

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

August 12, 2021

5:30 P.M.

AGENDA

- 1) Call to Order by President Roy Ivey
- 2) Introduction of Commissioners, Alliance Personnel and ESCUD Manager
- 3) Motion to approve the minutes of the July 8, 2021 meeting
- 4) Persons to be Heard
 - ****ONE AT A TIME AS RECOGNIZED****
 - When it is your turn to speak, please stand, state your name, address and phone number prior to your discussion. Time limit is 10 minutes.
 - Please be considerate of others that may wish to speak by keeping your comments brief.
 - Customers that interrupt others speaking may be asked to leave the meeting.

REPORTS:

- 5) Motion to approve the Accounts Payable Listing in total as submitted.
- 6) Alliance Water Resources – Financial Report / Operations

OLD BUSINESS:

- 7) None

NEW BUSINESS:

- 8) WWTP Update
- 9) WWTP Draw Approval
- 10) Adjournment – Next regular meeting to be held on Thursday, September 9, 2021 – 5:30 p.m.

MINUTES

BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, July 08, 2021

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, July 08, 2021, 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. Introductions were made to acquaint visitors with Commissioners and Alliance staff.

A motion to approve the minutes of the June 10, 2021, meeting was made by Barbara. Janice seconded the motion. Motion carried.

Persons to be Heard

Robert Millsaps of 1522 Wilhite Creek Road asked the Board how much he had to pay toward his bill to be paid in full to date, which had accumulated to \$4,995.71 since March of 2019,. He wanted to pay it since he is trying to sell the property, which he had just inherited from Otis Tarkington. No payments or contact has been made regarding the account since it was opened. The property does have a mobile home in place, which is not inhabited; Robert stated he uses it for storage only. However, the ESCUD ordinance says that any property which has a dwelling on it, regardless of whether it is habitable or not, is subject to monthly service charges. Barbara said in order to bring the account to zero, he would have to pay the account in full; no credit would be given. He then produced the exact dollar amount due in cash. He was given a receipt and a copy of the section of the ESCUD Ordinance which explains that properties would be billed for water and, if available, sewer as long as there is a dwelling on the property.

Terry Wingate, Secretary of the English Mountain Property Owners' Association (EMPOA), Said the Hommel Paving, owned by Caleb Howie, 865-250-4346, will be on the Mountain the first thing in the morning to pave Swann Saddle and Low Sunset roads. The POA is helping with the cost. The POA has collected more yearly dues than ever since they hired All-Pro Management to handle the accounts. They recently spent \$1,500 to clean up the area on the corner of Alpine and Lin Creek roads, which had piles of demolition refuse that someone had dumped there. They have plans to make many more improvements, such as clearing many of the roads that have grown over due to years of neglect. They also plan to start adding penalties for non-payment of dues. EMPOA Rules & Regulations can be found at englishmountain.info.com.

Terry asked that ESCUD pay their dues, which are \$500 for businesses. Janice asked him who decided that ESCUD should be categorized as a business. He said the officers of the POA had sent notices to all the businesses on the Mountain, including ESCUD. Terry stressed how much the money is needed and that the POA would use it to make much-needed improvements on the Mountain. The Board told him they would give him an answer tomorrow. Later in the meeting after all visitors had gone, Barbara said she didn't think that ESCUD could be defined as a business in the same way the other businesses, the Condos and Rehab, can. ESCUD is a non-profit organization that answers to the State. She suggested that we contact ESCUD Attorney Mark Jendrek for advice on the issue. Evan texted Mark right away but did not hear back from him before the meeting ended.

Terry said that the Board had approved \$4,000 to pave the roads where ESCUD had dug to perform leak repairs; but there is another area needing to be paved that was not considered when the Board approved the dollar amount, which might raise the cost. Barbara motioned, and Janice seconded the motion, to approve funds for the paving project not to exceed \$5,000.

Ron Cooley, Vice President of the EMPOA, reported possible leaks in the area that will be paved in the morning, two on Half High, one by Well C, and one farther up by about 25 ft.. Evan said he will get up there early to check it out before it possibly gets paved over. Ron reported that a mobile home is going in on Butternut; he told the owner he should coordinate the sewer install with Darrell, ESCUD Wastewater Operator. A developer is planning on building houses on Azalea, which he might plan to rent out though Air B & B. ESCUD should speak with him about the availability of service there.

A rather lengthy discussion ensued among Evan, the Commissioners, and visitors about running new sewer lines in various locations around the Mountain and who would be responsible for payment. No decisions were reached.

Ron lives at 1386 Aintree Drive. He asked that with filters being added to Wells A, B, and C, is the water quality now as good as it will get? Evan explained that Well C has been offline since May 05 of this year. Once it is back online tomorrow, the quality should improve.

Mary Tasker of 1523 Lin Creek Road had called earlier in the day to ask about a charge for water and sewer on her bill back in January of this year. The meter reading showed that 93,560 gallons of water had passed through the meter. The charges totaled \$1,653.56. No one from their household had questioned this until today. Mary said there is no way they could have used that much water. Yet, the reading was an actual read. The previous and next readings were both normal. It seems as if they had a leak or someone left water running. The Board agreed to allow her a once-in-twelve-month forgiveness of half of the water overage and all of the sewer overage.

Evan asked for approval of the list of bills. Barbara motioned to approve the Accounts Payable listing in total as submitted. Janice seconded the motion; motion carried. Evan

asked for a motion to approve the treasury report since there were no questions from the Board. Barbara motioned to approve the treasury report; Janice seconded the motion. Motion carried.

Concerning operations, Evan reported that the building at the WWTP has been torn down, and the hole for the new tank has been partially dug. J. S. Haren employees should have the plant ready to receive the new components by next week.

The WWTP project is underway. There is a “mountain” of dirt there that Evan said the Utility can use, if needed. Well C is coming back online tomorrow. We installed a bigger pump at Well D that is not sensitive to sand and can push 65 gpm through the system. However, the filtration system no need to be expanded in order to keep up with the higher output. We have nine spare tanks, which we replace recently, that can be used for the project. Jeff Bragonier, Alliance employee here on the Mountain, suggested utilizing King Pure Water in Sevierville for our water filtration needs instead of AquaClear, who is asking an unreasonable price, around \$30,000, to expand the Well D system. We added a backup booster pump at Well C and also plan to do the same at Serenity Point.

When SE Diving Services, LLC, finally arrived to repair the tank at Well C after having cancelled 2-3 times, they discovered that the water line was below the area to be repaired. They informed staff that the water line had to cover the area of repair so that the divers could reach it and that they would be charging ESCUD a trip charge for coming out. We are fighting the charge since SE Diving did not inform us about the tank level requirement beforehand.

We are working with TDEC to install a 10,000-gallon tank at Well D. We have decided to try to get approval to use both tanks, which means we will have to install a concrete pad where we can find available space on the property. TDEC will get back with us next month.

Janice said Carol Peak had called to see if campers or fifth-wheels could be hooked to our service lines. Barbara said that the District has always frowned on it due to the fact that the customer can accumulate a high bill, and then hitch up the camper and drive off without paying. Also, our only real recourse for non-payment is to put a lien on the property, which in these cases would not include the camper, but only the land itself. After a short discussion, the Commissioners agreed to allow campers to hook onto our service lines, but they must first get POA approval and pay double deposit, or \$650.

Old Business

None

New Business

New business was discussed throughout the meeting. Evan explained that the foundation for the wastewater plant was being formed up. The 2nd tank at well D is being engineered and will have to be approved by TDEC.

The next regular meeting will be held on Thursday, August 12, 2021, at 5:30 p.m.

Adjournment

Roy motioned and Barbara seconded the motion, to adjourn at 7:12 p.m. Motion carried.

Secretary-Treasurer

East Sevier County Utility District

List of Bills

12-Aug-21

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	August 2021 Services	\$ 54,164.00
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Ad# 700085513, Jul 03	\$ 23.26
Power Pumping	Pump & Haul WWTP 07/15/21	\$ 700.00
Big Orange Electric	Inv# 2190, Service calls, material \$800, June 2-30	\$ 2,845.00
	Inv# 2191, Service calls, Mountain, June 1-12	\$ 1,425.00
	Inv# 2192, New installs, June 2 and 17	\$ 1,200.00
	Inv# 2193, Site work, material \$939, June 2021	\$ 2,339.00
	Inv# 2194, Material, June 2021	\$ 3,450.00
TDEC	Inv# 642555, Annual Fee DWS-00605, Connections 317, June 15	\$ 412.10
Baker's Wrecker Service	Inv# 21-14688, Tow ESCUD vehicle to shop for repairs, 07/27/21	\$ 125.00
SE Diving Services, LLC	Inv# 01-071321, July 13, Repair tank at Well C, complete	\$ 3,802.50
Smoky Mountain Farmer's Co-op	Inv# 4207822, July 23, Backhoe Tires Labor, \$20, Tractor tube, \$22.95	\$ 42.95
Patti Lehman, 11-37-3	Refund, Overpayment	\$ 15.00
Jeffrey Price, 12-90400-1	Refund, Overpayment	\$ 45.00
Chris Galea, 5-29400-1	Refund, Deposit plus overpayment	\$ 255.00
Frank Francis, 1-3600-3	Refund, Deposit plus overpayment	\$ 128.25
Ronald Borland, 11-14-3	Refund, Overpayment	\$ 40.95
Richard Haarman, 1-2820-4	Refund, Deposit	\$ 135.00
Rick Merkel, 4-20700-2	Refund, Overpayment	\$ 30.68
Virginia Allison, 1-3700-5	Refund, Deposit plus overpayment	\$ 139.50
	Total Regular Checking for Consideration	\$ 75,177.34

Charges and Bills Paid from Regular Checking Since July 08, 2021

Sevier County Electric	Utility	\$ 4,012.00
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 130.54
City of Pigeon Forge Water & Sewer	Utility	\$ -
USDA	Loan repayment	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,956.00
IRS	Payroll tax	\$ 382.64
Bank Fee	Analysis service charge	\$ 213.25
	Total Regular Checking Charges and Bills Paid	\$ 8,812.68

Grand Total Regular Checking \$ 83,990.02

Charges and Bills Paid from Alpine Drive fund Since July 08, 2021

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

East Sevier County Utility District
Balance Sheet
June 30, 2021

	06/30/2021	06/30/2020
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$308,884.85	\$336,176.20
Checking Account - Alpine Rd Funding	107,869.85	83,869.85
Cash on Hand	100.00	100.00
Cash-Restricted-Customer Deposits	(69,483.49)	(43,786.00)
Total Cash	347,371.21	376,360.05
Accounts Receivable	164,719.46	181,110.37
Allowance for Doubtful Accts	(70,000.00)	(36,000.00)
Unbilled Accounts Receivable	10,539.00	10,539.00
Inventory	112,454.55	16,246.19
Prepaid Expenses	21,397.36	21,110.38
Total Current Assets	586,481.58	569,365.99
PROPERTY, PLANT & EQUIPMENT		
Land	76,657.80	31,657.80
Distribution & Collection System	2,963,372.07	2,925,356.50
Buildings	69,235.68	69,235.68
Machinery & Equipment	121,212.26	121,349.26
Vehicles & Trailer(s)	88,334.99	37,950.99
Construction Work in Progress	480,443.46	147,078.75
Less: Accumulated Depreciation	(1,241,095.71)	(1,175,556.17)
Net Property, Plant & Equipment	2,558,160.55	2,157,072.81
RESTRICTED CASH		
Construction Account - Waste Wtr Project	813.37	833.37
Cash-Restricted-Customer Deposits	69,483.49	43,786.00
Total Restricted Cash	70,296.86	44,619.37
OTHER ASSETS		
Deposits	14,945.00	14,370.00
Total Other Assets	14,945.00	14,370.00
Total Assets	\$3,229,883.99	\$2,785,428.17

East Sevier County Utility District
Balance Sheet
June 30, 2021

06/30/2021

06/30/2020

LIABILITIES AND DISTRICT'S EQUITY

CURRENT LIABILITIES

Accounts Payable	\$36,725.13	\$36,254.20
Sales Tax Payable	1,956.00	3,475.21
Payroll Taxes Payable	382.64	382.64
Unearned Revenue	33,069.88	30,420.85
Long Term Debt-Current	8,417.23	8,163.56
Accrued Interest Payable	13,966.50	8,897.40
Customer Deposits	69,483.49	43,891.00
<i>Total Current Liabilities</i>	<i>164,000.87</i>	<i>131,484.86</i>

LONG-TERM DEBT

USDA 2018 Loan #1	454,053.08	152,506.25
USDA 2017 Loan #2	282,906.45	287,018.88
USDA 2017 Loan #3	258,013.65	262,064.15
Less: Current Portion of L-Term Debt	(8,417.23)	(8,163.56)
<i>Total Long-Term Debt</i>	<i>986,555.95</i>	<i>693,425.72</i>

Total Liabilities

1,150,556.82

824,910.58

DISTRICT'S EQUITY

Retained Earnings	1,960,517.59	1,397,784.62
YTD Net Income	118,809.58	562,732.97
<i>Total District's Equity</i>	<i>2,079,327.17</i>	<i>1,960,517.59</i>

Total Liabilities and District's Equity

\$3,229,883.99

\$2,785,428.17

East Sevier County Utility District
Statements of Revenues and Expenses
For the Twelve Months Ending June 30, 2021
Actual vs Budget

<u>June</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$19,857	\$22,756	Water Sales	\$238,539	\$237,263	\$237,263
50,438	42,583	Sewer Charges	627,533	503,224	503,224
0	0	Connection Fees - Water	5,000	2,500	2,500
2,250	1,500	Connection Fees - Sewer	27,750	16,250	16,250
0	926	Late Charge Fees	(9)	11,107	11,107
5,497	7,222	Reconnect/Meter Sets/Other Fees	117,197	86,668	86,668
(3,283)	0	Gain (Loss) on Sale of Assets	(3,283)	0	0
4	200	Miscellaneous Income	1,433	2,400	2,400
74,763	75,187	Total Operating Revenues	1,014,160	859,412	859,412
		Operating Expenses			
160	167	Payroll Taxes	1,858	2,000	2,000
43,932	43,932	Management & Operations Contract	527,184	527,184	527,184
3,977	4,000	Utilities	52,783	48,000	48,000
2,539	2,000	Insurance	29,988	24,000	24,000
18,692	4,417	Repairs & Maintenance	94,167	53,000	53,000
0	417	Professional Outside Services	0	5,000	5,000
2,082	2,083	Directors' Fees	24,288	25,000	25,000
0	1,000	Legal Expenses	13,905	12,000	12,000
0	0	Accounting	7,350	7,300	7,300
21,167	1,167	Bad Debts	34,000	14,000	14,000
0	0	Dues	0	825	825
0	0	Office Expense	231	0	0
28	0	Advertising Expense	326	0	0
1,102	0	Permits	7,264	5,200	5,200
213	250	Miscellaneous Expense	5,788	3,000	3,000
93,892	59,433	Total Operating Expenses	799,132	726,509	726,509
(19,129)	15,754	Net Income B/4 Other (Inc) & Exp	215,028	132,903	132,903
		Other Income (Expenses)			
(8,861)	(1,792)	Interest Expense	(21,818)	(21,500)	(21,500)
(6,200)	(6,200)	Depreciation	(74,400)	(74,400)	(74,400)
0	(83)	Bond Issue Costs	0	(1,000)	(1,000)
(15,061)	(8,075)	Total Other Income (Expenses)	(96,218)	(96,900)	(96,900)
(\$34,190)	\$7,679	Net Income(Loss)	\$118,810	\$36,003	\$36,003

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

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Billing Charges For the Month of:	Jun-21	
Water Revenue		19,856.69
Sewer Revenue		54,399.30
Installment Billing -Offsite Sewer Arrears		631.38
Sales Taxes		1,956.41
Late Charges		-
Installation Fees-Water		-
Installation Fees-Sewer		2,250.00
Other Miscellaneous Fees		5,497.34
Returned Checks		119.00
Deposits Applied/Adjustments		(1,205.00)
Customer Refunds Paid		1,167.13
Total Billing Charges		<u><u>84,672.25</u></u>
Water Gallons Billed		<u><u>905,878</u></u>
Water Customers Billed		<u><u>248</u></u>
Sewer Gallons Billed		<u><u>562,760</u></u>
Sewer Customers Billed		<u><u>838</u></u>
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Accounts Receivable	Jun-21	
Beginning Balance		147,676.79
Billing Charges		84,672.25
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(86,031.59)
End of Month Accounts Receivable		<u><u>146,317.45</u></u>
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Water Revenue Checking	Jun-21	
Beginning Balance		289,076.04
Deposits:		
Accounts Receivable Collections		86,031.59
Customer Deposits		4,105.00
		<u>90,136.59</u>
Disbursements:		
Accounts Payable Checks		(58,581.64)
Auto Debit Charges-Utilities		(3,866.03)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,939.00)
Refund Checks		(1,167.13)
Payroll Taxes		(382.64)
Bank fees		(196.34)
Charge backs		(119.00)
End of Month Balance		<u>308,884.85</u>
Cash Receipts Collected To Date in:	Jul-21	105,101.46
Auto Debited Utilities in:	Jul-21	(4,189.20)
Bills Submitted for Payment in:	Jul-21	(82,211.79)
Available Balance		<u><u>327,585.32</u></u>

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
June 30, 2021

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		289,076.04	90,136.59	-	(70,327.78)	308,884.85
Checking Acct-Alpine Road Funding		105,869.85	2,000.00	-	-	107,869.85
Checking Acct-Waste Water Plant		813.37	301,546.83	-	(301,546.83)	813.37
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		395,859.26	393,683.42	-	(371,874.61)	417,668.07

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Jun-21	19,883	266,302	906	14,025	248
May-21	19,984	246,419	877	13,119	248
Apr-21	20,542	226,435	988	12,242	248
Mar-21	28,478	205,893	1,925	11,254	250
Feb-21	21,063	177,415	977	9,329	247
Jan-21	19,944	156,352	750	8,352	249
Dec-20	21,862	136,408	1,227	7,602	250
Nov-20	20,126	114,546	935	6,375	250
Oct-20	19,644	94,420	817	5,440	250
Sep-20	19,440	74,776	854	4,623	245
Aug-20	19,566	55,337	841	3,769	249
Jul-20	35,771	35,771	2,928	2,928	247
Jun-20	19,948	241,664	1,032	12,014	247

**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		
Jun-21	53,182	647,773	563	8,695	838	86,032
May-21	52,878	594,592	538	8,132	834	85,065
Apr-21	53,487	541,714	630	7,594	836	82,017
Mar-21	61,708	488,227	1,565	6,964	830	93,418
Feb-21	52,180	426,518	465	5,399	830	95,566
Jan-21	52,376	374,338	456	4,934	825	96,451
Dec-20	54,364	321,963	859	4,478	827	110,401
Nov-20	52,333	267,599	572	3,619	824	69,016
Oct-20	51,849	215,266	492	3,047	824	79,482
Sep-20	51,729	163,417	502	2,555	824	70,655
Aug-20	51,329	111,689	499	2,053	820	98,021
Jul-20	60,359	60,359	1,554	1,554	816	85,621
Jun-20	49,449	572,773	621	7,531	814	95,517



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

July - 2021

Administrative

Staff has been working with McGill, TDEC, and USDA to move the wastewater plant project as quickly as possible. The foundation was dug and the form for the concrete was completed. The concrete should be poured in early August.

Victor Wright, Ryan Smith, and Derek McCubbin were on site in July to help ESCUD staff perform daily duties and sample collection.

Treatment

Treatment at the wells is monitored daily. All testing results have been within regulatory compliance.

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

Collection/Distribution

There have been several sewer overflows at Bear Creek Crossing. New pumps and controls have been ordered that should resolve the issue.

Capped dead line at Smoky Mtn Ridge.
Sewer tap repaired at Lashbrooke
Force Main repair at Parkside

Customer Service

Several after hours and weekend call outs for the offsite wastewater facilities throughout entire month.

Project Updates

The wastewater plant foundation area has been prepared. Rainfall has prevented the concrete pour during the month of July. It is expected to occur in early August.

A new well pump and pipe have been installed at Well C.

The new pump at D is putting out 70 gpm. We have found that the filter system can handle 70 gpm, but has been throttled to filter much less. Staff has instructed a new vendor to remedy this so that we can provide more quality water to customers.

The new 10,000 gallon tank for D is being reviewed by TDEC.



OPERATIONS REPORT – East Sevier County Utility District

Regulatory

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

Concerns for the Month

The sewer issues at Bear Creek Crossing have been time consuming. We hope to have all of the necessary parts in and installed by mid-August.

Positives for the Month

The diving company was able to make repairs to the well C tank.