687,149</b>	
<b><u>Other (Income) Expenses</u></b>						
Capital Contributions - Utility Lines		0	0	0	0	
Interest Expense		7,544	0	15,669	21,500	
Depreciation		67,499	52,608	52,608	74,400	
Bond Issue Cost		<u>9,463</u>	<u>10,000</u>	<u>6,845</u>	<u>1,000</u>	
		<b>84,506</b>	<b>62,608</b>	<b>75,122</b>	<b>96,900</b>	
					35,428	

**East Sevier County Utility District**  
**FYE 30 June, 2020 Budget Proposal**

~ **Statement of Debt Service** ~  
**Water and Sewer Debt**

**Principal and Interest - All Issues**

<u>Issue</u>	<u>FYE Budget 2017</u>	<u>FYE Budget 2018</u>	<u>FYE Budget 2019</u>	<u>FYE Budget 2020</u>	<u>FYE Budget 2021</u>	<u>Notes</u>
<b>Water Improvement Project USDA 2017</b>						
<b>Loan #2</b>						
Principal			2,325	5,873	6,064	
Interest			<u>3,150</u>	<u>9,458</u>	<u>9,267</u>	
<b>Loan #3</b>						
Principal			2,270	5,500	<u>5,783</u>	
Interest			<u>2,563</u>	<u>8,548</u>	<u>7,714</u>	
<b>Sub-Total -Principal 2017 Water Issues</b>			<u>4,595</u>	<u>11,373</u>	<u>11,847</u>	
<b>Sub-Total -Interest 2017 Water Issues</b>			<u>5,713</u>	<u>18,006</u>	<u>16,981</u>	
<b>Total 2017 USDA WI Issue</b>	<b>0</b>	<b>0</b>	<b>10,308</b>	<b>29,379</b>	<b>28,828</b>	
<b>Wastewater USDARD 2018</b>						
Principal	0	0	2,056	6,250	6,250	
Interest			<u>2,840</u>	<u>8,450</u>	<u>8,450</u>	
<b>Sub-Total -Principal 2018 Wastewater</b>			<u>2,056</u>	<u>6,250</u>	<u>6,250</u>	
<b>Sub-Total -Interest 2018 Wastewater</b>			<u>2,840</u>	<u>8,450</u>	<u>8,450</u>	
<b>Total 2018 USDA WW ISSUE</b>	<b>0</b>	<b>0</b>	<b>4,896</b>	<b>14,700</b>	<b>14,700</b>	
<b>Sub-Total -Principal All Issues</b>			<b>6,651</b>	<b>17,623</b>	<b>18,097</b>	
<b>Sub-Total -Interest All Issues</b>			<b>8,553</b>	<b>26,456</b>	<b>25,431</b>	
<b>Total Water/Sewer Debt - All Issues</b>			<b>15,204</b>	<b>44,079</b>	<b>43,528</b>	<b>Cash Needs Basis</b>

**East Sevier County Utility District**  
**FYE 30JUNE20 Fiscal Year Budget Proposal**

**Capital Improvements**

<u>Water &amp; Sewer System Improvements</u>	<u>FYE 2019-2020</u> <u>Project List</u>	<u>Funding Source</u>	<u>Life</u>	<u>Ann Depr</u>
WW Improvements	\$1,000,000		30	\$ 33,333
<b>Sub-Total System Improvements</b>	<b>\$ 1,000,000</b>	USDA Wastewater Improvement Series	30	
<b><u>Machinery and Equipment</u></b>				
Billing Software Upgrade	\$ 10,000	Cash Reserves	10	\$ 1,000
Utility Truck	\$ 20,000	Cash Reserves	5	\$ 4,000
Meters	\$ 15,000	Cash Reserves	10	\$ 1,500
<b>Sub-Total Machinery and Equipment</b>	<b>\$ 45,000</b>			
<b>GRAND TOTAL 2019-2020 Capital Improvements</b>	<b>\$1,045,000</b>			
 <b>Depreciation Total</b>				<b>\$ 39,833</b>

# EAST SEVIER COUNTY UTILITY DISTRICT

**Alliance Water Resources, Inc.**  
**Proposed Budget for July 1, 2019 thru June 30, 2020 Fiscal Year**  
**Water Production, Water Distribution, Sewer Collection, Sewer Treatment**

<u>Expense Category</u>	<u>Fiscal Years</u>		<u>% Increase</u>
	<u>FYE 2019</u> Budget	<u>FYE 2020</u> Budget	
Salary & Wages plus Standby and Overtime <sup>1</sup>	\$239,273	\$254,522	6.37%
Employee Benefits, Health & Workers Comp <sup>2</sup>	80,429	76,651	-4.70%
Office, Computer & Telephone Expense <sup>3</sup>	14,950	17,110	14.45%
Gasoline, Fuel and Travel Expenses	18,150	18,500	1.93%
Administrative & Tech Support Services	26,114	32,420	24.15%
Repair Expenses & Chemical Expense	42,100	51,200	21.62%
Materials & Supplies, Uniforms & Safety	11,000	14,150	28.64%
Equipment Interest, Insurance	10,605	21,807	105.63%
Miscellaneous Expenses	750	750	0.00%
Management Expense	<u>20,309</u>	<u>714</u>	-96.48%
<b>TOTAL BUDGET</b>	<b>\$463,680</b>	<b>\$487,824</b>	5.21%

**Notes:**

<sup>1</sup> Includes Stand-by, Overtime and Part-time

<sup>2</sup> Health Ins & Workers Compensation Increases Projected Oct 2019

<sup>3</sup> Projected upgrades to copier/scanner and computers

**East Sevier County Utility District  
1529 Alpine Drive  
Sevierville, TN 37876  
(865) 453-6704**

**Memorandum**

**Discussion/Action**

**To:** East Sevier County Utility District Board of Directors

**From:** Staff

**Date:** June 13, 2019

**Re:** Rate Restructure for the 2019-2020 Fiscal Year

---

Repayments of the water project loan from USDA must begin in this budget cycle. In order to create a positive net position fiscally, the District must increase water rates. The budget presented tonight includes a \$5 water availability increase to residential customers as well as a 10% increase to commercial customers. This increase is required to maintain good standing between the District and the Tennessee Comptroller's office.

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**APPENDIX A**

**Water Rate, Charges and Fees  
for all water customers, types and classes; for all billings after January 1, 2016**

<u>Month/Year</u>	<u>Availability Charge</u>	<u>Commodity Rate</u> <u>(per each 1,000 gals or portion thereof)</u>
January 2018 thru December 2018	\$48.00	\$3.00 per each 1,000 gallons or portion thereof

The Availability Charge listed above includes the right to take water from the District's system, 3,000 gallons is included. All water taken from the system and all water use is per the Commodity Rates listed above. Unmetered residential use will be billed a flat rate of \$48/month.

<u>*Commercial Customers Water and Sewer</u>	<u>Flat Monthly Rate</u>
English Mountain Condos	\$8,139
EMR Stables	\$56
EMR Amenities	\$707
EMR Suites	\$2,205

\*These customers are currently unmetered. Rates may be adjusted to commercial metered rates if/when meters are installed.

**Billing:**

Bills will be distributed at monthly intervals and will be due for payment at the net rate by the date listed on the bill. Any account remaining unpaid after the due date shall be considered delinquent and the District may take any such action as specified in its Rules and Regulations. The charges as hereby amended above shall become effective with all water service billings dated on or after January 1, 2018.

---

Approved: \_\_\_\_\_ Effective Date: 02/08/2018

**East Sevier County Utility District  
1529 Alpine Drive  
Sevierville, TN 37876  
(865) 453-6704**

**Memorandum**

**Discussion/Action**

**To:** East Sevier County Utility District Board of Directors

**From:** Staff

**Date:** June 13, 2019

**Re:** Water Project Loan Closing

---

The loan portion of the USDA funds for the water project will be closed tonight. Approval and signatures are required on the remaining pay applications, loan closing documents, two final draws, and the grant funds agreement.

An important issue of note is that interest accrued on the water project up to this point must be paid in full at closing. That amount is \$20,120.43. We will need a motion to pay this as well.



**AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS**

**U.S. Department of Agriculture  
Rural Development**

**PAPER WORK REDUCTION ACT AND PRIVACY ACT STATEMENT**

*The following information is provided to comply with the Privacy Act of 1974 (P.L. 93-579). The information requested on the form is required under various provisions of title 15 U.S.C. 1601, 12 CFR 205, and 31 CFR 202, for the purpose of providing authority to the Department of Treasury to designate financial institutions to collect payments, by electronic means, from your account. The information will be used for identification with the records of the government agency and the financial institution to direct your payments to the point you authorize. No deduction may be made unless a signed authorization form is received. Failure to furnish this information may delay or prevent the collection of these payments through the Automated Clearing House System.*

**INDIVIDUAL/COMPANY INFORMATION**

<b>INDIVIDUAL/ORGANIZATION NAME: (PLEASE PRINT)</b>			
1. <b>EAST SEVIER UTILITY DISTRICT</b>			
<b>STREET ADDRESS:</b>		<b>BORROWER TELEPHONE NO.</b>	
2. 1529 ALPINE DRIVE		3. 865-453-6704	
<b>CITY/STATE:</b>		<b>ZIP CODE:</b>	
4. SEVIERVILLE		5. 37876	
<b>BORROWER CASE NO.</b>	<b>PROJ. NO. (AMAS):</b>	<b>FC/LN:</b>	<b>LOAN TYPE:</b>
6. 48-078-0620927665	7.	8. 91-02	9. M-AMORTIZED
<b>PAYMENT INTERVAL:</b>	<b>START DATE:</b>	<b>PAYMENT AMOUNT:</b>	
10. MONTHLY	11. 7/13/19	12. \$1,115.00	
<b>SERVICING OFFICE CODE:</b>	<b>SERVICING OFFICE TELEPHONE NO.:</b>	<b>SERVICING OFFICE CONTACT:</b>	
13. 48-702	14. 865-523-3338, EXT 9526	15. EVETTA U. FRANKLIN	
<p>I hereby authorize the initiation of a deduction from the account and the financial institution named below to debit such account. I understand I will be notified if the debit amount needs to be adjusted, either to be increased or decreased. I also understand that I have the right to stop automatic payment by notifying my financial institution in writing three days prior to the time my account is charged.</p>			
<b>SIGNATURE: 16.</b>		<b>DATE: 17.</b>	

**FINANCIAL INSTITUTION INFORMATION**

<b>FINANCIAL INSTITUTION NAME:</b>			
18.			
<b>STREET ADDRESS:</b>			
19.			
<b>CITY/STATE:</b>			<b>ZIP CODE:</b>
20.			21.
<b>NINE-DIGIT ROUTING TRANSIT NUMBER:</b>			
22.			
<b>ACCOUNT TITLE:</b>			
23.			
<b>ACCOUNT NUMBER:</b>		25. <input type="checkbox"/> CHECKING	
		<input type="checkbox"/> SAVINGS	
<b>BANK REPRESENTATIVE SIGNATURE &amp; TITLE</b>		<b>AREA CODE:</b>	<b>BANK TELEPHONE #:</b>
26.		27.	28.
			<b>DATE:</b>
			29.

*According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0184. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.*

**AUTHORIZATION AGREEMENT FOR PREAUTHORIZED PAYMENTS**

**U.S. Department of Agriculture  
Rural Development**

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**INDIVIDUAL/COMPANY INFORMATION**

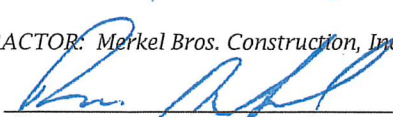
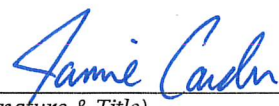
INDIVIDUAL/ORGANIZATION NAME: (PLEASE PRINT)			
1. EAST SEVIER UTILITY DISTRICT			
STREET ADDRESS:		BORROWER TELEPHONE NO.	
2. 1529 ALPINE DRIVE		3. 865-453-6704	
CITY/STATE:		ZIP CODE:	
4. SEVIERVILLE		5. 37876	
BORROWER CASE NO.	PROJ. NO. (AMAS):	FC/LN:	LOAN TYPE:
6. 48-078-0620927665	7.	8. 91-03	9. M-AMORTIZED
PAYMENT INTERVAL:	START DATE:	PAYMENT AMOUNT:	
10. MONTHLY	11. 7/13/19	12. \$961.00	
SERVICING OFFICE CODE:	SERVICING OFFICE TELEPHONE NO.:	SERVICING OFFICE CONTACT:	
13. 48-702	14. 865-523-3338, EXT 9526	15. EVETTA U. FRANKLIN	
I hereby authorize the initiation of a deduction from the account and the financial institution named below to debit such account. I understand I will be notified if the debit amount needs to be adjusted, either to be increased or decreased. I also understand that I have the right to stop automatic payment by notifying my financial institution in writing three days prior to the time my account is charged.			
SIGNATURE: 16.		DATE: 17.	

**FINANCIAL INSTITUTION INFORMATION**

FINANCIAL INSTITUTION NAME:			
18.			
STREET ADDRESS:			
19.			
CITY/STATE:		ZIP CODE:	
20.		21.	
NINE-DIGIT ROUTING TRANSIT NUMBER:			
22.			
ACCOUNT TITLE:			
23.			
ACCOUNT NUMBER:		25. <input type="checkbox"/> CHECKING	
		25. <input type="checkbox"/> SAVINGS	
BANK REPRESENTATIVE SIGNATURE & TITLE		AREA CODE:	BANK TELEPHONE #:
26.		27.	28.
			DATE:
			29.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0575-0184. The time required to complete this information collection is estimated to average 30 minutes per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

MERKEL BROS. CONSTRUCTION, INC.  
P.O. BOX 370 - 1107 MYERS STREET  
GREENEVILLE, TN 37744  
PARTIAL PAYMENT ESTIMATE NO. 3

<b>Contractor:</b> Merkel Bros. Construction, Inc.			MB's PO # 136		
<b>Owner:</b> East Sevier County Utility District					
<b>Description of Job:</b> Water System Improvements - Alpine Drive				<b>PERIOD OF ESTIMATE:</b> 04/27/19 to 05/31/19	
<b>CONTRACT CHANGE ORDER SUMMARY</b>				<b>ESTIMATE</b>	
No.	Approval	Amount			
	Date	Addition	Deduction		
1	01/24/19		78,880.00	1. Original Contract	361,540.00
				2. Change Orders	(78,880.00)
				3. Revised Contract (1+2)	282,660.00
				4. Work Completed	225,384.00
				5. Stored Materials	0.00
				6. Subtotal (4+5)	225,384.00
				7. Retainage 5% of Subtotal	11,269.20
				8. Previous Payments	137,090.26
				9. Amount Due (6-7-8)	77,024.54
<b>CONTRACT TIME</b>					
<b>Original (days)</b>		90	<b>On Schedule</b>		<b>Project Dates</b>
<b>Remaining</b>			Yes		<b>Starting Date</b> 03/25/19
			No		<b>Ending Date</b>
<b>CONTRACTORS'S CERTIFICATION</b>					
The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work for which previous payment estimates were issued and payments received from the Owner, and that current payment shown herein is now due.					
<b>CONTRACTOR:</b> Merkel Bros. Construction, Inc.					
Signed <u></u>					
(Signature & Title) Rance Merkel, President					
Date: <u>05/31/19</u>					
<b>ENGINEER'S CERTIFICATION</b>					
The undersigned certifies that the Work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the Work has been performed in accordance with the Contract Documents.					
<b>ENGINEER:</b>					
Signed <u></u>					
(Signature & Title)					
Date: <u>06/11/19</u>					
<b>APPROVED BY OWNER:</b> East Sevier County Utility District					
Signed: _____					
(Signature & Title)					
Date: _____					

Merkel Bros. Construction, Inc.  
East Sevier County Utility District

Date of Completion		Amount of Contract			Date of Estimate:						
Original		Original		361,540.00	From		04/27/19				
Revised		Revised		282,660.00	To		05/31/19				
Description of Job:					Contract No.						
Water System Improvements - Alpine Drive											
Item No.	Description of Item	Unit	Contract Quantity			Previous Period		This Period		Total To Date	
			Quantity	Cost Per Unit	Total Cost/Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount
1	Mobilization (3% maximum)	LS	1	10,000.00	10,000.00	1	10,000.00		0.00	1	10,000.00
2	6-inch Class 350 DIP Slip Joint Water Line (Std Backfill)	LF	1,810	60.00	108,600.00	918	55,080.00	844	50,640.00	1,762	105,720.00
3	6-inch Class 350 DIP Rest. Joint water line (Std backfill) (as shown on plans)	LF	550	64.00	35,200.00	457	29,248.00	202	12,928.00	659	42,176.00
4	Connect to Existing - Sta 10+00 [Inset A] (incl. 6" x 6" x 6" Tee, 6" x 4" Reducer, (2) 6" Gate Valves, 4" & 6" Caps, 4" & 6" Sleeves (C900), Misc 4" Spool (C900), Misc 6" Bends and Spool (DIP), Full stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00	0	2,125.00		0.00	25%	2,125.00
5	Connect to Existing - Sta 10+90 [Inset B] (incl. (2) 6" x 6" x 6" Tee, (3) 6" Gate Valves, (1) 6" PVC Sleeves (C900), 26 LF of 6" RJ-DIP installed by open-cut method, Misc 6" Bends and Spool (DIP), Full Stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00	0	0.00		0.00	0	0.00
6	Connect to Existing - Sta 18+30 [Inset C] (incl. 6" x 6" x 6" Tee, (3) 6" Gate Valves, (2) 2" Caps, 2" Sleeve (SDR 17), Misc 6" Bends and Spool (DIP), 6" x 2" Reducer, Full Stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00	1	4,250.00		0.00	50%	4,250.00
7	Connect to Existing - 34+00 [Inset D] (incl. 6" x 6" x 6" Tee, (3) 6" Gate Valves, (1) 6" Cap, (2) 3" Sleeves (SDR 17), Misc 6" Bends and Spool (DIP), Full Stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00	0	0.00	90%	7,650.00	90%	7,650.00
8	Connect to Existing - Sta 35+50: (2) 6" x 6" x 6" Tee, (5) 6" Gate Valves, 6" Cap, 26 LF of 6" RJ-DIP installed by open-cut method, Misc 6" Bends and Spool (DIP), 6" Sleeve (C900), Full Stone Backfill and All Appurtenances)	LS	0	12,200.00	0.00	0	0.00		0.00	0	0.00
8-REV	Abandonment of existing 6" Line - Sta. 10+90 to 34+00: (2) cut & plug of 6" line, (2) blow-offs, misc. fittings	LS	1	4,960.00	4,960.00	0	0.00		0.00	0	0.00
9	Installation of 12-inch Steel Casing - Sta 10+90: 0.25" wall, stainless steel casing spacers, end seals [Open Cut Method with Full Stone Backfill]	LF	25	130.00	3,250.00	0	0.00		0.00	0	0.00
10	2-inch Gate Valve & Box, installed	EA	1	600.00	600.00	0	0.00		0.00	0	0.00
11	3-inch Gate Valve & Box, installed	EA	1	800.00	800.00	0	0.00		0.00	0	0.00
12	4-inch Gate Valve & Box, installed	EA	1	1,000.00	1,000.00	0	0.00		0.00	0	0.00
13	6-inch Gate Valve & Box, installed	EA	2	1,200.00	2,400.00	0	0.00	2	2,400.00	2	2,400.00
14	Combination Air Release Assembly (see detail)	EA	3	1,200.00	3,600.00	0	0.00	2	2,400.00	2	2,400.00
15	Pressure Reducing Valve Assembly (see detail)	EA	0	22,000.00	0.00	0	0.00		0.00	0	0.00
16	Fire Hydrant Assembly, complete	EA	2	4,500.00	9,000.00	1	4,500.00	1	4,500.00	2	9,000.00
17	Water Service installation & reconnection (Short)-Main to Water Meter	EA	9	1,000.00	9,000.00	0	0.00	10	10,000.00	10	10,000.00
18	Blow-off Assembly	EA	3	2,000.00	6,000.00	0	0.00	2	4,000.00	2	4,000.00
19	Misc Fittings (for Storm X-ings Station 20+00 and 26+85, Sanitary Sewer Conflicts)	LBS	2,500	2.00	5,000.00	144	288.00		0.00	144	288.00
20	Gravel Drive Repair (9 driveways + 1 unpaved road)	LF	160	10.00	1,600.00	98	980.00	70	700.00	168	1,680.00
21	Asphalt Drive Repair (2 locations) (see detail)	LF	15	50.00	750.00	0	0.00		0.00	0	0.00
22	Asphalt Roadway Overlay (per detail) [2 Locations @ Lin Creek Dr, 1 Location @ Dogwood St, Sta 35+50]	SF	400	15.00	6,000.00	0	0.00		0.00	0	0.00
23	Culvert Replacement - 15" CPP	LF	50	45.00	2,250.00	0	0.00		0.00	0	0.00
24	Culvert Replacement - 18" CPP	LF	60	50.00	3,000.00	0	0.00	30	1,500.00	30	1,500.00
25	Culvert Replacement - 24" CPP	LF	20	60.00	1,200.00	0	0.00		0.00	0	0.00

Merkel Bros. Construction, Inc.  
 East Sevier County Utility District

Date of Completion		Amount of Contract			Date of Estimate:						
Original		Original	361,540.00		From		04/27/19				
Revised		Revised	282,660.00		To		05/31/19				
Description of Job:					Contract No.						
Water System Improvements - Alpine Drive											
Item No.	Description of Item	Unit	Contract Quantity			Previous Period		This Period		Total To Date	
			Quantity	Cost Per Unit	Total Cost/Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount
26	Select Backfill Material - Stone (see detail)	LF	1,100	10.00	11,000.00	750	7,500.00	390	3,900.00	1,140	11,400.00
27	Anti-Seep Collars	EA	25	150.00	3,750.00	5	750.00	6	900.00	11	1,650.00
28	Miscellaneous Concrete (encasement at sanitary sewer & storm x-ings)	LF	100	35.00	3,500.00	3	105.00		0.00	3	105.00
29	Rip Rap	LF	720	10.00	7,200.00	305	3,050.00	124	1,240.00	429	4,290.00
30	Erosion Control Matting	LF	1,000	5.00	5,000.00	85	425.00	465	2,325.00	550	2,750.00
17-B	Water service installation & reconnection (Long-Main to Water Meter)	EA	2	2,000.00	4,000.00	0	0.00	1	2,000.00	1	2,000.00
					282,660.00		118,301.00		107,083.00		225,384.00

THE EAST SEVIER COUNTY UTILITY DISTRICT OF SEVIER COUNTY, TENNESSEE

WATER AND SEWER REVENUE BONDS ANTICIPATION NOTES

(INTERIM CERTIFICATES OF INDEBTEDNESS) (TAXABLE)

\$ 52,809.61

No. 4

FOR VALUE RECEIVED, The 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 \$ 52,809.61 on or before **November 14, 2020**, together with interest at the rate of **3.250%** 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 \$291,000, issued by the District, for the purpose of providing funds to finance improvements and extensions to the System, 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, The 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 13th day of June, 2019.

---

President

ATTESTED:

---

Secretary

(Assignment)

FOR VALUE RECEIVED, the undersigned sells, assigns and transfers unto \_\_\_\_\_  
\_\_\_\_\_ the within Certificate of The 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	

23791970.1



ENGINEERS JOINT CONTRACT DOCUMENTS COMMITTEE

Contractor's Application for Payment No.

1

Table with 3 columns: To (Owner), From (Contractor), Via (Engineer); Project; Owner's Contract No., Contractor's Project No., Engineer's Project No.

Application For Payment Change Order Summary

Table with 3 columns: Number, Additions, Deductions. Includes a TOTALS row and NET CHANGE BY CHANGE ORDERS row.

Summary table with 2 columns: Description, Amount. Includes lines 1-9 for contract price, retainage, and amount due.

Handwritten blue note: 49,912.52 AC with an arrow pointing to line 8.

Contractor's Certification section with text and signature lines. Signature: Ken Davis, Date: 4/14/2019.

Approval section with signature lines for Engineer (Jannie Cash, 4/3/19) and Owner (Roy Huey, 4-17-19).

Progress Estimate - Unit Price Work

Contractor's Application

For (Contract): East Sevier County Utility District Well C					Application Number: 1					
Application Period: Thru 3/31/2019					Application Date: 4/2/2019					
A				B	C	D	E	F		
Bid Item No.	Item Description	Contract Information			Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (B - F)
		Item Quantity	Units	Unit Price						
1	Mobilization (3%)	1	LS	\$5,393.00		\$5,393.00		\$5,393.00	100.0%	
2	Demolition of Existing Steel Storage Tank	1	LS	\$14,650.00		\$14,650.00		\$14,650.00	100.0%	
3	Installation of Proposed Treatment System	1	LS	\$48,990.00						\$48,990.00
4	Installation of Proposed, Block Building	1	LS	\$57,000.00		\$14,250.00	0.25	\$14,250.00	25.0%	\$42,750.00
5	Installation of Proposed Electrical System	1	LS	\$42,185.00		\$4,218.50	0.1	\$4,218.50	10.0%	\$37,966.50
6	Installation of Water Line for Connection of Well C, Concrete Storage Tank, and Block Building	1	LS	\$8,184.00		\$8,184.00	1	\$8,184.00	100.0%	
7	2" Gate Valve and Box	1	EA	\$2,709.00						\$2,709.00
8	4" Gate Valve and Box	1	EA	\$2,922.00		\$5,844.00	2	\$5,844.00	200.0%	-\$2,922.00
9	Blow-Off Assembly	1	EA	\$1,959.00						\$1,959.00
10	Miscellaneous Stone	30	TON	\$40.00		\$1,200.00				\$1,200.00
Totals					\$185,192.00	\$52,539.50		\$52,539.50	28.4%	\$132,652.50

**BASS BERRY + SIMS<sub>PC</sub>**

150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
(615) 742-6200

**Federal Tax ID No. 62-0125540**

June 13, 2019

**600163.0100**

**EAST SEVIER COUNTY UTILITY DISTRICT OF SEVIER COUNTY, TENNESSEE  
c/o Roy Ivey  
Sevierville, Tennessee**

**IN ACCOUNT WITH: \_\_\_\_\_ BASS, BERRY & SIMS PLC**

**Services in re: \$291,000 WATERWORKS REVENUE BOND, SERIES 2017**

**Final 20% of Total Fee of \$5,000 = \$1,000**

**TOTAL DUE \$1,000**

**JAO/ndj**

26616170.1

	ESCUD USDA LOAN # 2		\$291,000		
INV	ITEMS PAID TO DATE TO BE REIMBURSED **				
#	DATE	VENDOR	DECSRIPTION	AMOUNT	DRAW #
1**	3-Jun-14	Jerry Fox Elec Service	5hp Pump & Motor	\$5,600.00	1
2**	2-Dec-14	Jerry Fox Elec Service	5hp Pump & Motor	\$4,300.00	1
3**	24-Jan-15	Tank Consultants of Tenne	Well C Concrete Basin repair	\$15,337.50	1
4**	24-Jan-15	Tank Consultants of Tenne	Well C Concrete Basin repair	\$421.26	1
5**	18-Mar-15	Kazmier & Associates, Inc	Various Well Components	\$4,115.20	1
6**	3/13/2015	Kazmier & Associates, Inc	Various Well Components	\$3,467.47	1
7**	3/14/2015	Kazmier & Associates, Inc	Various Well Components	\$3,030.60	1
8**	25-Mar-15	Kazmier & Associates, Inc	Various Well Components	\$3,905.20	1
9**	13-Mar-15	Kazmier & Associates, Inc	Inspection and verificaiton or RTU	\$525.00	1
10**	7-Jan-16	Jerry Fox Elec Service	5hp Pump & Motor	\$4,200.00	1
11**	No date	Garrison & Garrison Const	New Roof	\$15,150.75	1
12**	31-Oct-16	Blalock Lumber Co.	Well D Dumpster	\$335.00	1
13**	15-Aug-16	Jerry Fox Elec Service	Pump motor	\$3,500.00	1
14**	18-Aug-16	Jerry Fox Elec Service	New Pump & Motor	\$10,450.00	1
15**	23-Sep-16	Carl Ownby & Co. Inc	Supplies	\$411.35	1
16**	25-Oct-16	Carl Ownby & Co. Inc	Well D Filter	\$210.06	1
17**	6-Sep-16	Robert C Borneman, P.E.	Site Observation	\$2,495.33	1
18**	26-Oct-16	Robert C Borneman, P.E.	Task #3, site, and installed equipment	\$1,451.86	1
19**	7-Sep-16	SE Diving Services, LLC	Tank Leak Repair	\$2,700.00	1
20**	19-Sep-16	Aqua Clear Water Systems	Various Tank Components	\$14,589.00	1
21**	9-Mar-17	Jerry Fox Elec Service	Install 2 hp Pump	\$3,900.00	1
22**	21-Feb-17	Aqua Clear Water Systems	Read Meters, Service Well D Filters	\$250.00	1
23**	5-Sep-17	Suez	Phases 1 & 2 Well C	\$27,500.00	1
24	14-Nov-17	Bass, Berry, &Sims	Bond Council	\$4,000.00	1
25	9/30/2017	McGill	Water Improvements-Engineering	\$88,877.41	1
26	9/30/2017	Mcgill	Water Improvements-Engineering	\$2,569.44	2
27	12/31/2017	McGill	Water Improvements-Engineering	\$581.05	2
28	1/31/2018	McGill	Water Improvements-Engineering	\$1,129.40	2
29	2/28/2018	McGill	Water Improvements-Engineering	\$900.00	2
30	2/28/2018	McGill	Water Improvements-Engineering	\$700.00	2
31	3/31/2018	McGill	Water Improvements-Engineering	\$561.09	2

32	3/28/2018	McGill	Water Improvements-Engineering	\$800.00	2
33	5/2/2018	C.I. Thornburg	Water Meter Improvements-Alpine	\$878.70	3
34	5/16/2018	C.I. Thornburg	Water Meter Improvements-Alpine	\$4,894.00	3
35	5/24/2018	C.I. Thornburg	Water Meter Improvements-Alpine	\$621.02	3
36	5/24/2018	C.I. Thornburg	Water Meter Improvements-Alpine	\$304.00	3
37	6/4/2018	G&C	Water Meter Improvements-Alpine	\$3,528.70	3
38	4/2/2019	IWS, Inc	Well C Pay App 1	\$49,912.52	4
39	6/13/2019	Bass, Berry, &Sims	Loan Closing	\$1,000.00	4
			TOTAL	\$289,102.91	
			BALANCE	\$1,897.09	
			% REMAINING	<b>0.7%</b>	

EAST SEVIER COUNTY UTILITY DISTRICT OF SEVIER COUNTY, TENNESSEE

WATER AND SEWER REVENUE BOND ANTICIPATION NOTES

(INTERIM CERTIFICATES OF INDEBTEDNESS) (TAXABLE)

§ 49,916.77

No. 5

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 \$ 49,916.77 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 13th day of June, 2019.

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President

ATTESTED:

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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:


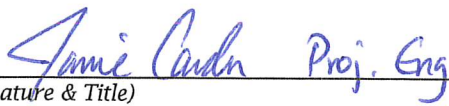

\_\_\_\_\_

(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

MERKEL BROS. CONSTRUCTION, INC.  
P.O. BOX 370 - 1107 MYERS STREET  
GREENEVILLE, TN 37744  
PARTIAL PAYMENT ESTIMATE NO. 1

<b>Contractor:</b> Merkel Bros. Construction, Inc.			MB's PO # 136		
<b>Owner:</b> East Sevier County Utility District					
<b>Description of Job:</b> Water System Improvements - Alpine Drive				<b>PERIOD OF ESTIMATE:</b> 03/25/19 to 03/28/19	
<b>CONTRACT CHANGE ORDER SUMMARY</b>				<b>ESTIMATE</b>	
No.	Approval	Amount			
	Date	Addition	Deduction		
1	01/24/19		78,880.00		1. Original Contract 361,540.00 2. Change Orders (78,880.00) 3. Revised Contract (1+2) 282,660.00 4. Work Completed 0.00 5. Stored Materials 44,129.00 6. Subtotal (4+5) 44,129.00 7. Retainage 5% of Subtotal 2,206.45 8. Previous Payments 0.00 9. Amount Due (6-7-8) 41,922.55
<b>CONTRACT TIME</b>					
<b>Original (days)</b>		90	<b>On Schedule</b>		<b>Project Dates</b>
<b>Remaining</b>			Yes		<b>Starting Date</b> 03/25/19
			No		<b>Ending Date</b>
<b>CONTRACTORS'S CERTIFICATION</b>					
The undersigned Contractor certifies that to the best of their knowledge, information and belief the work covered by this payment estimate has been completed in accordance with the Contract Documents, that all amounts have been paid by the Contractor for work for which previous payment estimates were issued and payments received from the Owner, and that current payment shown herein is now due.					
<b>CONTRACTOR:</b> Merkel Bros. Construction, Inc.					
Signed: 					
_____ (Signature & Title) Rance Merkel, President					
Date: 04/03/19					
<b>ENGINEER'S CERTIFICATION</b>					
The undersigned certifies that the Work has been carefully inspected and to the best of their knowledge and belief, the quantities shown in this estimate are correct and the Work has been performed in accordance with the Contract Documents.					
<b>ENGINEER:</b>					
Signed: 					
_____ (Signature & Title)					
Date: 4/3/19					
<b>APPROVED BY OWNER:</b> East Sevier County Utility District					
Signed: 					
_____ (Signature & Title)					
Date: 4-17-19					

Merkel Bros. Construction, Inc.  
East Sevier County Utility District

Date of Completion		Amount of Contract				Date of Estimate:						
Original		Original	361,540.00		From		03/25/19		To		03/28/19	
Revised		Revised	282,660.00									
Description of Job:					Contract No.							
Water System Improvements - Alpine Drive												
Item No.	Description of Item	Unit	Contract Quantity			Previous Period		This Period		Total To Date		
			Quantity	Cost Per Unit	Total Cost/Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount	
1	Mobilization (3% maximum)	LS	1	10,000.00	10,000.00		0.00		0.00	0	0.00	
2	6-inch Class 350 DIP Slip Joint Water Line (Std Backfill)	LF	1,810	60.00	108,600.00		0.00		0.00	0	0.00	
3	6-inch Class 350 DIP Rest. Joint water line (Std backfill) (as shown on plans)	LF	550	64.00	35,200.00		0.00		0.00	0.0	0.00	
4	Connect to Existing - Sta 10+00 [Inset A] (incl. 6" x 6" x 6" Tee, 6" x 4" Reducer, (2) 6" Gate Valves, 4" & 6" Caps, 4" & 6" Sleeves (C900), Misc 4" Spool (C900), Misc 6" Bends and Spool (DIP), Full stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00		0.00		0.00	0	0.00	
5	Connect to Existing - Sta 10+90 [Inset B] (incl. (2) 6" x 6" x 6" Tee, (3) 6" Gate Valves, (1) 6" PVC Sleeves (C900), 26 LF of 6" RJ-DIP installed by open-cut method, Misc 6" Bends and Spool (DIP), Full Stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00		0.00		0.00	0	0.00	
6	Connect to Existing - Sta 18+30 [Inset C] (incl. 6" x 6" x 6" Tee, (3) 6" Gate Valves, (2) 2" Caps, 2" Sleeve (SDR 17), Misc 6" Bends and Spool (DIP), 6" x 2" Reducer, Full Stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00		0.00		0.00	0	0.00	
7	Connect to Existing - 34+00 [Inset D] (incl. 6" x 6" x 6" Tee, (3) 6" Gate Valves, (1) 6" Cap, (2) 3" Sleeves (SDR 17), Misc 6" Bends and Spool (DIP), Full Stone Backfill and All Appurtenances)	LS	1	8,500.00	8,500.00		0.00		0.00	0	0.00	
8	Connect to Existing - Sta 35+50: (2) 6" x 6" x 6" Tee, (5) 6" Gate Valves, 6" Cap, 26 LF of 6" RJ-DIP installed by open-cut method, Misc 6" Bends and Spool (DIP), 6" Sleeve (C900), Full Stone Backfill and All Appurtenances)	LS	0	12,200.00	0.00		0.00		0.00	0	0.00	
8-REV	Abandonment of existing 6" Line - Sta. 10+90 to 34+00: (2) cut & plug of 6" line, (2) blow-offs, misc. fittings	LS	1	4,960.00	4,960.00		0.00		0.00	0	0.00	
9	Installation of 12-inch Steel Casing - Sta 10+90: 0.25" wall, stainless steel casing spacers, end seals [Open Cut Method with Full Stone Backfill]	LF	25	130.00	3,250.00		0.00		0.00	0	0.00	
10	2-inch Gate Valve & Box, installed	EA	1	600.00	600.00		0.00		0.00	0	0.00	
11	3-inch Gate Valve & Box, installed	EA	1	800.00	800.00		0.00		0.00	0	0.00	
12	4-inch Gate Valve & Box, installed	EA	1	1,000.00	1,000.00		0.00		0.00	0	0.00	
13	6-inch Gate Valve & Box, installed	EA	2	1,200.00	2,400.00		0.00		0.00	0	0.00	
14	Combination Air Release Assembly (see detail)	EA	3	1,200.00	3,600.00		0.00		0.00	0	0.00	
15	Pressure Reducing Valve Assembly (see detail)	EA	0	22,000.00	0.00		0.00		0.00	0	0.00	
16	Fire Hydrant Assembly, complete	EA	2	4,500.00	9,000.00		0.00		0.00	0	0.00	
17	Water Service installation & reconnection (Short)-Main to Water Meter	EA	9	1,000.00	9,000.00		0.00		0.00	0	0.00	
18	Blow-off Assembly	EA	3	2,000.00	6,000.00		0.00		0.00	0	0.00	
19	Misc Fittings (for Storm X-ings Station 20+00 and 26+85, Sanitary Sewer Conflicts)	LBS	2,500	2.00	5,000.00		0.00		0.00	0	0.00	
20	Gravel Drive Repair (9 driveways + 1 unpaved road)	LF	160	10.00	1,600.00		0.00		0.00	0	0.00	
21	Asphalt Drive Repair (2 locations) (see detail)	LF	15	50.00	750.00		0.00		0.00	0	0.00	
22	Asphalt Roadway Overlay (per detail) [2 Locations @ Lin Creek Dr, 1 Location @ Dogwood St, Sta 35+50]	SF	400	15.00	6,000.00		0.00		0.00	0	0.00	
23	Culvert Replacement - 15" CPP	LF	50	45.00	2,250.00		0.00		0.00	0	0.00	
24	Culvert Replacement - 18" CPP	LF	60	50.00	3,000.00		0.00		0.00	0	0.00	
25	Culvert Replacement - 24" CPP	LF	20	60.00	1,200.00		0.00		0.00	0	0.00	

Merkel Bros. Construction, Inc.  
 East Sevier County Utility District

Date of Completion		Amount of Contract				Date of Estimate:					
Original		Original		361,540.00		From		03/25/19			
Revised		Revised		282,660.00		To		03/28/19			
Description of Job:						Contract No.					
Water System Improvements - Alpine Drive											
Item No.	Description of Item	Unit	Contract Quantity			Previous Period		This Period		Total To Date	
			Quantity	Cost Per Unit	Total Cost/Unit	Quantity	Amount	Quantity	Amount	Quantity	Amount
26	Select Backfill Material - Stone (see detail)	LF	1,100	10.00	11,000.00		0.00		0.00	0	0.00
27	Anti-Seep Collars	EA	25	150.00	3,750.00		0.00		0.00	0	0.00
28	Miscellaneous Concrete (encasement at sanitary sewer & storm x-ins)	LF	100	35.00	3,500.00		0.00		0.00	0	0.00
29	Rip Rap	LF	720	10.00	7,200.00		0.00		0.00	0	0.00
30	Erosion Control Matting	LF	1,000	5.00	5,000.00		0.00		0.00	0	0.00
17-B	Water service installation & reconnection (Long)-Main to Water Meter	EA	2	2,000.00	4,000.00		0.00		0.00	0	0.00
					282,660.00		0.00		0.00		0.00



**Invoice**

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



March 31, 2019

Invoice No: 15.06204 - 4665

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

Billing Manager Jamie Carden

Project 15.06204 Water System Improvements

Send to James Ford and email Evan Romo (eromo@alliancewater.com)

Phase 053 Well C - Construction Administration

**Fee**

Total Fee 6,000.00

Percent Complete

43.7667

Total Earned

2,626.00

Previous Fee Billing

1,426.00

Current Fee Billing

1,200.00

**Total Fee**

**1,200.00**

**Total this Phase**

**\$1,200.00**

**Total Invoice - Net 30 Days**

**\$1,200.00**

**BASS BERRY + SIMS**<sub>PC</sub>

150 Third Avenue South, Suite 2800  
Nashville, TN 37201  
(615) 742-6200

**Federal Tax ID No. 62-0125540**

June 13, 2019

**600163.0300**

**EAST SEVIER COUNTY UTILITY DISTRICT OF SEVIER COUNTY, TENNESSEE**  
**c/o Roy Ivey**  
**Sevierville, Tennessee**

**IN ACCOUNT WITH:** \_\_\_\_\_ **BASS, BERRY & SIMS PLC**

**Services in re: \$266,000 WATERWORKS REVENUE BOND, SERIES 2017A**

**Final 20% of Total Fee of \$5,000 = \$1,000**

**TOTAL DUE \$1,000**

**JAO/ndj**

26616095.1



	ESCUD	USDA LOAN # 3		\$266,000	
INV	ITEMS INVOICED-UNPAID				
#	DATE	VENDOR	DECSRIPTION	AMOUNT	DRAW #1
1**	10/13/2014	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$472.50	1
2**	2/18/2016	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$2,814.00	1
3**	4/11/2016	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$5,625.00	1
4**	6/2/2016	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$450.00	1
5**	7/22/2016	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$135.00	1
6**	4/4/2017	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$1,327.50	1
7**	7/11/2017	Mark Jendrek, P.C.	Legal Services, Bond Realtd	\$450.00	1
8	8/6/2017	Suez	Well C-Annual	\$162,450.00	1
9	11/6/2107	SE Diving Services	Cleaning and Repair of Well C Tank	\$6,290.00	1
10	11/14/2017	Bass, Berry & Sims	\$266,000 Waterworks Bond	\$4,000.00	1
11	9/30/2018	McGill Eng	Well C-Bidding	\$860.00	2
12	9/30/2018	McGill Eng	Alpine Dr-Bidding	\$790.00	2
13	9/13/2018	McGill Eng	Alpine Design	\$396.94	3
14	9/13/2018	McGill Eng	Well C Design	\$1,172.29	3
15	1/31/2019	McGill Eng	Well C Construction Admin	\$800.00	3
16	1/31/2019	McGill Eng	Alpine WL Construction Admin	\$800.00	3
17	2/28/2019	McGill Eng	Well C Oversight	\$2,000.00	3
18	3/25/2019	DC&R Construction	Well C Sewer Line	\$25,250.00	4
19	3/31/2019	McGill Eng	Well C Construction Admin	\$1,200.00	5
20	4/17/2019	Merkel Bros.	Alpine Drive Pay Ap 1	\$41,922.55	5
21	6/13/2019	Bass, Berry & Sims	Loan Closing	\$1,000.00	5
			TOTAL	\$260,205.78	
			BALANCE	\$5,794.22	
			% REMAINING	2.2%	



June 13, 2019

TO: East Sevier County Utility District (ESCUD)  
Board of Directors

FROM: Evan Romo

RE: Alliance Contract Update Proposal

Alliance has managed and operated the District's facilities for the Board since October 9<sup>th</sup> of 2017. We have been pleased with the progress made by the District and look forward to continued improvements in the coming years.

The original contract was written with a three-year term ending September 30<sup>th</sup>, 2020.

Alliance Water Resources personnel are in the process of negotiating contracts with the offsite wastewater developments which ESCUD operates. In order to promote stability and a long-term relationship between ESCUD and the District's customers, AWR offers the attached Memorandum of Agreement (MOA) for your consideration.

The MOA does the following:

- Extends the contract between Alliance Water Resources and East Sevier County Utility District for an additional 5-year period.
- Provides for an increase of 5.21%. This increase allows for an additional \$10,000 in the AWR repair limit. That \$10,000 has been removed from the repair line in the District's expense budget.
- Raises the AWR repair spending limit from \$700 per expense to \$1,500.

The draft budget submitted for review has the proposed changes to the Alliance contract incorporated.

The FYE 2019 Budget that is submitted for review will need to be approved no later than June 30<sup>th</sup>, 2019.

Thank you for your consideration of the proposed amendment, and for the opportunity to serve.

Cc:  
James A. Sneed, P.E.  
Regional Operations Manager

**MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement has been entered into this 13<sup>th</sup> day of June, 2019 by and between the East Sevier County Utility District, (hereinafter referred to as "Utility"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify a Certain Professional Operating Services Agreement dated 12 September 2017 between the East Sevier County Utility District and Alliance.

Pursuant to Section 13.1, the Service Agreement is modified under the following sections:

5.4 In addition, any individual project repair costs in excess of \$1,500 shall be considered extraordinary.

6.1 Utility shall pay Alliance a Base Fee of \$487,824.00 (\$40,652/month) for services rendered as described on the agreement.

The monthly base fee is a fixed monthly base fee and includes a \$39,900.00 Repair Limit and a \$12,200 Chemical Limit as described in the agreement.

9.1 This Agreement shall become effective on 1<sup>st</sup> day of July, 2019 and shall remain in effect through the 30<sup>th</sup> day of June 2026, subject to annual appropriation of funds by Utility. If Utility appropriates funds for operation and/or maintenance of the Utility System this Agreement shall remain in force and effect.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above. Both parties indicate their approval of this Agreement by their signatures below.

Authorized Signature

Authorized Signature

\_\_\_\_\_  
President  
Alliance Water Resources

\_\_\_\_\_  
President  
East Sevier County Utility District

\_\_\_\_\_  
Date

\_\_\_\_\_  
Date

ATTEST:

\_\_\_\_\_  
Secretary

\_\_\_\_\_  
District Clerk