

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

**February 13, 2020**

**5:30 P.M.**

**AGENDA**

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the January 9, 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

**OLD BUSINESS:**

- 6) None

**NEW BUSINESS:**

- 7) Project update
- 8) Adjournment – Next regular meeting to be held on Thursday, March 12, 2020 – 5:30 p.m.

# MINUTES

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

Thursday, January 09, 2020

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, January 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 December 19, 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

Evan Romo, Division Manager, gave each of the Commissioners a copy of the audit results. He then went over key points of the financials with the Commissioners. Barbara motioned to approve the financial report as presented, Janice seconded the motion. Motion carried.

James then discussed operations. Staff worked on a leak last Saturday even though some were sick with the flu. We repaired a heater at the Well C treatment building. Preventative jetting was performed on low-lying areas around the sewer plant, and annual backflow inspections have been completed. We cleared a sewer blockage at the English Mountain Condos. We also purchased a new set of tires for the ESCUD Ranger. Offsite we installed two pump kits at Smoky Mountain Ridge.

Water leaks were addressed on Glasgow and K. O. Way. A customer located on K O Way complimented staff for a quick response and repair of the leak during the holiday season. For the second month in a row, an appropriately placed valve from the improvement project has helped keep a large number of customers in service while a water leak was being repaired. Sewer leaks were addressed at Sherwood Forest and Lashbrooke Estates.

Our December safety meeting covered hazardous communications. The training encompassed recognizing the various hazardous placards as seen on vehicles and reading Material Safety Data Sheets, which describe a particular hazardous material, how it

should be handled, what to do if it is mishandled, and provide phone numbers in the event that emergency agencies need to be contacted. Although the holiday season has wound down, winter driving safety continues to be a priority for the ESCUD staff.

Employees were trained by Aqua Clear personnel on how to service flow meters at well sites. This knowledge will help staff troubleshoot difficult situations more quickly.

#### Persons to be Heard

Carol Peak, 1406 Lin Creek Road, wanted to know if new condos were being built at The Preserve. James said the only thing we know is that there is construction activity there. Evan said that there are strict regulations there about the types of dwelling that can be included in that subdivision, one being that only single-family dwellings are allowed.

Carol then asked if it is possible for customers to be billed according to actual water usage rather than a minimum charge. Evan said a portion of the bill is based on the availability of the first 3,000 gallons of water; the rest is based on any usage over the 3,000. He said that probably will not change because of the cost of improvements on the Mountain versus the number of customers. It is more likely that the sewer charge will eventually increase to pay for the new WWTP. Evan said it is important to be proactive in this area because if the District gets into financial straits, and the State has to come in and determines that rates need to be raised, the increase would be substantial.

#### Old Business

None

#### New Business

Evan wasn't able to offer any new information on the WWTP project since the scheduled Tuesday meeting with the State engineer was postponed. He did say that before the engineer can make a decision, he should visit the Mountain to see for himself the District's situation. It was the consensus of the Board that it would be a good idea to have the engineer here in person so he could see what the District has to work with.

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

#### Adjournment

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

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Secretary-Treasurer

**East Sevier County Utility District  
List of Bills  
13-Feb-20**

<u>Regular Checking for Consideration</u>		<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	February 2019 Services, Inv# 8186	\$ 40,652.00
First Tennessee Bank	Alpine Drive Fund	\$ 2,000.00
The Mountain Press	Notice, Ad# 30891010, January 2020	\$ 22.65
Mark Jendrek	Inv# 15638, Legal services, general, September 2019	\$ 1,017.50
Big Orange Electric	Inv# 2051, Service calls, December 2019	\$ 850.00
	Inv# 2052, Installation, December 2019	\$ 1,000.00
	Inv# 2053, Service calls, December 2019	\$ 340.00
Orenco Systems, Inc.	Inv# 363029, 2 Pump kits, January 2020, S&H 355.52	\$ 6,833.61
Mitchell Emert & Hill, P.C.	Inv# 7800, Audit fee, FYE 2019	\$ 8,800.00
	<b>Total Regular Checking Charges and Bills Paid</b>	<b>\$ 63,374.91</b>
<b>Charges and Bills Paid from Regular Checking Since January 09, 2020</b>		
Selective Insurance Company	Annual Insurance Premium 2020	\$ 27,764.00
Sevier County Electric	Utility	\$ 4,069.53
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 104.51
City of Pigeon Forge Water & Sewer	Utility	\$ 29.12
USDA	Loan Repayment	\$ 2,076.00
State of Tennessee	Monthly Sales Tax	\$ 1,890.00
IRS	Payroll Tax-4th Qtr 2018	\$ 382.64
Bank fee	Monthly fee	\$ 155.17
Bank fee	Credit for Setup Charge	\$ (250.00)
	<b>Total Regular Checking Charges and Bills Paid</b>	<b>\$ 36,263.22</b>
	<b>Grand Total Regular Checking</b>	<b>\$ 99,638.13</b>
<b>Charges and Bills Paid from Alpine Drive fund Since January 09, 2020</b>		
Innovative Wastewater Solutions, Inc		\$ 1,629.25
	<b>Total Alpine Drive Fund Checking Charges and Bills Paid</b>	<b>\$ 1,629.25</b>
<b>Charges and Bills Paid from WWTP fund Since January 09, 2020</b>		
	<b>Total WWTP Fund Checking Charges and Bills Paid</b>	<b>\$</b>

**East Sevier County Utility District**  
**Balance Sheet**  
**December 31, 2019**

12/31/19

**ASSETS**

**CURRENT ASSETS**

Checking Account - Operations	\$317,808.62
Checking Account - Alpine Rd Funding	88,426.13
Cash on Hand	60.00

**Total Cash** **406,294.75**

Accounts Receivable	152,210.71
Allowance for Doubtful Accts	(26,204.82)
Unbilled Accounts Receivable	6,045.00
Inventory	18,070.86
Prepaid Expenses	5,862.06

**Total Current Assets** **562,278.56**

**PROPERTY, PLANT & EQUIPMENT**

Land	31,657.80
Distribution & Collection System	2,172,624.58
Buildings	69,235.68
Machinery & Equipment	131,409.26
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	796,292.22
Less: Accumulated Depreciation	(1,104,055.08)

**Net Property, Plant & Equipment** **2,146,912.04**

**RESTRICTED CASH**

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

**OTHER ASSETS**

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

**Total Assets** **\$2,724,393.97**

**East Sevier County Utility District**  
**Balance Sheet**  
**December 31, 2019**

12/31/19

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

***CURRENT LIABILITIES***

Accounts Payable	\$18,550.51
Sales Tax Payable	1,890.48
Payroll Taxes Payable	382.52
Unearned Revenue	26,417.05
Accrued Interest Payable	6,444.85
Customer Deposits	39,380.00
<b><i>Total Current Liabilities</i></b>	<b><u>93,065.41</u></b>

***LONG-TERM DEBT***

USDA 2018 Loan #1	152,506.25
USDA 2017 Loan #2	289,038.48
USDA 2017 Loan #3	264,056.62
<b><i>Total Long-Term Debt</i></b>	<b><u>705,601.35</u></b>

***Total Liabilities***

**798,666.76**

***DISTRICT'S EQUITY***

Retained Earnings	1,399,050.54
YTD Net Income	526,676.67
<b><i>Total District's Equity</i></b>	<b><u>1,925,727.21</u></b>

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

**\$2,724,393.97**

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

<u>December</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		<b>Operating Revenues</b>			
\$19,341	\$22,953	Water Sales	\$111,579	\$136,491	\$279,067
45,803	37,030	Sewer Charges	267,786	263,548	495,048
0	0	Connection Fees - Water	0	2,500	2,500
4,500	1,146	Connection Fees - Sewer	20,750	6,875	13,750
848	1,613	Late Charge Fees	4,995	9,677	19,353
20,201	613	Reconnect/Meter Sets/Other Fees	82,767	3,680	7,359
500	0	Gain (Loss) on Sale of Assets	500	0	0
400	200	Miscellaneous Income	400	1,200	2,400
<b>91,593</b>	<b>63,555</b>	<b>Total Operating Revenues</b>	<b>488,777</b>	<b>423,971</b>	<b>819,477</b>
		<b>Operating Expenses</b>			
159	167	Payroll Taxes	956	1,000	2,000
40,652	40,652	Management & Operations Contract	243,912	243,912	487,824
4,450	4,000	Utilities	22,700	24,000	48,000
2,312	2,000	Insurance	13,869	12,000	24,000
838	4,417	Repairs & Maintenance	23,600	26,500	53,000
0	417	Professional Outside Services	450	2,500	5,000
2,082	2,083	Directors' Fees	12,495	12,500	25,000
0	1,000	Legal Expenses	4,067	6,000	12,000
0	7,300	Accounting	0	7,300	7,300
1,167	1,167	Bad Debts	7,000	7,000	14,000
0	100	Dues	0	825	825
26	0	Advertising Expense	155	0	0
3,850	0	Permits	7,262	3,412	5,200
407	250	Miscellaneous Expense	715	1,500	3,000
<b>55,943</b>	<b>63,553</b>	<b>Total Operating Expenses</b>	<b>337,181</b>	<b>348,449</b>	<b>687,149</b>
<b>35,650</b>	<b>2</b>	<b>Net Income B/4 Other (Inc) &amp; Exp</b>	<b>151,596</b>	<b>75,522</b>	<b>132,328</b>
		<b>Other Income (Expenses)</b>			
0	0	Grant Income	423,268	0	0
(837)	(1,792)	Interest Expense	(10,987)	(10,750)	(21,500)
(6,200)	(6,200)	Depreciation	(37,200)	(37,200)	(74,400)
0	(83)	Bond Issue Costs	0	(500)	(1,000)
<b>(7,037)</b>	<b>(8,075)</b>	<b>Total Other Income (Expenses)</b>	<b>375,081</b>	<b>(48,450)</b>	<b>(96,900)</b>
<b>\$28,613</b>	<b>(\$8,073)</b>	<b>Net Income(Loss)</b>	<b>\$526,677</b>	<b>\$27,072</b>	<b>\$35,428</b>

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

<b>Billing Charges For the Month of:</b>	<b>Dec-19</b>	
Water Revenue		19,341.09
Sewer Revenue		46,772.13
Installment Billing -Offsite Sewer Arrears		968.99
Sales Taxes		1,890.76
Late Charges		848.20
Installation Fees-Water		-
Installation Fees-Sewer		4,500.00
Other Miscellaneous Fees		20,200.53
Returned Checks		90.00
Deposits Applied/Adjustments		(105.00)
Customer Refunds Paid		105.00
<b>Total Billing Charges</b>		<u><b>94,611.70</b></u>
<b>Water Gallons Billed</b>		<u><b>882,578</b></u>
<b>Water Customers Billed</b>		<u><b>246</b></u>
<b>Sewer Gallons Billed</b>		<u><b>491,370</b></u>
<b>Sewer Customers Billed</b>		<u><b>782</b></u>

<b>Accounts Receivable</b>	<b>Dec-19</b>	
Beginning Balance		107,711.46
Billing Charges		94,611.70
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(91,694.61)
<b>End of Month Accounts Receivable</b>		<u><b>110,628.55</b></u>

<b>Water Revenue Checking</b>	<b>Dec-19</b>	
Beginning Balance		295,043.59
<b>Deposits:</b>		
Accounts Receivable Collections		91,694.61
Customer Deposits		1,040.00
Sale of Electrical Box		1,600.00
Sale of Ford Truck		500.00
		<u>94,834.61</u>
<b>Disbursements:</b>		
Accounts Payable Checks		(61,613.55)
Auto Debit Charges-Utilities		(3,380.27)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,846.00)
Refund Checks		(319.50)
Payroll Taxes		(382.64)
Charge backs		(45.00)
Bank fees		(406.62)
End of Month Balance		<u>317,808.62</u>
Cash Receipts Collected To Date in:	<b>Jan-20</b>	82,848.00
Auto Debited Utilities in:	<b>Jan-20</b>	4,245.20
Bills Submitted for Payment in:	<b>Jan-20</b>	(57,614.81)
<b>Available Balance</b>		<u><b>347,287.01</b></u>



**East Sevier County Utility District, TN**  
**Treasury Report**  
**Summary of Cash and Investments**  
**December 31, 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>		295,043.59	94,834.61	-	(72,069.58)	317,808.62
<b>Checking Acct-Alpine Road Funding</b>		86,426.13	2,000.00	-	-	88,426.13
<b>Checking Acct-Waste Water Plant</b>		4,999.62	-	-	(4,166.25)	833.37
<b>Cash on Hand</b>		60.00	-	-	-	60.00
<b>Total Cash and Investments</b>		<b>386,529.34</b>	<b>96,834.61</b>	<b>-</b>	<b>(76,235.83)</b>	<b>407,128.12</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	
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
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

**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
Dec-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
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



**OUR MISSION**

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

**Alliance Water Resources, Inc.**

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

**(573)874-8080**

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

**January 2020**

**Administrative**

A new “micro-cut” shredder has been purchased to help ensure our customer’s confidentiality and data security.

**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 a pump kit at Douglas Lake Resort

Replaced pump and discharge hose on cove road lift station

Flushed the Well D service area

Resupplied the Lab with appropriate stock

Cleaned two pumps at Sherwood Forest

Refreshed gravel at previous repair site

**Customer Service**

During an offsite callout, staff communicated effectively with property management staff to create a favorable outcome. Quality relationships continue to be formed with our business partners.

**Project Updates**

Alliance staff continue to work with TDEC and our engineers on the wastewater project. TDEC has conditionally approved the style of plant that we need. AWR will be gathering data and submitting the required information to keep the project moving. It is possible that the project may exceed the original projected costs. We have spoken with USDA and have received a verbal commitment to help us fund the project up to a 20% overrun.



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

### **Safety**

Our January safety meeting was on personal protective equipment.

### **Regulatory**

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

### **Training**

Several staff members participated in a pump kit install. Cross training our employees to perform both on and offsite activities is critical to our success.

### **Concerns for the Month**

Winter driving conditions in a mountainous environment.

### **Positives for the Month**

The pump replacement at the English Mountain Condos was a difficult job. Our staff, combined with Big Orange Electric, worked as a team to address an unfavorable situation.

### **Leak Repairs**

Water leaks were addressed at two locations on Lin Creek.  
A sewer leak was addressed at Bear Creek Crossing.