

DUE TO COVID-19 WEARING MASK OR FACE COVERING IS MANDATORY

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

December 17, 2020

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Introductions of Commissioners, Alliance Personnel and ESCUD Manager
- 3) Motion to approve the minutes of the previous Board meeting
- 4) Persons to be Heard (you must reserve time 2 days prior to meeting date)
 - ****ONE AT A TIME AS RECOGNIZED****
 - When it is your turn to speak, please stand state your name, address and phone number prior to your discussion. Time limit is 10 minutes.
 - Please be considerate of others that may wish to speak by keeping your comments brief.
 - Customers that interrupt others speaking may be asked to leave meeting.

REPORTS

- 5) Motion to approve the Accounts Payable Listing in total as submitted.
- 6) Alliance Water Resources – Financial Report / Operations

OLD BUSINESS

- 7) Review of previous topics discussed during previous board meetings
 - Well D pump replacement
 - Hydrofracking Wells A & B
 - Larger Storage Tank for Well D
 - Drilling additional well at Well C location
 - Well D Filtration System replace media

NEW BUSINESS

- 8) Project Update - Evan
- 9) Memorandums: Audit for Board Approval,
- 10) Adjournment – Next regular Board Meeting to be held on Thursday, January 14, 2021 - 5:30 pm

****Anyone without the authority or knowledge of ESCUD and/or water systems should refrain from giving instructions to other customers****

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, November 12, 2020

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

A motion to approve the minutes of the October 15, 2020, meeting was made by Janice; Barbara seconded the motion. Motion carried.

Persons to be Heard

Mac from the English Mountain Volunteer Fire Department is the acting fire chief until Pete Kleinman recuperates from an illness. Mac said construction is to begin on the new fire house, and it will encroach on the land that ESCUD has donated to them. He requested a letter of intent from ESCUD to protect the fire department from liability for the encroachment. Evan asked if a signed copy of the minutes will suffice. Mac said it would. John Haak is to email a copy to him. ESCUD also needs to get a land survey recorded. Evan asked John to get with Attorney Mark Jendrek concerning the transfer of ownership.

A motion to approve the Accounts Payable listing in total as submitted was made by Janice; Barbara seconded the motion. Motion carried.

John went over key points in the financials with the Commissioners. Barbara motioned to approve the financial report. Janice seconded the motion; motion carried.

John discussed operations for October. On the Mountain, due to telemetry issues at Wells A/B, float balls were installed to temporarily operate the system. Emergency repairs were made to Wells A/B booster pumps. Due to the lack of telemetry, the #2 booster pump burned up. We are still working with Mission SCADA and Kazmier and Associates to resolve telemetry and communication issues with Wells A/B and C. A new radio transmitter and communication circuit board is being shipped from Mission SCADA to assist in troubleshooting. Verizon Cellular, our service provider, is experiencing multiple issues with their tower hardware.

AquaClear was contacted for issues with the Well D filtration system. It has been going into a prolonged period of backwashing, causing the storage tank to run empty. This doesn't happen every time it backwashes. The issue seems to be resolved.

American Leak Detection was enlisted to perform leak detection at The Preserve. Water was successfully restored to the gatehouse and rental property.

Old Business

Last meeting, a discussion ensued concerning the removal of calcium at Well C. John had researched it and found that a regular water softener will not work. Our only option is to rent a reverse osmosis system at a cost of approximately \$50 per month per customer, which would be added to the monthly bills. However, individuals experiencing extreme calcium buildup in their water can install their own system.

New Business

Last month Evan reported that the USDA had given ESCUD the approval to move forward with the WWTP project. Bids will open on December 08 and will be overseen by McGill Engineers. Work should begin early spring. The USDA called Evan and asked if we could cover the cost overage for the WWTP project. Evan said we could, but we also need a new well at C for backup and will need money for that. The person from the USDA said that they will work to find ESCUD free money to work with. This will greatly help the District with future improvements.

John asked the Commissioners if they want to keep the red truck and trailer. The suggestion to sell the truck had been made at an earlier meeting, but staff is asking that we use the truck until it is no longer financially viable to keep it running. They don't want to drive the new trucks on some of the rough roads on the Mountain. The red truck can be used instead. The Board agreed that staff should use the truck as long as it lasts and then scrap it.

The tandem axle, 6' x 12- or 14' trailer, which is sitting at the WWTP, needs repairs to make it road worthy. The estimated cost will be \$1,000 to \$1,200. Jan asked how much a new one would cost. Evan said about \$500; John said about \$750. It would be more cost-efficient to purchase a new one.

The next regular meeting will be held on Thursday, December 10, 2020, at 5:30 p.m.

Adjournment

Roy motioned, and Barbara seconded the motion, to adjourn at 5:51 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills
10-Dec-20**

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 Inv# 9153,December 2020 Services	\$ 44,242.45
First Horizon Bank Alpine Fund Drive	\$ 2,000.00
The Mountain Press Meeting Announcement Ad# 30913692-October	\$ 25.88
Drillers Service LLC Inv# 108000335-00, 11-11-20; 4 Pumps, Inventory	\$ 452.23
Power Pumping Inv# 9262, 11/04/20, Pump & haul 1 load, work complete	\$ 700.00
The MG Group, P.C. Inv# 4117, Billing #2-Final, Audit, July 2019 to June 2020, Issue draft report	\$ 3,750.00
Mark Jendrek, P.C. Inv#15825, 11/06/20, Review email from John Haak, re: Bouldercrest agrmt.	\$ 137.50
Inv#15826, 10/2, 10/5, 10/29, Various legal services	\$ 467.50
Inv#15827, 10/05/20, Review email from Evan, re: The Preserve, N/C	\$ -
James Morris, 4-16500-2 Refund, deposit plus overpayment	\$ 120.00
Nona Sinanian, 1-6200-2 Refund, deposit	\$ 105.00
Joseph Ogle, 3-12700-3 Refund, deposit minus balance	\$ 54.20
John Ford, 12-20000-1, 12-25000-1 Refund,, deposit on two accounts	\$ 210.00
C & B Express, 10-90300-1 Refund, deposit minus balance	\$ 60.00
Barrett Hagen, 5-37000-1 Refund deposit plus overpayment	\$ 180.00
Total Regular Checking for Consideration	\$ 54,363.91

Charges and Bills Paid from Regular Checking Since November 12, 2020

East Sevier County Utility District
Balance Sheet
October 31, 2020

	10/31/2020	10/31/2019
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$315,620.25	\$289,562.55
Checking Account - Alpine Rd Funding	91,869.85	84,426.13
Cash on Hand	100.00	60.00
Cash-Restricted-Customer Deposits	(53,996.00)	0.00
Total Cash	353,594.10	374,048.68
Accounts Receivable	192,320.28	150,239.50
Allowance for Doubtful Accts	(40,666.68)	(23,871.48)
Unbilled Accounts Receivable	10,539.00	6,045.00
Inventory	40,520.82	16,819.70
Prepaid Expenses	12,186.30	10,896.16
Total Current Assets	568,493.82	534,177.56
PROPERTY, PLANT & EQUIPMENT		
Land	31,657.80	31,657.80
Distribution & Collection System	2,929,220.45	2,151,632.47
Buildings	69,235.68	69,235.68
Machinery & Equipment	122,963.26	119,884.26
Vehicles & Trailer(s)	88,334.99	61,272.58
Construction Work in Progress	154,913.63	796,292.22
Less: Accumulated Depreciation	(1,200,356.17)	(1,092,921.00)
Net Property, Plant & Equipment	2,195,969.64	2,137,054.01
RESTRICTED CASH		
Construction Account - Waste Wtr Project	833.37	833.37
Cash-Restricted-Customer Deposits	53,996.00	0.00
Total Restricted Cash	54,829.37	833.37
OTHER ASSETS		
Deposits	14,370.00	14,370.00
Total Other Assets	14,370.00	14,370.00
Total Assets	\$2,833,662.83	\$2,686,434.94

East Sevier County Utility District
Balance Sheet
October 31, 2020

10/31/2020

10/31/2019

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$42,332.51	\$18,115.73
Sales Tax Payable	1,917.23	1,860.52
Payroll Taxes Payable	382.56	382.56
Unearned Revenue	30,420.85	26,417.05
Long Term Debt-Current	8,163.56	0.00
Accrued Interest Payable	5,023.86	8,965.83
Customer Deposits	53,996.00	38,320.00
Total Current Liabilities	142,236.57	94,061.69

LONG-TERM DEBT

USDA 2018 Loan #1	152,506.25	571,608.28
USDA 2017 Loan #2	285,625.64	291,000.00
USDA 2017 Loan #3	260,697.19	266,000.00
Less: Current Portion of L-Term Debt	(8,163.56)	0.00
Total Long-Term Debt	690,665.52	1,128,608.28

Total Liabilities

	832,902.09	1,222,669.97
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DISTRICT'S EQUITY

Retained Earnings	1,960,517.59	1,397,784.62
YTD Net Income	40,243.15	65,980.35
Total District's Equity	2,000,760.74	1,463,764.97

Total Liabilities and District's Equity

	\$2,833,662.83	\$2,686,434.94
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East Sevier County Utility District
Statements of Revenues and Expenses
For the Four Months Ending October 31, 2020
Actual vs Budget

<u>October</u>			<u>YTD</u>		
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	<u>Annual Budget</u>
		Operating Revenues			
\$19,587	\$19,707	Water Sales	\$78,256	\$77,018	\$237,263
52,510	41,093	Sewer Charges	206,978	160,428	503,224
0	1,250	Connection Fees - Water	2,500	1,250	2,500
1,500	750	Connection Fees - Sewer	10,250	5,000	16,250
0	926	Late Charge Fees	0	3,702	11,107
6,610	7,222	Reconnect/Meter Sets/Other Fees	46,969	28,889	86,668
0	200	Miscellaneous Income	0	800	2,400
80,207	71,148	Total Operating Revenues	344,953	277,087	859,412
		Operating Expenses			
159	167	Payroll Taxes	637	667	2,000
43,932	43,932	Management & Operations Contract	175,728	175,728	527,184
3,723	4,000	Utilities	15,434	16,000	48,000
2,450	2,000	Insurance	9,986	8,000	24,000
10,123	4,417	Repairs & Maintenance	44,235	17,667	53,000
0	417	Professional Outside Services	0	1,667	5,000
2,082	2,083	Directors' Fees	8,330	8,333	25,000
468	1,000	Legal Expenses	8,708	4,000	12,000
3,750	0	Accounting	7,350	3,600	7,300
1,167	1,167	Bad Debts	4,667	4,667	14,000
0	450	Dues	0	725	825
310	0	One Call	310	0	0
0	0	Office Expense	(47)	0	0
26	0	Advertising Expense	110	0	0
0	0	Permits	0	3,412	5,200
138	250	Miscellaneous Expense	2,792	1,000	3,000
68,328	59,883	Total Operating Expenses	278,240	245,466	726,509
11,879	11,265	Net Income B/4 Other (Inc) & Exp	66,713	31,621	132,903
		Other Income (Expenses)			
(421)	(1,792)	Interest Expense	(1,670)	(7,167)	(21,500)
(6,200)	(6,200)	Depreciation	(24,800)	(24,800)	(74,400)
0	(83)	Bond Issue Costs	0	(333)	(1,000)
(6,621)	(8,075)	Total Other Income (Expenses)	(26,470)	(32,300)	(96,900)
\$5,258	\$3,190	Net Income(Loss)	\$40,243	(\$679)	\$36,003

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

Billing Charges For the Month of:

	Oct-20	
Water Revenue		19,587.06
Sewer Revenue		52,510.40
Installment Billing -Offsite Sewer Arrears		780.54
Sales Taxes		1,917.37
Late Charges		-
Installation Fees-Water		-
Installation Fees-Sewer		1,500.00
Other Miscellaneous Fees		6,609.50
Returned Checks		62.00
Deposits Applied/Adjustments		(725.00)
Customer Refunds Paid		1,181.92
Total Billing Charges		83,423.79

Water Gallons Billed

817,067

Water Customers Billed

250

Sewer Gallons Billed

492,320

Sewer Customers Billed

824

Accounts Receivable

	Oct-20	
Beginning Balance		159,705.47
Billing Charges		83,423.79
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(79,481.63)
End of Month Accounts Receivable		163,647.63

Water Revenue Checking

	Oct-20	
Beginning Balance		326,494.07
Deposits:		
Accounts Receivable Collections		79,481.63
Customer Deposits		4,445.00
		83,926.63
Disbursements:		
Accounts Payable Checks		(83,047.22)
Auto Debit Charges-Utilities		(4,106.67)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,944.00)
Refund Checks		(1,181.92)
Payroll Taxes		(382.64)
Charge backs		(62.00)
End of Month Balance		315,620.25
Cash Receipts Collected To Date in:	Nov-20	69,618.20
Auto Debited Utilities in:	Nov-20	(3,715.66)
Bills Submitted for Payment in:	Nov-20	(80,863.27)
Available Balance		300,659.52

East Sevier County Utility District, TN
 Treasury Report
 Summary of Cash and Investments
 October 31, 2020

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		326,494.07	83,926.63	-	(94,800.45)	315,620.25
Checking Acct-Alpine Road Funding		89,869.85	2,000.00	-	-	91,869.85
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		417,297.29	85,926.63	-	(94,800.45)	408,423.47

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Oct-20	19,644	94,420	817	5,440	250
Sep-20	19,440	74,776	854	4,623	245
Aug-20	19,566	55,337	841	3,769	249
Jul-20	35,771	35,771	2,928	2,928	247
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

**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		
Oct-20	51,849	215,266	492	3,047	824	79,482
Sep-20	51,729	163,417	502	2,555	824	70,655
Aug-20	51,329	111,689	499	2,053	820	98,021
Jul-20	60,359	60,359	1,554	1,554	816	85,621
Jun-20	49,449	572,773	621	7,531	814	95,517
May-20	48,576	523,324	528	6,910	811	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

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

November - 2020

Administrative

Staff has been working with McGill, TDEC, and USDA to move the wastewater plant project as quickly as possible.

Treatment

Treatment at the wells is monitored daily. All testing results have been within regulatory compliance.

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

Collection/Distribution

AquaClear was contacted for issues with Well D. The filtration system was going into a prolonged period of backwashing causing the storage tank to run empty. The issue is ongoing and AquaClear has been repeatedly contacted to resolve the issue.

Made emergency repairs to English Mountain Condos Lift Station.

Customer Service

Several after hours and weekend call outs for the offsite wastewater facilities throughout entire month.

Project Updates

The new wastewater plant has gone out to bid. Vendors have sent in one round of bids that were rejected for lacking necessary information on warranties and design. The new round of bids will due by the end of December and the board will be asked to approve before January 1 to keep the current timeline of opening contractor bids in January.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Confined Space Awareness was November's safety topic.

Regulatory

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

Concerns for the Month

ESCUD Local Manager and Office Manager both tested positive for COVID-19. Local Manager was out for two weeks and Office Manager was out for approximately one week.

Still experiencing intermittent telemetry issues with our Mission SCADA system. Situation is ongoing and is being monitored by staff.

Positives for the Month

All of the necessary components to upgrade Well C Booster station have arrived. Installation date set in very near future.

Leak Repairs

Repaired 6" line break on Old Laurel Rd. and Trailer Park Lane.

Repaired 8" line break on Alpine Drive.