

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

July 11, 2020

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the April 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) Memo –Purchase of toolboxes
- 9) Adjournment – Next regular meeting to be held on Thursday, August 13, 2020 at 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, June 11, 2020

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, June 11, 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 5:33 p.m. for any old or new business.

A motion to approve the minutes of the May 14, 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

Evan Romo, Division Manager, went over key points of the financial packet. Janice motioned to approve the financial report as presented, Barbara seconded the motion. Motion carried.

John Haak, Local Manager, reported on operations for the month of May. The Sensus equipment failed right before staff was to read meters so the meters were not read for the May/June billing. All bills were estimated. The equipment was mailed to Sensus for repairs and should be returned before the next billing.

On the Mountain, a faulty meter was replaced at 1516 Lin Creek. Offsite, we installed three pump kits, two at Smoky Mountain Ridge and one at Timberlake Bay. We performed sewer taps for new customers at Smoky Mountain Ridge and Lashbrooke. Staff responded to a customer complaint at Douglas Lake and replaced a faulty float switch on the pump. We made repairs to the drip field at Lashbrooke and installed new pumps at Sherwood Forest drip fields.

A few customers from the English Mountain condos complained of sewer odors from the lift station. Alliance staff investigated and found nothing out of the ordinary. In an effort to mitigate any future complaints, deodorant blocks were purchased and installed at the lift station.

Our May safety meeting concerned COVID 19 and electrical safety, specifically arc flashes. Training of the newest employee on offsite procedures is ongoing. During the month, the Well D holding tank was found to be low with both booster pumps running. After searching the Well D footprint for a leak and finding nothing, the problem was determined to be a result of customers filling their pools. Unrelated water leaks were addressed at Chestnut Ridge and Aintree. Sewer leaks were addressed at Sherwood Forest and Parkside Resort.

Persons to be Heard

Cindy Mitchell of 954 Pawnee Court commented on the good job Alliance has been doing to improve water quality. She said the water softener at Well C must not be working because the water is still hard and the filter on her water softener has to be changed every two months instead of every three months. She asked if that could be improved. Evan said we might be able to adjust it but is not sure if it will improve the situation as there is still calcium in the water. She said her filter turns orange; Evan said that is from iron deposits. He said we will discuss that with AquaClear when they get here. Cindy asked John if staff fixed a leak today. John said they did. She asked if they flushed the lines afterward. John said they didn't need to because they didn't have to turn the water off during the repair. The leak was from a very small pinhole on a 2-inch pipe. Cindy asked if we plan to patch some of the roads; there are a few potholes on her road just below her property. John said we patch the roads with dirt and gravel or asphalt only if we cause the damage due to repairs. Roy told Cindy we would patch her road.

Terry Wingate of 1136 Eagle Point discussed the issue at Aintree where the road had been washed out by heavy rains, leaving our sewer pipe exposed. A neighbor, Hugh Vaughn, had been working to build up the bank and cover the pipe, supposedly using \$1,000 of his own money and his own equipment to do the work. Terry told Evan that he thinks ESCUD should reimburse Hugh because it is our pipe. He asked why we didn't repair it ourselves in the first place. Evan told him that this had previously been discussed with Steve Bradley, the EMHOA President. They had not found a solution due to the precarious location of the pipe, the severity of the damage to the bank, and a lack of funds. They decided to block the area instead.

Old Business

None

New Business

Evan said that McGill has told him that the WWTP project has been tentatively approved. They have submitted a list of questions that must be answered by Alliance before a draft permit will be issued. Eventually, a permanent permit will be issued.

Evan asked the Board to approve the purchase of a cable and pipe locator, which will locate gas, electric, and fiber optic lines. Roy asked is it could detect plastic; John said it could and it can be useful on the Mountain and offsite. It can follow an electrical current from the box outward. We got three bids, the lowest being from a company called Pipehorn. The cost will be \$1,465 which includes shipping. Barbara motioned to

approve the purchase of a line locator for the price of \$1,465; Roy seconded the motion. Motion carried.

Last month an offsite customer, Conard Frye, had attended the meeting. We had charged him a tap fee on a property he had purchased at auction. He contested the charge because he had not been involved in the construction. Barbara had suggested we consult ESCUD Attorney, Mark Jendrek, for advice. Mark said that we should not charge Conard but should look to the builder for payment. The construction company has since gone bankrupt so there is no recourse; the fee will not be paid. Evan said in light of this situation, going forward the tap fee will be collected before the connection to our lines can take place.

When Sherwood Forest was developed, not all of the pumps were installed at the wastewater plant. Over time, the growth of the subdivision has caused the pumps that are in place to be overworked and worn. Alliance has recently replaced the two old control boxes with one new quadplex control box for phase 1 and 2 of the sewer plant. Wayne installed 4 new effluent pump kits furnished by ESCUD and a cap kit and pulled new wire to the float switches and pump for phase 3. An invoice for \$20,417.94 was created and mailed to the SFPOA. The SFPOA has contested payment, stating that ESCUD owns the WWTP so ESCUD should be responsible for the costs. However, according to the contract between ESCUD and Sherwood Forest, Sherwood Forest owns the WWTP. Evan said that we could raise the sewer rates for Sherwood to pay for it. Jeff McLeod, POA President, has agreed to make a down payment of \$7,000 using POA funds. The balance will be collected from the property owners in the form of a ten percent rate increase, or \$4.50 per month, for one year. Janice motioned to approve a ten percent rate increase for Sherwood forest for one year. Barbara seconded the motion. Motion carried.

In order to pay back the loans on the various improvements on the Mountain, Evan proposed we increase the sewer rate on the Mountain by ten percent, bringing the monthly charge to \$49.50 per month and a ten percent flat increase for the condos and rehab.

The new budget is five percent higher than the last fiscal year to cover some needed purchases. Firewall protection is being installed on all computers. The office will get new billing software called Incode, which is used by all other Alliance districts. If Brenda, the office clerk, is unable to work during billing or other crucial times, any office employee can remote in and perform the task. We have also ordered two new trucks. Barbara motioned to approve the ten percent rate increase and the five percent increase for the 2020/2021 budget. Janice seconded the motion. Motion carried.

The annual Alliance MOA, or contract agreement, is up for renewal. Barbara motioned to renew the contract between ESCUD and Alliance. Janice seconded the motion. Motion carried.

The next regular meeting will be held on Thursday, July 09, 2020, at 5:30 p.m.

Adjournment

Roy motioned, and Barbara seconded the motion, to adjourn at 6:15 p.m. Motion carried.

Secretary-Treasurer

East Sevier County Utility District
List of Bills
9-Jul-20

Regular Checking for Consideration

	Total
Barbara Darby	\$ 266.05
Janice Brooks-Headrick	\$ 277.05
Roy Ivey	\$ 266.05
Barbara Darby	\$ 350.00
Janice Brooks-Headrick	\$ 350.00
Roy Ivey	\$ 350.00
Alliance Water Resources, Inc	\$ 41,451.00
First Tennessee Bank	\$ 2,000.00
The Mountain Press	\$ 25.88
Tri-County Services	\$ 400.00
A & A Rentals	\$ 409.26
	\$ (16.47)
	\$ 415.29
	\$ 270.42
Big Orange Electric	\$ 5,627.76
DSI	\$ 901.46
Orenco Systems, Inc.	\$ 9,946.89
Baker's Wrecker Service	\$ 125.00
Sondra Willis, 5-26000-3	\$ 112.50
Eric Cochran, 3-12550-2	\$ 37.75
Cricketson Properties	\$ 110.26
	<u>\$ 63,676.15</u>

Charges and Bills Paid from Regular Checking Since June 11, 2020

Sevier County Electric	\$ 2,880.00
Sevier County Water	\$ 42.25
Appalachian Electric	\$ 137.93
City of Pigeon Forge Water & Sewer	\$ 29.12
USDA	\$ 2,076.00
State of Tennessee	\$ 2,085.00
IRS	\$ 382.64
Bank Fee	\$ 261.05
	<u>\$ 7,893.99</u>

Grand Total Regular Checking \$ 71,570.14

Charges and Bills Paid from Alpine Drive fund Since June 11, 2020

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

Charges and Bills Paid from WWTP fund Since June 11, 2020

Total WWTP Fund Checking Charges and Bills Paid \$ -

East Sevier County Utility District
Balance Sheet
May 31, 2020

	05/31/2020	05/31/2019
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$317,182.86	\$295,165.16
Checking Account - Alpine Rd Funding	81,869.85	66,734.82
Cash on Hand	100.00	60.00
Total Cash	399,152.71	361,959.98
Accounts Receivable	205,627.16	241,026.31
Allowance for Doubtful Accts	(31,795.63)	(53,833.37)
Unbilled Accounts Receivable	6,045.00	4,709.00
Inventory	50,631.40	36,785.01
Prepaid Expenses	23,953.90	9,634.35
Total Current Assets	653,614.54	600,281.28
PROPERTY, PLANT & EQUIPMENT		
Land	31,657.80	31,657.80
Distribution & Collection System	2,198,180.48	1,303,040.08
Buildings	69,235.68	69,235.68
Machinery & Equipment	131,409.26	125,345.68
Vehicles & Trailer(s)	49,747.58	49,747.58
Construction Work in Progress	832,842.72	279,356.76
Less: Accumulated Depreciation	(1,135,055.08)	(693,960.00)
Net Property, Plant & Equipment	2,178,018.44	1,164,423.58
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	\$2,846,836.35	\$1,779,908.23

East Sevier County Utility District
Balance Sheet
May 31, 2020

	05/31/2020	05/31/2019
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$28,574.99	\$47,213.24
Sales Tax Payable	3,680.04	1,227.76
Payroll Taxes Payable	382.42	382.31
Unearned Revenue	26,417.05	22,709.00
Accrued Interest Payable	1,386.95	22,564.51
Customer Deposits	42,276.00	34,130.00
Total Current Liabilities	102,717.45	128,226.82
LONG-TERM DEBT		
USDA 2018 Loan #1	172,237.97	148,340.00
USDA 2017 Loan #2	287,323.93	238,190.39
USDA 2017 Loan #3	262,778.42	216,083.23
Total Long-Term Debt	722,340.32	602,613.62
Total Liabilities	825,057.77	730,840.44
DISTRICT'S EQUITY		
Retained Earnings	1,399,050.54	827,620.12
YTD Net Income	622,728.04	221,447.67
Total District's Equity	2,021,778.58	1,049,067.79
Total Liabilities and District's Equity	\$2,846,836.35	\$1,779,908.23

East Sevier County Utility District
Statements of Revenues and Expenses
For the Eleven Months Ending May 31, 2020
Actual vs Budget

May

YTD

<u>May</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$19,373	\$23,763	Water Sales	\$206,770	\$252,544	\$279,067
48,428	36,688	Sewer Charges	504,482	459,860	495,048
0	0	Connection Fees - Water	1,250	2,500	2,500
4,500	1,146	Connection Fees - Sewer	40,000	12,604	13,750
(132)	1,613	Late Charge Fees	6,622	17,740	19,353
34,891	613	Reconnect/Meter Sets/Other Fees	165,938	6,746	7,359
0	0	Gain (Loss) on Sale of Assets	500	0	0
0	200	Miscellaneous Income	400	2,200	2,400
107,060	64,023	Total Operating Revenues	925,962	754,194	819,477
		Operating Expenses			
159	167	Payroll Taxes	1,753	1,833	2,000
40,652	40,652	Management & Operations Contract	447,172	447,172	487,824
3,109	4,000	Utilities	42,036	44,000	48,000
2,360	2,000	Insurance	25,813	22,000	24,000
19,295	4,417	Repairs & Maintenance	65,740	48,583	53,000
0	417	Professional Outside Services	450	4,583	5,000
2,082	2,083	Directors' Fees	22,907	22,917	25,000
0	1,000	Legal Expenses	8,329	11,000	12,000
0	0	Accounting	8,800	7,300	7,300
1,167	1,167	Bad Debts	12,833	12,833	14,000
0	0	Dues	0	825	825
47	0	Office Expense	47	0	0
26	0	Advertising Expense	278	0	0
0	894	Permits	7,262	5,200	5,200
270	250	Miscellaneous Expense	1,566	2,750	3,000
69,167	57,047	Total Operating Expenses	644,986	630,996	687,149
37,893	6,976	Net Income B/4 Other (Inc) & Exp	280,976	123,198	132,328
		Other Income (Expenses)			
0	0	Grant Income	423,268	0	0
(475)	(1,792)	Interest Expense	(13,317)	(19,708)	(21,500)
(6,200)	(6,200)	Depreciation	(68,200)	(68,200)	(74,400)
0	(83)	Bond Issue Costs	0	(917)	(1,000)
(6,675)	(8,075)	Total Other Income (Expenses)	341,751	(88,825)	(96,900)
\$31,218	(\$1,099)	Net Income(Loss)	\$622,727	\$34,373	\$35,428

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

Billing Charges For the Month of:	May-20	
Water Revenue		19,373.17
Sewer Revenue		49,308.34
Installment Billing -Offsite Sewer Arrears		880.11
Sales Taxes		2,085.13
Late Charges		(132.00)
Installation Fees-Water		-
Installation Fees-Sewer		4,500.00
Other Miscellaneous Fees		27,385.11
Returned Checks		-
Deposits Applied/Adjustments		(410.00)
Customer Refunds Paid		195.00
Total Billing Charges		<u><u>103,184.86</u></u>
 Water Gallons Billed		 <u><u>911,044</u></u>
 Water Customers Billed		 <u><u>247</u></u>
 Sewer Gallons Billed		 <u><u>527,670</u></u>
 Sewer Customers Billed		 <u><u>839</u></u>

Accounts Receivable	May-20	
Beginning Balance		144,349.24
Billing Charges		103,184.86
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(82,139.66)
End of Month Accounts Receivable		<u><u>165,394.44</u></u>

Water Revenue Checking	May-20	
Beginning Balance		322,328.95
Deposits:		
Accounts Receivable Collections		82,139.66
Customer Deposits		1,516.00
Refund from Selective Insurance		79.09
Deposit Ticket Error 05/28/2020		0.08
		<u>83,734.83</u>
Disbursements:		
Accounts Payable Checks		(77,710.17)
Auto Debit Charges-Utilities		(3,627.45)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(2,620.00)
Refund Checks		(195.00)
Payroll Taxes		(382.64)
Charge backs		-
Bank fees		(269.66)
End of Month Balance		<u>317,182.86</u>
 Cash Receipts Collected To Date in:	Jun-20	 99,087.85
Auto Debited Utilities in:	Jun-20	(2,951.37)
Bills Submitted for Payment in:	Jun-20	(69,362.57)
Available Balance		<u><u>343,956.77</u></u>

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		322,328.95	83,734.83	-	(88,880.92)	317,182.86
Checking Acct-Alpine Road Funding		79,869.85	2,000.00	-	-	81,869.85
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		60.00	40.00	-	-	100.00
Total Cash and Investments		403,092.17	85,774.83	-	(88,880.92)	399,986.08

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
May-19	17,763	202,618	783	8,084	250

**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		
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
May-19	44,839	507,053	604	6,135	757	65,173

**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

JUNE 2020

Administrative

The Sensus water meter reading unit was returned in working order and monthly meter reads were performed.

Treatment

Treatment at the wells is monitored daily. Aqua Clear is working on a proposal for filtration at Well A/B.

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

Collection/Distribution

Installed two (2) pump kits at Smoky Mountain Ridge.

Repaired lift station pump hose connections at the English Mountain Condos.

Made repairs to drip field at Lashbrooke.

Aqua Clear on site to do some repair/replenish work on Well D filtration unit.

Flushed lines for Well C distribution area.

Customer Service

A few customers from the English Mountain Condos complained of sewer odors from lift station. AWR staff investigated and found pump hose connection was leaking. Hose was repaired and no further complaints were recorded.

Project Updates

TDEC tentatively approved WWTP. The Draft Permit has been uploaded for public comment. We expect to be allowed to bid out the project in August or September.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Our June safety meeting was continued COVID 19.
New Line Locator was received and put to use.

Regulatory

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

Distributed the 2019 CCR to English Mountain Condos and Rehab Center. Posted report in Main Office Lobby for other English Mountain Residents to view.

Training

On-going training of new employee on offsite activities for water distribution and wastewater.

Concerns for the Month

Lashbrooke Homeowner stating that drip field lines are on their property and they want them removed. We have ordered a survey of the area and notified the Utility District's attorney of the situation for further direction.

Residents at 1050 Aspen Court have been blocking access to the blow off. They wouldn't respond to ESCUD employees so Sevier County Sheriffs were notified and mitigated the issue.

Positives for the Month

Fewer leak repairs.

Aqua Clear representative was on site to visit Wells A/B. He will be sending a proposal to ESCUD for a turnkey installation of a filtration system to these Wells similar to the systems at Well C and D.

Leak Repairs

Water leaks were addressed at two locations: Honeysuckle, Half High
Sewer breaks was addressed at Sherwood Forest Resort, Smokey Mountain Ridge and Parkside Resort.

**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 2020

Re: Purchase of toolboxes for new trucks

With the pending delivery of the two (2) new ESCUD vehicles, I would like to request to early purchase toolboxes for the bed of the new trucks.

Tools and repair supplies are necessary to have on the vehicles and the toolboxes are needed to secure these items. Early purchase would ensure that the trucks will be stocked and ready for immediate service upon delivery.

The cost for two (2) toolboxes would be around \$600.