

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

May 14, 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) Adjournment – Next regular meeting to be held on Thursday, June 11, 2020 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, April 09, 2020

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

A motion to approve the minutes of the March 12, 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. Barbara motioned to approve the financial report as presented, Janice seconded the motion. Motion carried.

Evan discussed Appendices A & B, which was included in the Board packet. Appendix A and Appendix B list the water and sewer rate structure as they are set up in the billing system. The Rules and Regulations previously listed the water rates as \$53.00 for the first 3,000 gallons and \$3.00 per additional thousand gallons or portion thereof. However, the billing software is set up to charge a \$12.60 flat fee and \$8.00 per additional 1,000 gallons or portion thereof for usage over 7,200 gallons, which adds an incentive for customers to be conservative with their water usage and to repair leaks in a timely manner.

The sewer rates are listed on Appendix B as \$45 for the first 3,000 gallons, \$3.10 per additional 1,000 gallons or portion thereof, and a \$13.86 flat fee and \$8.80 per additional 1,000 gallons or portion thereof. Barbara motioned to add Appendix A and Appendix B to the Rules and Regulations, and Janice seconded the motion. Motion carried. Evan noted that the rates are not changing but merely being reflected correctly in the Rules and Regulations.

Evan discussed the memo to the Board that was included in the Board packet. The memo stated, "ESCUUD has historically used Mitchell Emert & Hill, P.C., to perform the

District's annual audits. As we look forward to the upcoming audit, staff recommends seeking Requests for Qualifications from additional firms in order to obtain a fair price and acceptable service." He reminded the Board that Mitchell Emert & Hill charged around \$1,000 more each year for the last 2-3 audits. Also, they have been slow to submit their findings. Barbara motioned to approve looking to other firms to find the best price and service for future audits. Janice seconded the motion. Motion carried.

James discussed operations for March. AT&T Fiber Optic Internet has been installed, improving our service exponentially. We had the transmission serviced on an ESCUD vehicle. We flushed the entire distribution system and replaced filters at the A/B well house. We dressed up and raked a repair site to make it look much better. A water leak was repaired on Black Oak, and a sewer leak was addressed at Bear Creek Crossing.

Offsite, we installed a control box and three pump kits at Sherwood Forest and installed two pump kits at Smoky Mountain Ridge.

James reported the status of the Douglas Lake landslide, which exposed and pulled apart our sewer lateral. Markers had been put into place, and a study of them showed that the soil had moved six inches since they were placed; the movement was strong enough to break one of the markers. We have repaired the sewer laterals, but there is a good possibility that they will pull apart again.

Our March safety meetings were in regard to COVID-19. There will be more on that subject in coming months. Monthly water and wastewater reports were submitted to TDEC. A staff member has been scheduled to take a collections examination in May.

Persons to be Heard

Jeff Bragonier, an ESCUD employee, requested permission to purchase the 2008 Chevy that is part of the ESCUD fleet for \$500. We had received bids of \$375, \$450, and \$475. It was the consensus of the Board to allow Jeff to purchase the 2008 Chevy for \$500.

Old Business

None

New Business

We are still awaiting word from TDEC regarding the proposed WWTP.

The next regular meeting will be held on Thursday, May 14, 2020, at 5:30 p.m.

Adjournment

Roy motioned, and Barbara seconded the motion, to adjourn at 5:48 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills
14-May-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	May 2020 Services, Invoice# 8845	\$ 40,652.00
First Horizon Bank	Alpine Drive Fund	\$ 2,000.00
The Mountain Press	Notice, Ad# 30901549, April 2020	\$ 25.88
Big Orange Electric, Inc.	Inv# 2069, Service calls, 03/04/20-03/25/20, work completed	\$ 4,655.00
	Inv# 2070, Service calls, 03/05/20, work completed	\$ 285.00
	Inv# 2071, New installs, 03/04/20-03/30/20, work completed	\$ 2,500.00
Orenco Systems, Inc	Inv# 366041, 4 pump packages, 04/02/20, inventory, S&H \$515.17	\$ 9,320.73
	Inv# 366546, 4 pump packages, 2 lids, 2 simplex panels; 04/17/20, inventory, S&H 525.43	\$ 10,238.82
Labtronyx	Annual calibration & Maintenance, 03/31-04/15/20, work completed	\$ 1,300.00
Mark Jendrek, P. C>.	Inv# 15676, 12/09/19-12/10/19, legal services	\$ 302.50
	Inv# 15677, 01/27/20-01/31/20, legal services	\$ 1,980.00
	Inv# 15677, 02/24/20, legal services	\$ 137.50
	Inv# 15678, 12/12/19-02/13/19, legal services	\$ 687.50
Power Pumping	Inv# 9008, 04/01/20, Pump & haul 1 load	\$ 700.00
Smokey Mountain Electric, Inc.	Inv# SME4324, 04/10/20, Various Parts, Inventory	\$ 457.30
USLI Mount Vernon Fire Insurance	Pol# PO 2000065N, 05/13/20-05/13/21	\$ 1,638.00
Cash	Deposit to office cash box for change on hand	\$ 40.00
Beverly Sheets, 12-75000-1	Refund, Deposit	\$ 105.00
Cheri Rosenbaum, 3-13100-2	Refund, Overpayment	\$ 90.00
Total Regular Checking Charges and Bills Paid		\$ 78,974.38

Charges and Bills Paid from Regular Checking Since April 09, 2020

Sevier County Electric	Utility	\$ 3,986.00
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 107.41
City of Pigeon Forge Water & Sewer	Utility	\$ 29.12
USDA	Loan Repayment	\$ 2,076.00
State of Tennessee	Monthly Sales Tax	\$ 1,837.00
IRS	Payroll Tax-4th Qtr 2018	\$ 382.64
Bank fee	Analysis Service Charge	\$ 209.29
Total Regular Checking Charges and Bills Paid		\$ 8,669.71

Grand Total Regular Checking	\$ 87,644.09
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East Sevier County Utility District
Balance Sheet
March 31, 2020

03/31/2020

ASSETS

CURRENT ASSETS

Checking Account - Operations	\$306,331.24
Checking Account - Alpine Rd Funding	77,869.85
Cash on Hand	60.00
Total Cash	384,261.09
Accounts Receivable	172,359.21
Allowance for Doubtful Accts	(29,462.29)
Unbilled Accounts Receivable	6,045.00
Inventory	30,614.55
Prepaid Expenses	27,968.56
Total Current Assets	591,786.12

PROPERTY, PLANT & EQUIPMENT

Land	31,657.80
Distribution & Collection System	2,195,680.48
Buildings	69,235.68
Machinery & Equipment	131,409.26
Vehicles & Trailer(s)	49,747.58
Construction Work in Progress	832,580.22
Less: Accumulated Depreciation	(1,122,655.08)
Net Property, Plant & Equipment	2,187,655.94

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	\$2,794,645.43
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East Sevier County Utility District
Balance Sheet
March 31, 2020

03/31/2020

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$33,435.60
Sales Tax Payable	1,999.95
Payroll Taxes Payable	382.46
Unearned Revenue	26,417.05
Accrued Interest Payable	3,406.34
Customer Deposits	40,550.00
Total Current Liabilities	<u>106,191.40</u>

LONG-TERM DEBT

USDA 2018 Loan #1	172,237.97
USDA 2017 Loan #2	288,009.75
USDA 2017 Loan #3	263,289.70
Total Long-Term Debt	<u>723,537.42</u>

Total Liabilities

829,728.82

DISTRICT'S EQUITY

Retained Earnings	1,399,050.54
YTD Net Income	565,866.07
Total District's Equity	<u>1,964,916.61</u>

Total Liabilities and District's Equity

\$2,794,645.43

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

March

YTD

March			YTD		Annual Budget
Actual	Budget		Actual	Budget	
		Operating Revenues			
\$20,376	\$23,068	Water Sales	\$169,283	\$205,624	\$279,067
47,132	35,822	Sewer Charges	406,981	388,835	495,048
0	0	Connection Fees - Water	0	2,500	2,500
9,750	1,146	Connection Fees - Sewer	34,250	10,312	13,750
863	1,613	Late Charge Fees	6,766	14,515	19,353
18,587	613	Reconnect/Meter Sets/Other Fees	111,950	5,519	7,359
0	0	Gain (Loss) on Sale of Assets	500	0	0
0	200	Miscellaneous Income	400	1,800	2,400
96,708	62,462	Total Operating Revenues	730,130	629,105	819,477
		Operating Expenses			
159	167	Payroll Taxes	1,434	1,500	2,000
40,652	40,652	Management & Operations Contract	365,868	365,868	487,824
4,008	4,000	Utilities	35,229	36,000	48,000
2,427	2,000	Insurance	20,979	18,000	24,000
8,245	4,417	Repairs & Maintenance	40,583	39,750	53,000
0	417	Professional Outside Services	450	3,750	5,000
2,082	2,083	Directors' Fees	18,742	18,750	25,000
3,108	1,000	Legal Expenses	8,192	9,000	12,000
0	0	Accounting	8,800	7,300	7,300
1,167	1,167	Bad Debts	10,500	10,500	14,000
0	0	Dues	0	825	825
26	0	Advertising Expense	226	0	0
0	0	Permits	7,262	4,306	5,200
304	250	Miscellaneous Expense	1,087	2,250	3,000
62,178	56,153	Total Operating Expenses	519,352	517,799	687,149
34,530	6,309	Net Income B/4 Other (Inc) & Exp	210,778	111,306	132,328
		Other Income (Expenses)			
0	0	Grant Income	423,268	0	0
(475)	(1,792)	Interest Expense	(12,381)	(16,125)	(21,500)
(6,200)	(6,200)	Depreciation	(55,800)	(55,800)	(74,400)
0	(83)	Bond Issue Costs	0	(750)	(1,000)
(6,675)	(8,075)	Total Other Income (Expenses)	355,087	(72,675)	(96,900)
\$27,855	(\$1,766)	Net Income(Loss)	\$565,865	\$38,631	\$35,428

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

Billing Charges For the Month of:		Mar-20
Water Revenue		20,375.63
Sewer Revenue		48,053.69
Installment Billing -Offsite Sewer Arrears		922.18
Sales Taxes		1,837.00
Late Charges		862.63
Installation Fees-Water		-
Installation Fees-Sewer		9,750.00
Other Miscellaneous Fees		18,587.00
Returned Checks		-
Deposits Applied/Adjustments		(220.00)
Customer Refunds Paid		315.00
Total Billing Charges		<u>100,483.13</u>
Water Gallons Billed		<u>978,847</u>
Water Customers Billed		<u>248</u>
Sewer Gallons Billed		<u>568,720</u>
Sewer Customers Billed		<u>799</u>
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Accounts Receivable		Mar-20
Beginning Balance		114,466.20
Billing Charges		100,483.13
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(78,210.77)
End of Month Accounts Receivable		<u>136,738.56</u>
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Water Revenue Checking		Mar-20
Beginning Balance		300,464.85
Deposits:		
Accounts Receivable Collections		78,210.77
Customer Deposits		590.00
		<u>78,800.77</u>
Disbursements:		
Accounts Payable Checks		(62,576.43)
Auto Debit Charges-Utilities		(3,870.19)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,830.00)
Payroll Taxes		(382.64)
Bank fees		(199.12)
End of Month Balance		<u>306,331.24</u>
Cash Receipts Collected To Date in:	Apr-20	86,883.84
Cash Receipts Collected To Date in:	May-20	552.00
Auto Debited Utilities in:	Apr-20	(4,164.78)
Bills Submitted for Payment in:	Apr-20	(62,551.42)
Available Balance		<u><u>327,050.88</u></u>

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		300,464.85	78,800.77	-	(72,934.38)	306,331.24
Checking Acct-Alpine Road Funding		75,869.85	2,000.00	-	-	77,869.85
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		60.00	-	-	-	60.00
Total Cash and Investments		377,228.07	80,800.77	-	(72,934.38)	385,094.46

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
Apr-19	17,463	184,855	668	7,301	250
Mar-19	17,535	167,392	627	6,633	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		
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
Apr-19	43,934	462,214	491	5,531	751	73,177
Mar-19	44,021	418,279	499	5,040	750	72,003

**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

April 2020

Administrative

Alliance staff are gathering information to create the FYE21 budget.

Treatment

Treatment at the wells is monitored daily. Water treatment has continually improved since the installation of the filters at well C.

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.

Installed three (3) pump kits at Timber Lake Resort.

Installed water tap for new customer on Lin Creek.

Repaired sewer lateral at Douglas Lake Resort.

Replaced all intake hoses on the #1 Stenner Pump at A/B well house.

Spread dirt, seed and straw on customers yard at previous repair site

Customer Service

A customer from the English Mountain Condos stated to staff members that the water quality is much higher than it was before the arrival of AWR.

Project Updates

McGill is preparing final plans to present to TDEC on the WWTP. An updated project schedule has been delivered to TDEC.



OPERATIONS REPORT – East Sevier County Utility District

Safety

Our April safety meeting was regarding COVID 19.

Regulatory

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

Training

Trained new employee on offsite activities for water and wastewater.
New Local Manager started on April 13th, being trained and familiarized with ESCUD and AWR operations.

Concerns for the Month

The booster pump at Well C constantly ran for several days with a 135 PSI line pressure. There could be possible additional line leaks due to the constant higher pressure on our older infrastructure.

Positives for the Month

A difficult to locate water leak was finally found and mitigated. This brought Well C booster pump back normal operation and the Well C tank level back to normal operating levels.

Leak Repairs

Water leaks were addressed at several locations: Chestnut Ridge Glasgow, Half High, Clingman's View and Alpine Drive.

A sewer leak was addressed at Bear Creek Crossing.

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: May 7, 2020

Re: Replacement of 2003 Ford Ranger

As you know, ESCUD's work truck fleet is aging and all trucks are in need of various repairs. Recently, the 2003 Ford Ranger has broken down. The repair estimate is \$7,600 to replace various parts including the engine. The truck would be valued at \$1,554 if it were in fair condition and running. In August of 2019, the Board approved \$25,000-\$30,000 for the purchase of a small van. We would recommend re-appropriating these funds for the purchase of a small truck. An additional \$30,000 is being recommended in the capital improvement budget for FYE2021 to purchase another Ranger. We will roll this over to total \$55,000 in the FYE2021 budget.

The other two vehicles currently used for ESCUD daily operations are the 1998 Ford F350 Utility Truck with 150,000+ miles on it and a 1999 Mazda B4000 Pickup truck with 212,000+ miles on it. Both of these vehicles are in need of some repairs, (ie, brakes/rotors, alignment, and tires) both vehicles have recently had transmission work done on them. The Utility truck is only used to transport needed materials and parts in the service area. Due to its condition it's not driven out of the service area. The AWR manager's truck is being used for daily operations due to the vehicle issues.

Purchasing a new Ford Ranger 4x4 from the state bid list would cost \$25,192 plus tag. We recommend purchasing 2 trucks now for a total of 50,384 before tag and title fees.

May 14, 2020

CUSTOMER NAME

ADDRESS