

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

August 13, 2020

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the July 11, 2020 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
 - **Dan Barnett-Blue Ridge Development- The Preserves**

OLD BUSINESS:

- 6) None

NEW BUSINESS:

- 7) Project update
- 8) Memorandum – Auditing Services (Verbal approval by Board Members during month)
- 9) Proposal for Filtration System for Wells A/B
- 10) Adjournment – Next regular meeting to be held on Thursday, Sept. 10, 2020 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, July 09, 2020

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, July 09, 2020, 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 5:31 p.m. for any old or new business.

A motion to approve the minutes of the June 11, 2020, 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

John Haak, Local Manager, went over key points of the financials with the Commissioners. Janice motioned to approve the financial report as presented; Barbara seconded the motion. Motion carried.

John discussed operations for the month of June. We received the Sensus equipment back from being repaired. It is working better than it was before. New trucks have been purchased and will be delivered mid-August. John asked permission to purchase tool boxes for the trucks. Barbara motioned to approve the purchase of two new tool boxes for the new trucks; Janice seconded the motion. Motion carried.

In June on the Mountain, we repaired the lift station pump hose connections at the English Mountain Condos after receiving complaints from the tenants about the odor and flushed lines in the Well C distribution area. Two water leaks were addressed on Honeysuckle and Half High. AquaClear was on site to do some repair/replenish work on the Well D filtration unit. They also visited Wells A/B in order to obtain information about a turnkey installation of a filtration system there similar to the systems at Wells C and D.

Offsite we installed two pump kits at Smoky Mountain Ridge and made repairs to the drip field at Lashbrooke.

Our June safety meeting was a continued discussion concerning COVID19. The new line locator was received and put to good use. We distributed the 2019 Consumer Confidence Report (CCR) to the English Mountain Condos and Rehab Center. We posted the report in the main lobby of the office and the drive-up window for all other English Mountain residents to view. We also mailed notices to all customers affected by the rate increases.

A Lashbrooke homeowner claimed that the drip field lines are encroaching on her property; she wants them removed. We have ordered a survey of the area and contacted the Utility District's attorney, Mark Jendrek, about the situation for legal advice.

Persons to be Heard

Gary Miller, aka KC, of 1606 Lin Creek Drive, asked for forgiveness of half the water and sewer overage on his June bill. Two toilets went bad, but he did not realize it before his usage reached 17,700 gallons. His water/sewer bill was \$315.44. He has since fixed both toilets. His stepdad, Kenneth Sedgwick, actually owns the property, he said. The owner information is actually "Mary Anne Miller, et al." The Board granted him a once-in-twelve-month forgiveness of half the water overage and half the sewer overage.

Pete Kleinman, Fire Chief for the English Mountain Volunteer Fire Dept. (EMVFD), asked what happened concerning the survey that was to be done per the June 2020 Board meeting for the transfer of property from ESCUD to the EMVFD. John is to call to make arrangements to have the survey done. Chief Kleinman also said that the water and sewer connection to the Quonset hut needs to be moved. John told him we would take care of it when the new building is ready for it. A tree had fallen on the building during a storm a while back.

Old Business

None

New Business

John reported that Evan had heard from Jamie Carden. The draft permit is on the way, and bids will begin late August, early September, for the installation of the new WWTP.

The next regular meeting will be held on Thursday, August 13, 2020, at 5:30 p.m.

Adjournment

Roy motioned, and Barbara seconded the motion, to adjourn at 6:04 p.m. Motion carried.

Secretary-Treasurer

East Sevier County Utility District
List of Bills
11-Jun-20

Regular Checking for Consideration

Total

18857	Barbara Darby	Meeting fee	\$ 266.05
18858	Janice Brooks-Headrick	Meeting fee	\$ 277.05
18859	Roy Ivey	Meeting fee	\$ 266.05
18860	Barbara Darby	Insurance payment	\$ 350.00
18861	Janice Brooks-Headrick	Insurance payment	\$ 350.00
18862	Roy Ivey	Insurance payment	\$ 350.00
18863	Alliance Water Resources, Inc	May 2020 Services, Invoice# 8890	\$ 40,652.00
18864	First Horizon Bank	Alpine Drive Fund	\$ 2,000.00
18865	The Mountain Press	Notice, Ad# 30902422, 05/09/20	\$ 25.88
18866	Mark Jendrek	Inv# 15705, Legal Services on 04/09/20	\$ 137.50
18867	Power Pumping	Inv# 8620, Pump out 2 lift stations on 03/10/20	\$ 700.00
		Inv# 9041, Pump & haul 1 load, 4,000 gal. on 05/05/20	\$ 700.00
		Inv# 9357, Pump customer tanks from 3302-3352 Lonesome Pine on 05/18-5/21	\$ 7,350.00
18868	Big Orange Electric	Inv# 2079, April new installs	\$ 2,500.00
		Inv# 2080, April service calls/site work	\$ 2,565.00
		Inv# 2081, April service calls	\$ 285.00
18869	Selective Insurance Company of America	Workers Compensation premium, Pol# WC7959420, Effective 02/12/19	\$ 48.00
18870	Utility Service Co., Inc. (Suez)	Inv# 509190, Well C-Annual Maintenance	\$ 10,183.43
18871	Rebecca Bartley, 8-52400-2	Refund deposit minus balance	\$ 104.63
18872	Mark McGill, 1-20600-1	Refund deposit	\$ 105.00
18873	PrintEZ	Accounts Payable checks	\$ 46.98
18874	Dawn Wimberly	Refund-Paid in error	\$ 100.00
Total Regular Checking Charges and Bills Paid			\$ 69,362.57

Charges and Bills Paid from Regular Checking Since May 14, 2020

18856	Smokey's Auto Repair	Repair Ford F-350, May 2020	\$ 1,968.29
	Sevier County Electric	Utility	\$ 3,416.00
	Sevier County Water	Utility	\$ 42.25
	Appalachian Electric	Utility	\$ 169.20
	City of Pigeon Forge Water & Sewer	Utility	\$ -
	USDA	Loan Repayment	\$ 2,076.00
	State of Tennessee	Monthly Sales Tax	\$ 2,620.00
	IRS	Payroll Tax-4th Qtr 2018	\$ 382.64
	Bank fee	Analysis Service Charge	\$ 269.66
Total Regular Checking Charges and Bills Paid			\$ 8,975.75

Grand Total Regular Checking \$ 78,338.32

Charges and Bills Paid from Alpine Drive Fund Since May 14, 2020

Total Alpine Drive Fund Checking Charges and Bills Paid \$ -

Charges and Bills Paid from WWTP Fund Since May 14, 2020

Total WWTP Fund Checking Charges and Bills Paid

East Sevier County Utility District
Balance Sheet
June 30, 2020

06/30/2020

06/30/2019

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$336,176.20	\$292,952.12
Checking Account - Alpine Rd Funding	83,869.85	76,426.13
Cash on Hand	100.00	60.00
Total Cash	420,146.05	369,438.25
Accounts Receivable	179,186.85	145,803.22
Allowance for Doubtful Accts	(32,962.30)	(18,000.00)
Unbilled Accounts Receivable	6,045.00	6,045.00
Inventory	61,091.40	9,786.88
Prepaid Expenses	21,110.38	7,118.67
Total Current Assets	654,617.38	520,192.02

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80	31,657.80
Distribution & Collection System	2,199,180.48	2,126,403.10
Buildings	69,235.68	69,235.68
Machinery & Equipment	121,349.26	114,698.67
Vehicles & Trailer(s)	49,272.58	61,272.58
Construction Work in Progress	832,842.72	647,523.44
Less: Accumulated Depreciation	(1,137,221.00)	(1,068,121.00)
Net Property, Plant & Equipment	2,166,317.52	1,982,670.27

RESTRICTED CASH

Construction Account - Waste Wtr Project	833.37	833.37
Total Restricted Cash	833.37	833.37

OTHER ASSETS

Deposits	14,370.00	14,370.00
Total Other Assets	14,370.00	14,370.00

Total Assets	\$2,836,138.27	\$2,518,065.66
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East Sevier County Utility District
Balance Sheet
June 30, 2020

	06/30/2020	06/30/2019
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$23,848.77	\$347,964.80
Sales Tax Payable	2,563.35	1,513.00
Payroll Taxes Payable	382.40	382.64
Unearned Revenue	26,417.05	26,417.05
Accrued Interest Payable	369.59	4,008.55
Customer Deposits	43,891.00	34,655.00
Total Current Liabilities	97,472.16	414,941.04
LONG-TERM DEBT		
USDA 2018 Loan #1	172,237.97	148,340.00
USDA 2017 Loan #2	286,981.02	291,000.00
USDA 2017 Loan #3	262,522.78	266,000.00
Total Long-Term Debt	721,741.77	705,340.00
Total Liabilities	819,213.93	1,120,281.04
DISTRICT'S EQUITY		
Retained Earnings	1,397,784.62	1,301,647.67
YTD Net Income	619,139.72	96,136.95
Total District's Equity	2,016,924.34	1,397,784.62
Total Liabilities and District's Equity	\$2,836,138.27	\$2,518,065.66

East Sevier County Utility District
Statements of Revenues and Expenses
For the Twelve Months Ending June 30, 2020
Actual vs Budget

June

YTD

June			YTD		Annual Budget
Actual	Budget		Actual	Budget	
		Operating Revenues			
\$19,239	\$26,523	Water Sales	\$226,009	\$279,067	\$279,067
48,841	35,188	Sewer Charges	553,322	495,048	495,048
0	0	Connection Fees - Water	1,250	2,500	2,500
3,000	1,146	Connection Fees - Sewer	43,000	13,750	13,750
(10)	1,613	Late Charge Fees	6,612	19,353	19,353
(3,198)	613	Reconnect/Meter Sets/Other Fees	162,740	7,359	7,359
(6,200)	0	Gain (Loss) on Sale of Assets	(5,700)	0	0
0	200	Miscellaneous Income	400	2,400	2,400
61,672	65,283	Total Operating Revenues	987,633	819,477	819,477
		Operating Expenses			
159	167	Payroll Taxes	1,912	2,000	2,000
40,652	40,652	Management & Operations Contract	487,824	487,824	487,824
3,025	4,000	Utilities	45,061	48,000	48,000
2,411	2,000	Insurance	28,224	24,000	24,000
8,004	4,417	Repairs & Maintenance	73,744	53,000	53,000
125	0	Vehicle Maintenance	125	0	0
0	417	Professional Outside Services	450	5,000	5,000
2,082	2,083	Directors' Fees	24,989	25,000	25,000
688	1,000	Legal Expenses	9,017	12,000	12,000
0	0	Accounting	8,800	7,300	7,300
1,167	1,167	Bad Debts	14,000	14,000	14,000
0	0	Dues	0	825	825
0	0	Office Expense	47	0	0
26	0	Advertising Expense	304	0	0
0	0	Permits	7,262	5,200	5,200
261	250	Miscellaneous Expense	1,827	3,000	3,000
58,600	56,153	Total Operating Expenses	703,586	687,149	687,149
3,072	9,130	Net Income B/4 Other (Inc) & Exp	284,047	132,328	132,328
		Other Income (Expenses)			
0	0	Grant Income	423,268	0	0
(460)	(1,792)	Interest Expense	(13,777)	(21,500)	(21,500)
(6,200)	(6,200)	Depreciation	(74,400)	(74,400)	(74,400)
0	(83)	Bond Issue Costs	0	(1,000)	(1,000)
(6,660)	(8,075)	Total Other Income (Expenses)	335,091	(96,900)	(96,900)
(\$3,588)	\$1,055	Net Income(Loss)	\$619,138	\$35,428	\$35,428

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

Billing Charges For the Month of:		Jun-20
Water Revenue		19,239.22
Sewer Revenue		49,695.89
Installment Billing -Offsite Sewer Arrears		855.25
Sales Taxes		968.31
Late Charges		(9.98)
Installation Fees-Water		-
Installation Fees-Sewer		3,000.00
Other Miscellaneous Fees		(3,198.20)
Returned Checks		64.00
Deposits Applied/Adjustments		(305.00)
Customer Refunds Paid		309.63
Total Billing Charges		<u>70,619.12</u>
Water Gallons Billed		<u>1,032,271</u>
Water Customers Billed		<u>247</u>
Sewer Gallons Billed		<u>621,200</u>
Sewer Customers Billed		<u>841</u>
<hr/>		
Accounts Receivable		Jun-20
Beginning Balance		165,394.44
Billing Charges		70,619.12
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(95,516.93)
End of Month Accounts Receivable		<u>140,496.63</u>
<hr/>		
Water Revenue Checking		Jun-20
Beginning Balance		317,182.86
Deposits:		
Accounts Receivable Collections		95,516.93
Customer Deposits		1,920.00
Sale of District Owned Truck		500.00
Refund Selective Insurance		39.09
		<u>97,976.02</u>
Disbursements:		
Accounts Payable Checks		(68,517.94)
Auto Debit Charges-Utilities		(3,118.42)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(2,085.00)
Refund Checks		(309.63)
Payroll Taxes		(382.64)
Charge backs		(232.00)
Bank fees		(261.05)
End of Month Balance		<u>336,176.20</u>
Cash Receipts Collected To Date in:	Jul-20	95,563.40
Cash Receipts Collected To Date in:	Aug-20	12,035.58
Auto Debited Utilities in:	Jul-20	(3,270.30)
Bills Submitted for Payment in:	Jul-20	(64,091.99)
Available Balance		<u><u>376,412.89</u></u>

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
June 30, 2020

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		317,182.86	97,976.02	-	(78,982.68)	336,176.20
Checking Acct-Alpine Road Funding		81,869.85	2,000.00	-	-	83,869.85
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		399,986.08	99,976.02	-	(78,982.68)	420,979.42

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Jun-20	19,948	241,664	1,032	12,014	247
May-20	19,393	221,715	911	10,982	247
Apr-20	19,479	202,322	956	10,071	246
Mar-20	20,417	182,843	979	9,115	248
Feb-20	18,829	162,426	761	8,136	246
Jan-20	19,615	143,597	931	7,375	246
Dec-19	19,456	123,982	883	6,444	246
Nov-19	26,715	104,527	1,740	5,561	247
Oct-19	19,447	77,812	930	3,821	247
Sep-19	19,745	58,365	964	2,891	246
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

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
Jun-20	49,449	572,773	621	7,531	841	95,517
May-20	48,576	523,324	528	6,910	839	82,140
Apr-20	48,098	474,748	576	6,382	806	86,379
Mar-20	48,235	426,650	569	5,806	799	78,211
Feb-20	46,901	378,415	452	5,237	788	79,590
Jan-20	47,529	331,514	605	4,785	784	68,926
Dec-19	46,625	283,985	491	4,180	782	91,695
Nov-19	54,957	237,360	1,438	3,689	778	65,064
Oct-19	46,455	182,403	543	2,251	777	88,106
Sep-19	46,158	135,947	522	1,708	774	83,813
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

OUR
MISSION

We partner with communities to deliver the finest water and wastewater services available at a competitive price. We are committed to keeping water safe and clean while serving people and taking care of communities with improved technical operations, careful management and financial oversight, and ensured regulatory compliance.

Alliance Water Resources, Inc.

**206 S. Keene
St. Columbia,
MO 65201**

(573)874-8080

OPERATIONS REPORT – East Sevier County Utility District

July 2020

Administrative

New postage meter was put into service.

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 pump kit at Hibernation Station.

Mitigated conflict with Lashbrooke Subdivision Lot 43. Lines on Drip Field Lot A were relocated off of homeowner's lot.

Repaired broken drip field lines on Lashbrooke Subdivision Drip Field Lot B.

Resolved ongoing issue of losing water out of Well C Storage Tank. Found Faulty SCADA communication relay. Faulty relay kept Wells A/B pumps off while Well C furnished water for entire distribution area.

Customer Service

Investigated complaint from Douglas Lake Subdivision. Customer was stating that road was sinking where previous repairs were made. Roadway was paved utilizing contractor hired by subdivision already there performing other paving needs.

Project Updates

New wastewater permit was printed and posted.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Held monthly safety meeting. Topics were Sewage, Wastewater and Water Line Maintenance Safety and Excavation and Trenching

Regulatory

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

Training

Ongoing employee training.

Concerns for the Month

Unable to furnish water to the gatehouse at the Preserves. Developer agreed to mow and weedat in areas we need access to for line locating and leak detection. Several thousands of gallons of water sent Preserves with negative results.

Positives for the Month

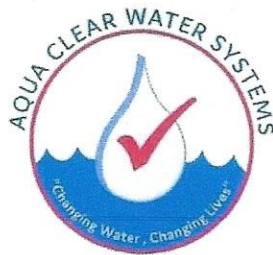
Addressed Lashbrooke Lot 43 drip field encroachment issue.

Leak Repairs

Repaired 6” water line leak on Glasgow Road.

Repaired 6” water line leak on Dar Van Way.

Repaired 4” water line leak on Rich Mountain Road.



ESCU D Professional Water Treatment for Wells A & B to remove Iron, Sediment, Manganese, Sulfur and Mud Purchase and Rental Option

To remove Iron below 0.3ppm, Manganese below 0.5ppm at a flow rate of up to
40,000 gallons per day

Prepared by:

David Brewster, President
Aqua Clear Water Systems
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Lenoir City, TN 37772
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For:

John Haak
ESCU D
1529 Alpine Drive
Sevierville, TN 37876
865-258-3385
jford@alliancewater.com

AC300-GSP

Iron, Sulfur & Mud Removal System



Itemized Equipment

Purchase Option

QTY	Model	Equipment Description	Amount
1	Package	Commercial Backwashing Iron, Sulfur & Manganese System Payment Terms: 50% down before ordering Special Equipment and remaining 50% after the Installation and Start-up	\$34,237
8	AC300-GSP	Air Induction Iron, Sulfur & Mud Removal System with 14"x 65" Tank	Included
	5 Year	Warranty on Fiberglass Tanks	Included
	5 Year	Warranty on Control Valves and internal parts	Included
8	Bypass	Individual bypasses for each system	Included
8	Lockout	Backwashing lockout devices to prevent the systems from backwashing at the same time.	Included
1	Flow Meter	2" Master Flow Meter with Sensor and 15' connector	Included
2	Vacuum Breaker	Vacuum Breakers	Included
3	Filter	High Flow Stainless Steel Filters with pressure gauge and test port	Included
4	Tee	Chlorine Injection Tee and Check Valve with shutoff (Pre & Post Treatment)	Included
5	Stenner	Fixed Rate Peristaltic Chemical Injection Pump (Water Meter Controlled)(Pre & Post Treatment) with one year warranty	Included
2	Tank	120 Gallon Retention\Mixing Tanks with 5 Year Warranty	Included
4	Tank	30 Gallon Chlorine Tank (Pre-Treatment)(12.5% Chlorine solution must be provided by ESCUD)	Included
5	Year	5 Year Warranty on the Chlorine Tank	Included
1	1 Year	Service & Labor Warranty on all equipment	Included

Installation, Training and Service Agreement

Item	Description	Amount
Installation	Installation of new equipment, pipe, fittings, and all supplies All plumbing will be done in Schedule 80 PVC & Schedule 40 PVC	Included
Training	Meet and review with local staff at time of installation	Included
Service Agreement	12 month service agreement covers service calls and parts on Equipment and our plumbing. *Chlorine: the purchasing of and maintaining of chlorine levels are not part of the Service Agreement.	Included

Rental Option

Item	Description	Amount
Package	Iron, sulfur & mud system as described above.	Rental
Rental Rate	\$1,890/month for 36 months (tax not included)	\$1,890/ Month
Installation	One-Time Installation Change. Installation of new equipment, pipe, fittings, and all supplies All plumbing will be done in Schedule 80 PVC & Schedule 40 PVC	\$7353.00
Rental Service Agreement	36 month service agreement covers service calls, parts, our plumbing, media rebeds. *Chlorine: the purchasing of and maintaining of chlorine levels are not part of the Rental Service Agreement. *Individual warranties do not apply under a Rental Service Agreement - 50% of Installation due before equipment is ordered and 50% due within 30 days after Installation and Start up.	Included

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: July 22, 2020

Re: Auditing Services

Alliance Water Resources recently sent out a Request for Proposals to all Tennessee accounting firms acknowledged by the state's Comptroller's office as performing Utility District audits. After reviewing the qualifications and proposals of interested firms, **we would like to recommend MG Group, P.C.** out of Dunlap, TN. MG Group is highly qualified and can guarantee timely service. They are also the least expensive option at \$7,350 for the first year and \$6,850 for the two years following. Should a Single Audit be needed for the USDA loans, they would be performed for an additional \$2,150. For reference, we paid \$8,800 for auditing services last year and missed deadlines with the previous service.