

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

October 10, 2019

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the September 12, 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) Wastewater treatment plant discussion
- 8) Adjournment – Next regular meeting to be held on Thursday, Nov 14, 2019 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, September 12, 2019

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, September 12, 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 5:28 p.m. for any old or new business.

A motion to approve the minutes of the August 15, 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 Janice; Barbara seconded the motion. Motion carried.

Reports

James Ford, Local Manager, went over various points of the financial report with the Board. Barbara motioned to approve the financial report as presented, Janice seconded the motion. Motion carried.

James then submitted the operations report. Darrell oversaw 1,000 feet of sewer main installation at Hibernation Station. We installed three pump kits at offsite resort communities.

On the Mountain, We added surge protection for the Well C treatment system. The electric company is putting through 130 volts rather than 120 volts, which burned up a couple of the small power supplies. The Well C tank cleaning and repair was successful. We also identified a faulty flow meter at the Well D treatment system.

We received a letter from TDEC indicating that they are satisfied with the corrective actions taken in regard to a previously issued director's order. This has saved us a considerable amount of money.

The installation of a blow-off valve to replace one that had been damaged has had a positive impact on water quality and customer confidence in the Utility.

Our August safety meeting was on Lock Out Tag Out. Staff are participating in online security training to further ensure the protection of ESCUD/Alliance documents and

information. Our newest employee is excelling on the backhoe. Employee hydration is always concern in the summer months. Water leaks were addressed on John Sevier, Magnolia, and the Well A/B site. Sewer leaks were addressed on Aintree Drive and Sherwood Forest Resort.

Persons to be Heard

None

Old Business

None

New Business

Evan Romo discussed the status of the new wastewater treatment plant here on the Mountain. The State approved the plans a year ago, but the chief engineer later said we had to have two trains at the wastewater plant for redundancy, which will cost nearly 50% more than we originally planned to spend. We met with TDEC recently, and they agreed to give us more time to explore other treatment methods that would cost less. We must basically start over; we do not want to have to pass that cost off on our customers. Installing a sand filter is a possible alternative. We had a soil scientist examine the soil to see if the idea is feasible, but have not received the results yet.

Roy mentioned that we need lids for some of the manholes in the area to prevent rainwater from washing into our system. Roy and James will look to see where the missing lids are and begin replacing them.

Requirements for paperwork submitted to the USDA for grant money has changed. We merely need to sign the invoices to get approval. Barbara motioned to approve payment of the invoices on hand; Janice seconded the motion. Motion carried.

James called attention to an invoice that was included in the Board packet. The invoice is from Sevier County Water in the name of Douglas Lake Resort. It seems a break in a line inside the wastewater plant had leaked, causing their water bill to double. Kim Broyhill had requested that we pay the extra charge. The Board agreed to pay them \$2,000. We have installed a shutoff valve on their side, which will be left off until needed.

The next regular meeting will be held on Thursday, October 10, 2019, at 5:30 p.m.

Adjournment

Roy Ivey motioned, and Barbara Darby seconded the motion, to adjourn at 5:50 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
10-Oct-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	October 2019 Services, Inv# 8528	\$ 44,324.88
First Tennessee Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Ad# 30872792 for September 2019, Board meeting ad	\$ 25.88
Big Orange Electric	Inv#2013, New pump install on 03/05/19	\$ 500.00
Tri-County Services	Inv# 9619, pump septic, 09/06/19	\$ 600.00
Drillers Service LLC	Order# 10156193-00 dated 09/03/19, pumps	\$ 450.49
Orenco Systems, Inc.	Inv# 359235 dated 09/23/19 pump kits	\$ 9,104.84
Dennis Clarkson	Refund deposit plus overpayment	\$ 150.00
Tony Acosta, 10-90100-1	Refund deposit minus balance due	\$ 55.50
Total Regular Checking for Consideration		\$ 59,070.74

Charges and Bills Paid from Regular Checking Since September 12, 2019

Douglas Lake Resort	Reimbursement for Douglas Lake water bill-Leak on our side of w	\$ 2,000.00
Sevier County Electric	Utility	\$ 3,514.42
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 101.16
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
USDA	Loan Repayment, July and August	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,834.00
IRS	Payroll tax	\$ 382.64
Total Regular Checking Charges and Bills Paid		\$ 10,008.71

Grand Total Regular Checking \$ 69,079.45

Charges and Bills Paid from Alpine Drive fund Since September 12, 2019

Innovative Wastewater Solutions, Inc.	Treatment Building Construction, July 2019	\$ 114,822.22
Merkel Bros. Constructions, Inc.	BOV Installation, Jun/Jul 2019	\$ 19,196.85
McGill Associates, P. A.	Alpine Road Construction, April through July 2019	\$ 16,700.00
McGill Associates, P. A.	Well C Construction, April through July 2020	\$ 8,078.46
Total Alpine Drive Fund Checking Charges and Bills Paid		\$ 158,797.53

Charges and Bills Paid from WWTP fund Since September 12, 2019

Total WWTP Fund Checking Charges and Bills Paid \$ -

East Sevier County Utility District
Balance Sheet
August 31, 2019

08/31/2019

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$258,534.72
Checking Account - Alpine Rd Funding	80,426.13
Cash on Hand	60.00
Total Cash	339,020.85
Accounts Receivable	154,132.37
Allowance for Doubtful Accts	(21,538.14)
Unbilled Accounts Receivable	6,045.00
Inventory	16,819.70
Prepaid Expenses	13,462.33
Total Current Assets	507,942.11

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	2,114,424.68
Buildings	69,235.68
Machinery & Equipment	126,297.55
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	633,328.44
Less: Accumulated Depreciation	(1,131,241.33)
Net Property, Plant & Equipment	1,893,450.40

RESTRICTED CASH

Construction Account - Waste Wtr Project	833.37
Total Restricted Cash	833.37

OTHER ASSETS

Deposits	14,370.00
Total Other Assets	14,370.00

Total Assets	\$2,416,595.88
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East Sevier County Utility District
Balance Sheet
August 31, 2019

08/31/2019

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$37,709.16
Sales Tax Payable	1,834.07
Payroll Taxes Payable	382.60
Unearned Revenue	26,417.05
Accrued Interest Payable	4,076.58
Customer Deposits	36,640.00
<i>Total Current Liabilities</i>	<u>107,059.46</u>

LONG-TERM DEBT

USDA 2018 Loan #1	412,810.75
USDA 2017 Loan #2	291,000.00
USDA 2017 Loan #3	266,000.00
<i>Total Long-Term Debt</i>	<u>969,810.75</u>

Total Liabilities

1,076,870.21

DISTRICT'S EQUITY

Retained Earnings	1,319,775.29
YTD Net Income	19,950.38
<i>Total District's Equity</i>	<u>1,339,725.67</u>

Total Liabilities and District's Equity

\$2,416,595.88

East Sevier County Utility District
Statements of Revenues and Expenses
For the Two Months Ending August 31, 2019
Actual vs Budget

August

YTD

**Annual
Budget**

<u>August</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$18,581	\$21,455	Water Sales	\$37,539	\$47,359	\$279,067
43,374	39,708	Sewer Charges	86,716	82,860	495,048
0	1,250	Connection Fees - Water	0	2,500	2,500
0	1,146	Connection Fees - Sewer	8,000	2,292	13,750
(25)	1,613	Late Charge Fees	994	3,226	19,353
2,657	613	Reconnect/Meter Sets/Other Fees	17,442	1,227	7,359
0	200	Miscellaneous Income	0	400	2,400
64,587	65,985	Total Operating Revenues	150,691	139,864	819,477
		Operating Expenses			
159	167	Payroll Taxes	319	333	2,000
40,652	40,652	Management & Operations Contract	81,304	81,304	487,824
3,752	4,000	Utilities	8,645	8,000	48,000
2,312	2,000	Insurance	4,623	4,000	24,000
6,989	4,417	Repairs & Maintenance	9,267	8,833	53,000
0	417	Professional Outside Services	0	833	5,000
2,082	2,083	Directors' Fees	4,165	4,167	25,000
0	1,000	Legal Expenses	0	2,000	12,000
0	0	Accounting	0	0	7,300
1,167	1,167	Bad Debts	2,333	2,333	14,000
0	0	Dues	0	0	825
26	0	Advertising Expense	52	0	0
0	0	Permits	3,412	3,412	5,200
0	250	Miscellaneous Expense	0	500	3,000
57,139	56,153	Total Operating Expenses	114,120	115,715	687,149
7,448	9,832	Net Income B/4 Other (Inc) & Exp	36,571	24,149	132,328
		Other Income (Expenses)			
(1,862)	(1,792)	Interest Expense	(4,220)	(3,583)	(21,500)
(6,200)	(6,200)	Depreciation	(12,400)	(12,400)	(74,400)
0	(83)	Bond Issue Costs	0	(167)	(1,000)
(8,062)	(8,075)	Total Other Income (Expenses)	(16,620)	(16,150)	(96,900)
(\$614)	\$1,757	Net Income(Loss)	\$19,951	\$7,999	\$35,428

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

Billing Charges For the Month of:	Aug-19	
Water Revenue		18,581.13
Sewer Revenue		44,386.56
Installment Billing -Offsite Sewer Arrears		1,012.97
Sales Taxes		1,834.10
Late Charges		(25.42)
Installation Fees-Water		-
Installation Fees-Sewer		-
Other Miscellaneous Fees		2,656.69
Returned Checks		-
Deposits Applied/Adjustments		(315.00)
Customer Refunds Paid		312.41
Total Billing Charges		<u>68,443.44</u>
Water Gallons Billed		<u>949,584</u>
Water Customers Billed		<u>246</u>
Sewer Gallons Billed		<u>509,540</u>
Sewer Customers Billed		<u>769</u>

Accounts Receivable	Aug-19	
Beginning Balance		<u>94,158.72</u>
Billing Charges		68,443.44
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		<u>(78,393.94)</u>
End of Month Accounts Receivable		<u>84,208.22</u>

Water Revenue Checking	Aug-19	
Beginning Balance		262,815.10
Deposits:		
Accounts Receivable Collections		78,393.94
Cash Deposit V. Cash Posted In System Timing Difference		(100.00)
Customer Deposits		935.00
Other - (AWR Reimbursement)		<u>1,302.68</u>
		80,531.62
Disbursements:		
Accounts Payable Checks		(54,367.01)
Bank Error to be Refunded in September		(18,015.40)
USDA Loan Payment		(4,152.00)
Auto Debit Charges-Utilities		(3,948.46)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,691.00)
Refund Checks		(255.49)
Payroll Taxes		<u>(382.64)</u>
End of Month Balance		258,534.72
Cash Receipts Collected To Date in:	Sep-19	85,299.19
Auto Debited Utilities in:	Sep-19	(3,716.07)
Bills Submitted for Payment in:	Sep-19	<u>(69,199.05)</u>
Available Balance		<u>270,918.79</u>

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
August 31, 2019

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		262,815.10	80,531.62	-	(84,812.00)	258,534.72
Checking Acct-Alpine Road Funding		78,426.13	2,000.00	-	-	80,426.13
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		342,134.60	82,531.62	-	(84,812.00)	339,854.22

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Aug-19	19,662	38,620	950	1,927	246
Jul-19	18,958	18,958	977	977	246
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

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
Aug-19	45,454	89,790	510	1,186	769	78,394
Jul-19	44,335	44,335	676	676	762	88,359
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



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

September 2019

Administrative

The office manager's new computer has been installed. We are now prepared for future software upgrades.

Treatment

Treatment at the wells is monitored daily. Water treatment has improved since the installation of the filters at well C.

Treatment at the wastewater plant is effective. All monthly parameters were within permit limits.

Collection/Distribution

Installed asphalt patch at offsite collection repair

Installed two pump kits at Smoky Mountain Ridge.

Successfully addressed situation with a control box at Douglas Lake Resort.

Emergency lighting installed on ESCUD utility truck.

Repaired a two inch bypass on Alpine Drive.

Cleaned up a repair site on John Sevier Drive.

Customer Service

Staff responded quickly to a customer concern on Bourne Way.

Project Updates

WWTP negotiations with TDEC are ongoing.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Our September meeting was on Confined Space Entry.

Regulatory

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

Training

A staff member is scheduled to attend a week long TAUD course on collection systems operations.

Concerns for the Month

Wasps and yellow jackets are fierce. Wasp spray has been purchased and distributed to all employees.

Positives for the Month

Positive feedback regarding water quality is still being received by staff.

Leak Repairs

Water leaks were addressed on Aintree, Alpine, and ½ High.

Sewer leaks were addressed at SMR, DLR, and Low Sunset Drive.