

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

March 12, 2020

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Motion to approve the minutes of the February 13, 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, April 9, 2020 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, February 13, 2020

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, February 13, 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 January 09, 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

James Ford, Local Manager, asked if anyone had questions about the financials. As no questions were presented, Barbara motioned to approve the financial report as presented, Janice seconded the motion. Motion carried.

James then discussed operations. We bought a new shredder for the office to shred checks, which have to be kept in the safe for three months after submitting a deposit. The checks have not been taken to the bank since we signed up for remote deposit, which enables us to upload the deposits directly onto the bank website. We did have a shredder, but it was not a micro-cut shredder, which offers a more secure way to destroy sensitive documents.

James announced he will be out the week of February 16th to work in Inez, KY, Alliance's recently contracted utility. It is customary that when Alliance begins managing a new utility that other Alliance managers arrive to pitch in and get some of the problems worked out. Evan and a manager from another District will be here to fill in for James.

Our January safety meeting was on personal protective equipment. Monthly water and wastewater reports were successfully submitted to the Tennessee Department of Environment and Conservation (TDEC).

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.

We replaced the pump and discharge hose at the Cove Road lift station, which was a difficult job. Our staff, combined with Big Orange Electric, worked as a team to address an unfavorable situation. Additionally, we flushed the Well D service area, restocked our lab, and refreshed the gravel at a previous repair site.

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

Offsite we installed a pump kit at Douglas Lake Resort and cleaned two pumps at Sherwood Forest. 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.

Persons to be Heard

Tony Paquin of 1549 Lin Creek requested a one-time forgiveness on his January bill. An underground pipe burst, spraying water onto the ground. By the time he discovered it, around 50,000 gallons of water was lost. He made the repair right away. The Board members agreed to allow Mr. Paquin to participate in the forgiveness program.

Barb asked if a situation such as this affects our water loss figure. James said it does not; the utility takes a loss of revenue. Barb suggested that we begin keeping a spreadsheet listing all the customers that participate in the forgiveness program. Brenda Fields, office clerk, said she will begin the spreadsheet starting with this incident.

Old Business

None

New Business

James gave an update on the wastewater treatment plant project. Evan Romo and Tony Sneed, Alliance managers, reported that TDEC has approved the style of the plant that Alliance submitted as long as the flow and quantity and the ability of the system to remove phosphorous meets the State's standards.

Barbara asked if these USDA funds had to be paid back. James stated that Evan would provide further details in coming weeks. Barbara then asked what the interest rate was going to be and would this extend the time to repay our loans. James stated the Evan would provide more specific details in coming weeks. Barbara wanted to know if we are still required to have side by side tanks. James stated that when specific information was provided, he would immediately share it with the board members.

Roy brought up two points. There is a small patch of land behind our building on the other side of the creek which is owned by ESCUD. Roy proposed that we either sell or give the property to the English Mountain Volunteer Fire Department located next to the land. A brief discussion ensued. Commissioners will take time to think about the proposal and arrive at a decision at a later date.

The second issue is the sale of land at Well F that AWR employee Jeff Bragonier expressed an interest in. After a brief discussion, Commissioners decided to think on it and also give Jeff time to think about it; they will discuss the issue at a later time.

The next regular meeting will be held on Thursday, March 12, 2020, at 5:30 p.m.

Adjournment

Roy Ivey motioned, and Barbara Darby seconded the motion, to adjourn at 6:07 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills
12-Mar-20**

<u>Regular Checking for Consideration</u>		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	March 2020 Services, Invoice# 8754	\$ 40,652.00
First Tennessee Bank	Alpine Drive Fund	\$ 2,000.00
The Mountain Press	Notice, Ad# 30895735, February 2020	\$ 22.65
Mission Communications, LLC	Annual Fee for SCADA Service	\$ 2,253.60
Wells Excavating & Septic	Repair-excavation to stabilize soil around pipe-finished work	\$ 4,000.00
Big Orange Electric	Repairs (\$2570) and new service installations (\$1600)	\$ 4,170.00
Orenco Systems	Inv# 363759, High-pressure hoses, S&H \$30.93-inventory	\$ 235.95
	Inv# 364126, Pump Kits, S&H \$540.44-inventory	\$ 9,068.08
Highview Properties, 4-15800-3	Refund deposit	\$ 105.00
Elizabeth Roque, 10-10500-2	Refund deposit	\$ 105.00
Total Regular Checking Charges and Bills Paid		\$ 64,471.43

Charges and Bills Paid from Regular Checking Since February 13, 2020

Sevier County Electric	Utility	\$ 4,695.89
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 102.82
City of Pigeon Forge Water & Sewer	Utility	\$ -
USDA	Loan Repayment	\$ 2,076.00
State of Tennessee	Monthly Sales Tax	\$ 1,840.00
IRS	Payroll Tax-4th Qtr 2018	\$ 382.64
Bank fee	Analysis Service Charge	\$ 163.11
Total Regular Checking Charges and Bills Paid		\$ 9,302.71

Grand Total Regular Checking **\$ 73,774.14**

Charges and Bills Paid from Alpine Drive fund Since February 13, 2020

McGill & Associates, P. A.	Inv# 15.06204-3882, \$24,908.75; -6692, 9,750.00	\$ 34,658.75
Total Alpine Drive Fund Checking Charges and Bills Paid		\$ 34,658.75

Charges and Bills Paid from WWTP fund Since February 13, 2020

Total WWTP Fund Checking Charges and Bills Paid

East Sevier County Utility District
Balance Sheet
January 31, 2020

01/31/2020

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$293,342.02
Checking Account - Alpine Rd Funding	110,157.85
Cash on Hand	60.00
Total Cash	403,559.87
Accounts Receivable	151,265.93
Allowance for Doubtful Accts	(27,371.49)
Unbilled Accounts Receivable	6,045.00
Inventory	18,306.81
Prepaid Expenses	31,110.44
Total Current Assets	582,916.56

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	2,182,058.19
Buildings	69,235.68
Machinery & Equipment	131,409.26
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	797,921.47
Less: Accumulated Depreciation	(1,110,255.08)
Net Property, Plant & Equipment	2,151,774.90

RESTRICTED CASH

Construction Account - Waste Wtr Project	833.37
Total Restricted Cash	833.37

OTHER ASSETS

Deposits	14,370.00
Total Other Assets	14,370.00

Total Assets	\$2,749,894.83
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East Sevier County Utility District
Balance Sheet
January 31, 2020

01/31/2020

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$34,813.01
Sales Tax Payable	1,840.37
Payroll Taxes Payable	382.50
Unearned Revenue	26,417.05
Accrued Interest Payable	5,414.71
Customer Deposits	39,865.00
<i>Total Current Liabilities</i>	<u>108,732.64</u>

LONG-TERM DEBT

USDA 2018 Loan #1	172,237.97
USDA 2017 Loan #2	288,695.57
USDA 2017 Loan #3	263,800.98
<i>Total Long-Term Debt</i>	<u>724,734.52</u>

Total Liabilities

833,467.16

DISTRICT'S EQUITY

Retained Earnings	1,399,050.54
YTD Net Income	517,377.13
<i>Total District's Equity</i>	<u>1,916,427.67</u>

Total Liabilities and District's Equity

\$2,749,894.83

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

<u>January</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$18,868	\$30,460	Water Sales	\$130,447	\$166,951	\$279,067
46,506	48,564	Sewer Charges	314,292	312,112	495,048
0	0	Connection Fees - Water	0	2,500	2,500
1,500	1,146	Connection Fees - Sewer	22,250	8,021	13,750
(18)	1,613	Late Charge Fees	4,976	11,289	19,353
(714)	613	Reconnect/Meter Sets/Other Fees	82,053	4,293	7,359
0	0	Gain (Loss) on Sale of Assets	500	0	0
0	200	Miscellaneous Income	400	1,400	2,400
66,142	82,596	Total Operating Revenues	554,918	506,566	819,477
		Operating Expenses			
159	167	Payroll Taxes	1,115	1,167	2,000
40,652	40,652	Management & Operations Contract	284,564	284,564	487,824
4,713	4,000	Utilities	27,413	28,000	48,000
2,312	2,000	Insurance	16,181	14,000	24,000
7,964	4,417	Repairs & Maintenance	31,564	30,917	53,000
0	417	Professional Outside Services	450	2,917	5,000
2,082	2,083	Directors' Fees	14,577	14,583	25,000
1,018	1,000	Legal Expenses	5,084	7,000	12,000
8,800	0	Accounting	8,800	7,300	7,300
1,167	1,167	Bad Debts	8,167	8,167	14,000
0	0	Dues	0	825	825
23	0	Advertising Expense	178	0	0
0	894	Permits	7,262	4,306	5,200
(95)	250	Miscellaneous Expense	620	1,750	3,000
68,795	57,047	Total Operating Expenses	405,975	405,496	687,149
(2,653)	25,549	Net Income B/4 Other (Inc) & Exp	148,943	101,070	132,328
		Other Income (Expenses)			
0	0	Grant Income	423,268	0	0
(447)	(1,792)	Interest Expense	(11,435)	(12,542)	(21,500)
(6,200)	(6,200)	Depreciation	(43,400)	(43,400)	(74,400)
0	(83)	Bond Issue Costs	0	(583)	(1,000)
(6,647)	(8,075)	Total Other Income (Expenses)	368,433	(56,525)	(96,900)
(\$9,300)	\$17,474	Net Income(Loss)	\$517,376	\$44,545	\$35,428

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

Billing Charges For the Month of:	Jan-20	
Water Revenue		18,867.73
Sewer Revenue		47,475.25
Installment Billing -Offsite Sewer Arrears		968.99
Sales Taxes		1,839.89
Late Charges		(18.20)
Installation Fees-Water		-
Installation Fees-Sewer		1,500.00
Other Miscellaneous Fees		(436.50)
Returned Checks		-
Deposits Applied/Adjustments		-
Customer Refunds Paid		-
Total Billing Charges		<u>70,197.16</u>
Water Gallons Billed		<u>930,749</u>
Water Customers Billed		<u>246</u>
Sewer Gallons Billed		<u>604,520</u>
Sewer Customers Billed		<u>784</u>

Accounts Receivable	Jan-20	
Beginning Balance		110,628.55
Billing Charges		70,197.16
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(68,926.43)
End of Month Accounts Receivable		<u>111,899.28</u>

Water Revenue Checking	Jan-20	
Beginning Balance		317,808.62
Deposits:		
Accounts Receivable Collections		68,926.43
Customer Deposits		485.00
Refund of Bank Fee from December		250.00
		<u>69,661.43</u>
Disbursements:		
Accounts Payable Checks		(83,378.81)
Auto Debit Charges-Utilities		(4,245.41)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,890.00)
Payroll Taxes		(382.64)
Bank fees		(155.17)
End of Month Balance		<u>293,342.02</u>
Cash Receipts Collected To Date in:	Feb-20	79,272.45
Cash Receipts Collected To Date in:	Mar-20	8,347.75
Auto Debited Utilities in:	Feb-20	(4,840.96)
Bills Submitted for Payment in:	Feb-20	(63,374.91)
Available Balance		<u><u>312,746.35</u></u>

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		317,808.62	69,661.43	-	(94,128.03)	293,342.02
Checking Acct-Alpine Road Funding		88,426.13	21,731.72	-	-	110,157.85
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		407,128.12	91,393.15	-	(94,128.03)	404,393.24

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
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

**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		
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
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

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

February 2020

Administrative

Staff completed a training module from United Systems Software regarding setup and implementation of automatic bank draft.

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 Lashbrooke Estates

Installed a pump kit at Smoky Mountain Ridge

Jetted a section of block sewer on Alpine Drive

Installed two new chlorine pumps for greater control of water quality

Made arrangements with a surveyor to clarify ESCUD holdings

Assisted Sevier County with culvert replacement on Basswood Court

Customer Service

An out of state, offsite property owner appreciated photos and verbal communication during a repair. He stated he felt relieved that he now “knew what was going on.”

Project Updates

An official letter of response has been sent to the chief engineer of TDEC regarding the proposed wastewater treatment plant on English Mountain. The project continues to move forward.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Our February safety meeting was on basic first aid.

Regulatory

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

Training

Utilizing a systematic approach to leak detection. A staff member was able to locate and address a leak on Black Oak Drive in a timely fashion.

Concerns for the Month

Sharing our roadways with tourists.

Positives for the Month

While performing a financial transaction, bank leadership made a point to let ESCUD know that they are ready to do business with us.

Leak Repairs

Water leaks were addressed on Black Oak and Glasgow.

A sewer leaks were addressed at Parkside, Timber Lake Bay, and Douglas Lake.