

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

January 9, 2020

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the December 19, 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) Project update
- 8) Adjournment – Next regular meeting to be held on Thursday, Feb 13, 2020 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, December 19, 2019

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, December 19, 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 5:33 p.m. for any old or new business.

A motion to approve the minutes of the November 14, 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

James Ford, Local Manager, asked the Commissioners if they had any questions about the financials. None of them had questions. Barbara motioned to approve the financial report as presented, Janice seconded the motion. Motion carried.

James then discussed operations. The staff did a good job supplying water to the fire department when a house on K O Way caught fire. Unfortunately, it was a total loss to the owner. Afterward, the fire chief, Pete Kleinman, called to say thank you to the staff for their help.

This past month on the Mountain, filters were changed at Well A/B, and the entire Mountain was flushed. Offsite, two pump kits we installed at Sherwood Forest. A repair was made at Douglas Lake backflow prevention assembly, and we replaced a pump at the Bear Creek Crossing WWTP.

During the month our staff correctly troubleshooted a septic tank situation and made necessary corrections. The customer extended his gratitude, saying that his home was going to be full for Thanksgiving weekend. We are still awaiting a response from TDEC regarding the proposed WWTP.

Our November safety meeting covered chlorine safety. Because of our improvement projects, only three customers were without water during a main break repair on Black Oak Drive. Before the improvement, dozens of customers would have been affected.

We repaired a few water and sewer leaks last month. James announced that he got his Collection II license so we are good on licensing.

Persons to be Heard

Lisa Hawthorne spoke on behalf of her parents, Walter and Mary Tasker of 1523 Lin Creek Road, concerning their rental property at 1530 Lin Creek Road. She stated she had stopped paying the bill at 1530 because the dwelling has not been used for some time because it is uninhabitable. She said she didn't think it fair that her parents had to pay a water bill for a property that couldn't be used. She said the water meter was stolen a while back and the utility pole had been damaged, which took out the electric going to the trailer.

The Board said that they would need to consult the Rules and Regulations to see what the policy was for that situation. James said he would look and let Lisa know.

Old Business

None

New Business

James said that the audit was going well. A draft of the audit results was included in the Board packet. James pointed out that page 28 showed that the District did not have an accurate representation of total water usage for the fiscal year because two of our largest users were being billed a flat rate. Since the State requires this information, the number gallons had to be estimated.

Meters have since been installed at all locations that formerly had none. The current fiscal year is the first for having accurate water usage to report. The Commissioners agreed to approve the audit draft. Barbara motioned to continue with the audit draft; Janice seconded the motion. Motion carried.

Darrell Baker had attained bids for a landscaping project at Bear Creek Crossing to restore some of the property to its former condition after we had made some repairs. The lowest bid was for \$4,000 made by Wells Landscaping. Janice motioned to accept the bid of \$4,000 for the landscaping project; Barbara seconded the motion. Motion carried. James reminded the Commissioners of the Christmas party hosted by Alliance which will take place tomorrow night at Calhoun's restaurant in Gatlinburg.

The next regular meeting will be held on Thursday, January 09, 2019, at 5:30 p.m.

Adjournment

Roy Ivey motioned, and Barbara Darby seconded the motion, to adjourn at 6:21 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
9-Jan-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	January 2020 Services, Inv# 8662	\$ 40,652.00
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
The Mounain Press	Ad# 30887465	\$ 25.88
Drillers Service, LLC	Order# 10187906-00 dated 12/19/19	\$ 137.94
Oreco Systems, Incorporated	Inv# 362724 dated 12/19/19, S&H \$562.20	\$ 9,089.84
TDEC	Annual Permit fee, non-discharging wastewater, for year 2020, \$350 ea	\$ 3,850.00
Total Regular Checking for Consideration		\$ 57,614.81

Charges and Bills Paid from Regular Checking Since December 19, 2019

Sevier County Electric	Utility	\$ 3,176.24
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 103.54
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
USDA	Loan Repayment, November	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,846.00
IRS	Payroll tax	\$ 382.64
Bank fee	Analysis Service Charge	\$ 406.62
Total Regular Checking Charges and Bills Paid		\$ 8,091.53

Grand Total Regular Checking **\$ 65,706.34**

Charges and Bills Paid from Alpine Drive fund Since December 19, 2019

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

Charges and Bills Paid from WWTP fund Since December 19, 2019

Total WWTP Fund Checking Charges and Bills Paid **\$ -**

East Sevier County Utility District
Balance Sheet
November 30, 2019

11/30/2019

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$295,043.59
Checking Account - Alpine Rd Funding	86,426.13
Cash on Hand	60.00
Total Cash	381,529.72
Accounts Receivable	151,062.10
Allowance for Doubtful Accts	(25,038.15)
Unbilled Accounts Receivable	6,045.00
Inventory	16,819.70
Prepaid Expenses	8,379.11
Total Current Assets	538,797.48

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	2,164,734.74
Buildings	69,235.68
Machinery & Equipment	131,409.26
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	792,125.97
Less: Accumulated Depreciation	(1,097,855.08)
Net Property, Plant & Equipment	2,141,055.95

RESTRICTED CASH

Construction Account - Waste Wtr Project	4,999.62
Total Restricted Cash	4,999.62

OTHER ASSETS

Deposits	14,370.00
Total Other Assets	14,370.00

Total Assets	\$2,699,223.05
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East Sevier County Utility District
Balance Sheet
November 30, 2019

11/30/2019

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$21,733.90
Sales Tax Payable	1,845.72
Payroll Taxes Payable	382.54
Unearned Revenue	26,417.05
Accrued Interest Payable	3,779.07
Customer Deposits	38,445.00
<i>Total Current Liabilities</i>	<u>92,603.28</u>

LONG-TERM DEBT

USDA 2018 Loan #1	152,506.25
USDA 2017 Loan #2	291,000.00
USDA 2017 Loan #3	266,000.00
<i>Total Long-Term Debt</i>	<u>709,506.25</u>

Total Liabilities

802,109.53

DISTRICT'S EQUITY

Retained Earnings	1,399,050.54
YTD Net Income	498,062.98
<i>Total District's Equity</i>	<u>1,897,113.52</u>

Total Liabilities and District's Equity

\$2,699,223.05

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

<u>November</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$17,997	\$21,324	Water Sales	\$92,238	\$113,538	\$279,067
46,288	55,485	Sewer Charges	221,983	226,518	495,048
0	0	Connection Fees - Water	0	2,500	2,500
0	1,146	Connection Fees - Sewer	16,250	5,729	13,750
1,012	1,613	Late Charge Fees	4,146	8,064	19,353
685	613	Reconnect/Meter Sets/Other Fees	62,566	3,066	7,359
0	200	Miscellaneous Income	0	1,000	2,400
65,982	80,381	Total Operating Revenues	397,183	360,415	819,477
		Operating Expenses			
159	167	Payroll Taxes	797	833	2,000
40,652	40,652	Management & Operations Contract	203,260	203,260	487,824
3,260	4,000	Utilities	18,250	20,000	48,000
2,312	2,000	Insurance	11,558	10,000	24,000
1,926	4,417	Repairs & Maintenance	22,762	22,083	53,000
450	417	Professional Outside Services	450	2,083	5,000
2,082	2,083	Directors' Fees	10,412	10,417	25,000
2,008	1,000	Legal Expenses	4,067	5,000	12,000
0	0	Accounting	0	0	7,300
1,167	1,167	Bad Debts	5,833	5,833	14,000
0	0	Dues	0	725	825
26	0	Advertising Expense	129	0	0
0	0	Permits	3,412	3,412	5,200
38	250	Miscellaneous Expense	308	1,250	3,000
54,080	56,153	Total Operating Expenses	281,238	284,896	687,149
11,902	24,228	Net Income B/4 Other (Inc) & Exp	115,945	75,519	132,328
		Other Income (Expenses)			
423,268	0	Grant Income	423,268	0	0
3,111	(1,792)	Interest Expense	(10,151)	(8,958)	(21,500)
(6,200)	(6,200)	Depreciation	(31,000)	(31,000)	(74,400)
0	(83)	Bond Issue Costs	0	(417)	(1,000)
420,179	(8,075)	Total Other Income (Expenses)	382,117	(40,375)	(96,900)
\$432,081	\$16,153	Net Income(Loss)	\$498,062	\$35,144	\$35,428

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

Billing Charges For the Month of:	Nov-19	
Water Revenue		17,997.04
Sewer Revenue		47,256.53
Installment Billing -Offsite Sewer Arrears		968.99
Sales Taxes		1,846.20
Late Charges		1,012.36
Installation Fees-Water		-
Installation Fees-Sewer		-
Other Miscellaneous Fees		685.04
Returned Checks		145.03
Deposits Applied/Adjustments		(630.00)
Customer Refunds Paid		453.95
Total Billing Charges		69,735.14
Water Gallons Billed		1,739,997
Water Customers Billed		247
Sewer Gallons Billed		1,438,070
Sewer Customers Billed		778

Accounts Receivable	Nov-19	
Beginning Balance		103,040.23
Billing Charges		69,735.14
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(65,063.91)
End of Month Accounts Receivable		107,711.46

Water Revenue Checking	Nov-19	
Beginning Balance		289,562.55
Deposits:		
Accounts Receivable Collections		65,063.91
Customer Deposits		755.00
		65,818.91
Disbursements:		
Accounts Payable Checks		(50,275.33)
Auto Debit Charges-Utilities		(3,009.13)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,861.00)
Refund Checks		(650.83)
Payroll Taxes		(382.64)
Charge backs		(45.00)
Bank fees		(37.94)
End of Month Balance		295,043.59
Cash Receipts Collected To Date in:	Dec-19	94,834.61
Auto Debited Utilities in:	Dec-19	(3,380.27)
Bills Submitted for Payment in:	Dec-19	(63,333.96)
Available Balance		323,163.97

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
November 30, 2019

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		289,562.55	65,818.91	-	(60,337.87)	295,043.59
Checking Acct-Alpine Road Funding		84,426.13	2,000.00	-	-	86,426.13
Checking Acct-Waste Water Plant		833.37	4,166.25	-	-	4,999.62
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		374,882.05	71,985.16	-	(60,337.87)	386,529.34

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
Nov-18	16,729	90,411	560	3,929	244

**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		
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
Nov-18	43,187	235,501	423	3,070	732	85,252



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

December 2019

Administrative

A description of our new payment service has been mailed out to our customers. Many customers have asked for more modern payment options and ESCUD has delivered.

Management remains in communication with TDEC and USDA regarding the wastewater improvement project.

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 two pump kits at Smoky Mountain Ridge

Repaired heater at Well C treatment building

Preventative jetting was performed on low lying area around the sewer plant

Annual backflow inspections are complete

Cleared sewer blockage at the English Mountain Condos

Purchased a new set of tires for the ESCUD Ranger

Customer Service

Customer on K.O. Way thanked staff for a quick response and repair of a leak situation during the holiday season.

Project Updates

We are still awaiting a response from TDEC regarding the proposed WWTP.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Our December safety meeting topic was hazardous communication.

Regulatory

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

Training

Staff members 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.

Concerns for the Month

Although the holiday season has wended down, winter driving safety continues to be a priority for the ESCUD staff.

Positives for the Month

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.

Leak Repairs

Water leaks were addressed on Glasgow and K.O. Way.

Sewer leaks were addressed at Sherwood Forest and Lashbrooke Estates.