

**DUE TO COVID-19 WEARING MASK OR FACE COVERING IS MANDATORY**

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

**February 11, 2021**

**5:30 P.M.**

**AGENDA**

- 1) Call to Order by President Roy Ivey
- 2) Introductions of Commissioners, Alliance Personnel and ESCUD Manager
- 3) Motion to approve the minutes of the previous Board meeting
- 4) Persons to be Heard (you must reserve time 2 days prior to meeting date)
  - **\*\*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 meeting.

**REPORTS**

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

**OLD BUSINESS**

- 7) Review of previous topics discussed during previous board meetings

**NEW BUSINESS**

- 8) Project Update: The proposed WWTP
- 9) Memorandums: AWIA Compliance
- 10) Adjournment – Next regular Board Meeting to be held on Thursday, March 11, 2021- 5:30 pm

**\*\*Anyone without the authority or knowledge of ESCUD and/or water systems should refrain from giving instructions to other customers\*\***

# MINUTES

## BOARD OF COMMISSIONERS OF THE EAST SEVIER COUNTY UTILITY DISTRICT

Thursday, January 14, 2021

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, January 14, 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 ESCUD and Alliance staff.

A motion to approve the minutes of the December 17, 2020, meeting was made by Janice; Barbara seconded the motion. Motion carried.

Evan presented an update of the water situation in order to answer in advance some of the anticipated questions visitors might have. He said that Well C had recently gone down, and we finally got someone to come out to address the situation. The same with wells A and B. Last week, B & R Drilling and Pump, LLC, installed a new pump at Well A; they are a group out of Knoxville. This doubled the production at Well C. Shortly afterward, they replace the pump in Well B. In the future, we plan to dig another well at C, which can take over if the original well is not performing correctly. Well C is currently filling up at a good rate, which it had not done before the pumps were replaced.

We also recently had issues with Well D. On Christmas Eve, the power went out and the pumps stopped running at all wells. Shortly afterward, the tanks and all the lines on the Mountain were depleted of water. When staff returned to work and the power was restored, all pumps began working and the tanks and lines were filling up. Well C tank was slow to fill because wells A and B pumps were not functioning correctly. They work in conjunction with Well C.

Well D tank could not fill lines quickly enough to provide water to some of the customers because the holding tank is small and will deplete before all lines can fill up. Water has to be released a little at a time without draining the tank. Staff had to switch some Well D customers to the Well C footprint. Perhaps if we had generators in place at the wells, we could most likely have avoided these problems. We apologize for that and are currently pricing generators to place at Well C and will possibly purchase portable units for Wells A, B, and D. We were trying to get the WWTP project completed before spending money on these other issues, but apparently we cannot wait.

John is ordering parts to repair a leak on Glasgow. Staff was planning on repairing it tonight, but we will have to wait until the morning due to the complexity involved. John's last day will be January 22. James Ford, the former local manager, is returning on the following Monday, January 25. He will be transitioning between here and Inez, KY, for several weeks until a permanent manager can be hired to replace James.

#### Persons to be Heard

Jerry Hayes of 1201 Low Sunset asked why we don't keep pumps on hand. Evan answered that instead of storing these large, expensive pumps, we buy them as needed; the main reason being the warranty. There is no way to know if the pump is faulty until it is installed, which could be past the warranty date. Therefore, we would lose the cost of the pump. However, we do have one spare pump for Well C that couldn't be installed at the time of purchase. Evan explained that we have four working wells, and each has a new pump. Well C tank is now full. The A/B wells have doubled production since the pumps have been in place.

Larry Brown of 904 Glasgow Street suggested that we put a trap valve on the tanks that will prevent the release of water when there is a high volume of water loss in the tank due to a leak. After the leak is fixed, we can reset it to release water again. Evan said he will look into it; he has never heard of such a device. Unfortunately, when Well C is having problems, customers on Glasgow are the first to lose service and the last to get it back. Larry said there is confusion among the customers on when the Board meetings are held. He was told they are the second Thursday of every month. He suggested that we put it on the bill.

John Haak, Local Manager, is getting pricing for a new 10,000 to 12,000-gallon tank for Well D. We need to purchase one that will fit the pad that it will go on. A discussion ensued about the quality of the water in the past, and all agreed that quality is much improved.

Eddie Crosby of 1001 Old Laurel Lane agreed. He said the water from all the wells would discolor residents' laundry. Larry said he used to have to change his water filter every three months; now he changes it every nine months. The filters are no longer black and gooey as they used to be. However, he said his water is a little murky at present. Evan told him when that happens, to call the office; and we will flush the lines. John said that there might have been dirty frozen water in the lines. if it doesn't clear up to let us know.

Eddie said his water is red; he is constantly changing his \$50 filters. He said something has to be done. ESCUD has to prevent customers from being totally out of water for long periods of time. He said his wife works so they go to truck stops and pay to take showers. Evan said he will look into the red water. Larry asked what if a fire would have started while we were out of water those four days. Evan pointed out that we are purchasing an annual maintenance plan from B & R so we can be proactive in addressing problems in the future.

Jerry asked who actually owns the utility and if a change could be made so that the customers could vote Commissioners in and out. He mentioned that others would like to be on the Board. Roy told him that Jerry's name has been on the list that goes to the Mayor when the appointment of one of the Commissioners is up.

James Martin of 1402 Lin Creek Road suggested placing high-ground reservoirs on the Mountain to pull water down during outages. Evan said that we can't do that because cancer-causing agents can build up in those tanks. James asked for credit on his last bill. He had a leak last month which he has since repaired. Janice and Barbara allowed the once-in-twelve-month credit to his bill.

Evan asked the Commissioners for a motion to approve the accounts payable list. Barbara motioned to approve the accounts payable list in total as submitted; Janice seconded the motion. Motion carried. He then went over financials and pointed out that we actually went over budget in revenue in November. Barbara motioned to approve the financial report as submitted. Janice seconded the motion; motion carried.

John presented the operations for November. He has been fighting David Brewster, owner of AquaClear, over a bad tank they had installed, which is under warranty. AquaClear replaced the tank; however, the other five also need replaced. We had a new pump installed at Well D; production has gone from 16 gpm to over 30 gpm. Another issue we have been dealing with is the Scada system, which sends staff communications concerning the status of the wells. Verizon is our provider and has had recent problems with the telemetry. They are working to improve their service.

During the Christmas snowstorm, Jeff had called John to get permission to use the District's backhoe in order to dig out customers who were stuck on local roads. He gave him permission, and Jeff was out until 2:30 in the morning helping people to get to safety. There was a liability involved but we have to use the roads, too, and customers were grateful for the help. This put the Utility in a favorable light.

#### Old Business

None

#### New Business

Evan said that a contractor was chosen to install the WWTP. The company had bid \$997,000, which was \$200,000 over the original cost. The overage is for a block building that will serve as a lab and will have counters, storage, and bathrooms. They cut corners in other areas, such as fencing. Evan will talk to the USDA to see if we can eliminate the building and bring the cost down. The project moves a little, and then stalls. Prices are going up so we need to get going. We can always build the lab later. He will have more answers next month. Everything should work out.

Evan discussed getting grants for future projects from the USDA. He explained that the USDA uses the income level of the entire city instead of just the Mountain, making us

less eligible for funds. Larry suggested that everyone write their congressman, asking that the criteria be changed to favor the Mountain.

The next regular meeting will be held on Thursday, February 11, 2021, at 5:30 p.m.

Adjournment

Roy motioned and Barbara seconded the motion, to adjourn at 7:01 p.m. Motion carried.

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Secretary-Treasurer

**East Sevier County Utility District  
List of Bills  
11-Mar-21**

<b>Regular Checking for Consideration</b>		<b>Total</b>
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	Inv# , March 2021 Services	\$ 45,976.20
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
English Mountain Spring Water	Inv# 815099/815686, 140 cases of water, Jan21, 31 cases remaining	\$ 609.00
Power Pumping	Inv# 9354, Pump and haul 1 load, February 2021	\$ 700.00
Mission Communications	Inv# 1048622, Annual Service Packages, 03/01/21 to 02/28/22	\$ 2,253.60
Big Orange Electric	Inv# 2149, Service calls Jan21, work complete	\$ 1,425.00
	Inv# 2150, Service calls Jan21, work complete	\$ 190.00
	Inv# 2151, Service calls Jan21, work complete	\$ 380.00
	Inv# 2152, Service calls Jan21, work complete	\$ 2,100.00

<b>Total Regular Checking for Consideration</b>	<b>\$ 57,492.95</b>
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**Charges and Bills Paid from Regular Checking Since February 11, 2021**

Sevier County Electric	Utility	\$ 4,474.00
Sevier County Water	Utility	\$ 42.25
City of Pigeon Forge Water & Sewer	Utility	\$ -
Appalachian Electric	Utility	\$ 126.43
USDA	Loan Repayment, November	\$ 2,076.00
State of Tennessee	Sales tax	\$ 2,134.00
IRS	Payroll tax	\$ 243.26
Bank fee	Analysis Service Charge	\$ 166.55
<b>Total Regular Checking Charges and Bills Paid</b>		<b>\$ 9,262.49</b>

<b>Grand Total Regular Checking</b>	<b>\$ 66,755.44</b>
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**Charges and Bills Paid from Alpine Drive fund Since February 11, 2021**

<b>Total Alpine Drive Fund Checking Charges and Bills Paid</b>	<b>\$ -</b>
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**Charges and Bills Paid from WWTP fund Since February 11, 2021**

<b>Total WWTP Fund Checking Charges and Bills Paid</b>	<b>\$ -</b>
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**East Sevier County Utility District**  
**Balance Sheet**  
**December 31, 2020**

	12/31/2020	12/31/2019
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Checking Account - Operations	\$330,759.46	\$317,808.62
Checking Account - Alpine Rd Funding	95,869.85	88,426.13
Cash on Hand	100.00	60.00
Cash-Restricted-Customer Deposits	(56,424.49)	0.00
<b>Total Cash</b>	<b>370,304.82</b>	<b>406,294.75</b>
Accounts Receivable	197,138.54	152,210.71
Allowance for Doubtful Accts	(43,000.02)	(26,204.82)
Unbilled Accounts Receivable	10,539.00	6,045.00
Inventory	67,248.68	18,070.86
Prepaid Expenses	6,502.06	5,862.06
<b>Total Current Assets</b>	<b>608,733.08</b>	<b>562,278.56</b>
<b>PROPERTY, PLANT &amp; EQUIPMENT</b>		
Land	31,657.80	31,657.80
Distribution & Collection System	2,937,515.45	2,172,624.58
Buildings	69,235.68	69,235.68
Machinery & Equipment	122,963.26	119,884.26
Vehicles & Trailer(s)	88,334.99	61,272.58
Construction Work in Progress	154,913.63	796,292.22
Less: Accumulated Depreciation	(1,212,756.17)	(1,105,321.00)
<b>Net Property, Plant &amp; Equipment</b>	<b>2,191,864.64</b>	<b>2,145,646.12</b>
<b>RESTRICTED CASH</b>		
Construction Account - Waste Wtr Project	833.37	833.37
Cash-Restricted-Customer Deposits	56,424.49	0.00
<b>Total Restricted Cash</b>	<b>57,257.86</b>	<b>833.37</b>
<b>OTHER ASSETS</b>		
Deposits	14,370.00	14,370.00
<b>Total Other Assets</b>	<b>14,370.00</b>	<b>14,370.00</b>
<b>Total Assets</b>	<b>\$2,872,225.58</b>	<b>\$2,723,128.05</b>

**East Sevier County Utility District**  
**Balance Sheet**  
**December 31, 2020**

	<b>12/31/2020</b>	<b>12/31/2019</b>
<b>LIABILITIES AND DISTRICT'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$33,727.16	\$18,550.51
Sales Tax Payable	2,159.89	1,890.48
Payroll Taxes Payable	243.26	382.52
Unearned Revenue	30,420.85	26,417.05
Long Term Debt-Current	8,163.56	0.00
Accrued Interest Payable	11,392.42	6,444.85
Customer Deposits	56,424.49	39,380.00
<b>Total Current Liabilities</b>	<b>142,531.63</b>	<b>93,065.41</b>
<b>LONG-TERM DEBT</b>		
USDA 2018 Loan #1	152,506.25	152,506.25
USDA 2017 Loan #2	284,929.02	289,038.48
USDA 2017 Loan #3	260,063.70	264,056.62
Less: Current Portion of L-Term Debt	(8,163.56)	0.00
<b>Total Long-Term Debt</b>	<b>689,335.41</b>	<b>705,601.35</b>
<b>Total Liabilities</b>	<b>831,867.04</b>	<b>798,666.76</b>
<b>DISTRICT'S EQUITY</b>		
Retained Earnings	1,960,517.59	1,397,784.62
YTD Net Income	79,840.95	526,676.67
<b>Total District's Equity</b>	<b>2,040,358.54</b>	<b>1,924,461.29</b>
<b>Total Liabilities and District's Equity</b>	<b>\$2,872,225.58</b>	<b>\$2,723,128.05</b>



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

<u>December</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		<b>Operating Revenues</b>			
\$21,968	\$20,065	Water Sales	\$120,244	\$115,753	\$237,263
54,594	41,823	Sewer Charges	314,077	244,517	503,224
0	0	Connection Fees - Water	2,500	1,250	2,500
2,250	750	Connection Fees - Sewer	15,500	7,250	16,250
0	926	Late Charge Fees	0	5,553	11,107
12,014	7,222	Reconnect/Meter Sets/Other Fees	72,994	43,334	86,668
0	200	Miscellaneous Income	1,200	1,200	2,400
<b>90,826</b>	<b>70,986</b>	<b>Total Operating Revenues</b>	<b>526,515</b>	<b>418,857</b>	<b>859,412</b>
		<b>Operating Expenses</b>			
106	167	Payroll Taxes	902	1,000	2,000
43,932	43,932	Management & Operations Contract	263,592	263,592	527,184
4,504	4,000	Utilities	24,052	24,000	48,000
2,450	2,000	Insurance	14,886	12,000	24,000
7,121	4,417	Repairs & Maintenance	55,582	26,500	53,000
0	417	Professional Outside Services	0	2,500	5,000
1,381	2,083	Directors' Fees	11,793	12,500	25,000
0	1,000	Legal Expenses	8,845	6,000	12,000
0	3,700	Accounting	7,350	7,300	7,300
1,167	1,167	Bad Debts	7,000	7,000	14,000
0	100	Dues	0	825	825
0	0	Office Expense	(47)	0	0
26	0	Advertising Expense	162	0	0
0	0	Permits	412	3,412	5,200
1,080	250	Miscellaneous Expense	4,084	1,500	3,000
<b>61,767</b>	<b>63,233</b>	<b>Total Operating Expenses</b>	<b>398,613</b>	<b>368,129</b>	<b>726,509</b>
<b>29,059</b>	<b>7,753</b>	<b>Net Income B/4 Other (Inc) &amp; Exp</b>	<b>127,902</b>	<b>50,728</b>	<b>132,903</b>
		<b>Other Income (Expenses)</b>			
(8,769)	(1,792)	Interest Expense	(10,861)	(10,750)	(21,500)
(6,200)	(6,200)	Depreciation	(37,200)	(37,200)	(74,400)
0	(83)	Bond Issue Costs	0	(500)	(1,000)
<b>(14,969)</b>	<b>(8,075)</b>	<b>Total Other Income (Expenses)</b>	<b>(48,061)</b>	<b>(48,450)</b>	<b>(96,900)</b>
<b>\$14,090</b>	<b>(\$322)</b>	<b>Net Income(Loss)</b>	<b>\$79,841</b>	<b>\$2,278</b>	<b>\$36,003</b>

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

<b>Billing Charges For the Month of:</b>	<b>Dec-20</b>	
Water Revenue		21,967.58
Sewer Revenue		54,594.35
Installment Billing -Offsite Sewer Arrears		754.72
Sales Taxes		2,160.51
Late Charges		-
Installation Fees-Water		-
Installation Fees-Sewer		2,250.00
Other Miscellaneous Fees		12,014.30
Returned Checks		-
Deposits Applied/Adjustments		(840.00)
Customer Refunds Paid		719.20
<b>Total Billing Charges</b>		<u><b>93,620.66</b></u>
<b>Water Gallons Billed</b>		<u><b>1,227,274</b></u>
<b>Water Customers Billed</b>		<u><b>250</b></u>
<b>Sewer Gallons Billed</b>		<u><b>858,920</b></u>
<b>Sewer Customers Billed</b>		<u><b>827</b></u>

<b>Accounts Receivable</b>	<b>Dec-20</b>	
Beginning Balance		186,781.20
Billing Charges		93,620.66
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(110,400.71)
<b>End of Month Accounts Receivable</b>		<u><b>170,001.15</b></u>

<b>Water Revenue Checking</b>	<b>Dec-20</b>	
Beginning Balance		298,951.28
<b>Deposits:</b>		
Accounts Receivable Collections		110,400.71
Customer Deposits		1,988.49
		<u>112,389.20</u>
<b>Disbursements:</b>		
Accounts Payable Checks		(69,600.57)
Auto Debit Charges-Utilities		(3,539.49)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(2,052.00)
Payroll Taxes		(382.64)
Refund Checks		(719.20)
Bank fees		(211.12)
End of Month Balance		<u>330,759.46</u>
Cash Receipts Collected To Date in:	<b>Jan-21</b>	99,752.08
Auto Debited Utilities in:	<b>Jan-21</b>	(4,642.68)
Bills Submitted for Payment in:	<b>Jan-21</b>	(78,609.45)
<b>Available Balance</b>		<u><u><b>347,259.41</b></u></u>

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

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<b>Bank Account / Security</b>	<b>Maturity Date</b>	<b>Beginning Balance</b>	<b>Deposits</b>	<b>Interest Earned</b>	<b>Payments</b>	<b>Ending Balance</b>
<b>Checking Acct-Operations</b>		298,951.28	112,389.20	-	(80,581.02)	330,759.46
<b>Checking Acct-Alpine Road Funding</b>		93,869.85	2,000.00	-	-	95,869.85
<b>Checking Acct-Waste Water Plant</b>		833.37	-	-	-	833.37
<b>Cash on Hand</b>		100.00	-	-	-	100.00
<b>Total Cash and Investments</b>		<b>393,754.50</b>	<b>114,389.20</b>	<b>-</b>	<b>(80,581.02)</b>	<b>427,562.68</b>

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**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

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

**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		
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
May-20	48,576	523,324	528	6,910	811	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

**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**

**January - 2020**

**Administrative**

The emergency bypass system for the Well D filtration system has been Approved by TDEC.

**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**

New media tanks have been ordered for the Well D filtration system.

Replaced a pump at the Lashbrooke Subdivision.

Replaced hoses on a stenner pump at the Well D treatment site.

Rebuilt a stack kit at the Well A/B treatment site.

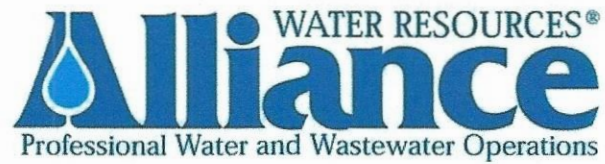
Installed a pump kit at Hibernation Station.

**Customer Service**

A staff member has been communicating with a homeowner and contractor to ensure that a future sewer tap will go as planned.

**Project Updates**

Bid opening occurred for the WWTP. To be discussed at board meeting.



## **OPERATIONS REPORT – East Sevier County Utility District**

### **Safety**

PPE and Workplace Violence were January's safety topics.

### **Regulatory**

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

### **Concerns for the Month**

Replacing the media tanks at Well D in a timely fashion.

Improving the water loss situation at the Preserves

### **Positives for the Month**

Wells A/B and C are functioning properly. Well D will join them soon.

### **Leak Repairs**

A water main was repaired on John Sevier.

A sewer line was repaired at Sherwood Forest.

**NOTICE OF AWARD**

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Date of Issuance:

Owner: **East Sevier County Utility District** Owner's Contract No.:

Engineer: **McGill Associates, P.A.** Engineer's Project No.: **15.06205**

Project: **Wastewater Treatment Plant Improvements** Contract Name:

Bidder: **J.S. Haren Company**

Bidder's Address: **1175 Highway 11, North, Athens, TN 37303**

**TO BIDDER:**

You are notified that Owner has accepted your Bid dated **January 14, 2021** for the above Contract, and that you are the Successful Bidder and are awarded a Contract for:

**East Sevier County Utility District Wastewater Treatment Plant Improvements.**

The Contract Price of the awarded Contract is: \$ **926,260.00**

Seven (7) unexecuted counterparts of the Agreement accompany this Notice of Award.

Three (3) sets of the Drawings will be delivered separately from the other Contract Documents.

You must comply with the following conditions precedent within 15 days of the date of receipt of this Notice of Award:

1. Deliver to Owner seven (7) counterparts of the Agreement, fully executed by Bidder.
2. Deliver with the executed Agreement(s) the Contract security [*e.g., performance and payment bonds*] and insurance documentation as specified in the Instructions to Bidders and General Conditions, Articles 2 and 6.
3. Other conditions precedent (if any):

Failure to comply with these conditions within the time specified will entitle Owner to consider you in default, annul this Notice of Award, and declare your Bid security forfeited.

Within ten days after you comply with the above conditions, Owner will return to you one fully executed counterpart of the Agreement, together with any additional copies of the Contract Documents as indicated in Paragraph 2.02 of the General Conditions.

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Owner:

  
Authorized Signature

2-11-2021

By: **Roy Ivey**  
Title: **President, East Sevier County Utility District**

Copy: Engineer



**To:** Water District Board of Directors

**From:** Tony Sneed, VP/Director of Operations, Alliance Water Resources, Inc.

**cc:** <Evan Romo>, <James Ford>

**Date:** January 28, 2021

**Re:** AWIA Compliance

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Over the last year, Alliance has been working on your behalf to ensure the Water District's compliance with the American Water Infrastructure Act of 2018 ("AWIA"). The first deadline for compliance for the Water District is June 30, 2021. We are ahead of schedule and see no obstacles that will keep us from full compliance with the AWIA. Because the deadlines are getting closer, it seems like a good time to let you know more about the AWIA and Alliance's work towards full compliance.

The primary requirements of the AWIA for the Water District are:

- Development of a risk and resiliency assessment ("RRA"), and
- Development or updating of the Water District's emergency response plan ("ERP").

For the number of customers served by the Water District, EPA's key deadlines are June 30, 2021 for completion of the risk and resiliency assessment and December 30, 2021 for certification of completing the emergency response plan. The RRA and ERP must then be re-certified every five years.

### **Risk and Resiliency Assessment**

Alliance is uniquely qualified and well positioned to assist the Water District in complying with the EPA's requirements as part of our partnership. Key provisions of the RRA include an evaluation of threats to the utility's infrastructure. Those threats include malevolent acts such as water contamination, physical assault on assets, cyberattacks and theft. Threats also include natural hazards such as earthquakes, tornados, ice storms and floods. For each threat, the utility must determine the likelihood of the risk – tornados are more frequent/likely than earthquakes, for example – and the potential impact of the risk on the utility's assets. While an earthquake presents possible system-wide water main failures, for example, a cyberattack on the SCADA system may present

high risks to specific key distribution system assets. These risks and vulnerabilities are analyzed as they relate to impacts on operations. The result of the analysis will be prioritization of needs for improved resiliency during emergencies including both immediate changes to operations and future capital improvements.

### **Emergency Response Plans**

The Water District already has an ERP, but conclusions from the RRA will likely compel us to revise it. After making those revisions to the ERP, the AWIA requires us to certify to the USEPA within six months that those revisions have been put in place.

### **Likely Impacts to the Water District**

While the work is still ongoing by Alliance's Operations and Computer Services Departments, one likely impact to the Water District relates to cybersecurity; specifically its SCADA system. Cybersecurity provisions include the need to separate SCADA systems from all other computer systems that connect to the internet, the need for monitoring third-party/vendor access to all computer systems and software, and password security measures. These changes may require additional hardware. Similarly, site security additions may be required at the office and remote sites. If changes are required or recommended, we will advise the Board of those needs and provide estimated costs. Capital projects related to these improvements, unless determined to be of an emergency nature, will be discussed at the next annual budget meeting.

### **In Conclusion**

Alliance values our client partnership and is proud to provide these services at no additional cost to the Water District, savings its customers thousands of dollars in outside engineering and IT consulting fees. Again, we will be in full compliance with the AWIA prior to the deadline, but if you have questions about any of the provisions of the Act or the specific known impacts to the Water District at this time, please let us know.

The key elements of the ERP and RRA are not subject to the Freedom of Information Act or Sunshine Law.

**Conflict of Interest  
Certification**

(RUS Staff Instruction 1780-2)

The East Sevier County UD hereby certifies that we have  
an up-to-date written policy on conflict of interest.

*Ray Ince*  
Authorized Representative

2-11-2021  
Date

CERTIFICATION FOR CONTRACTS, GRANTS AND LOANS

The undersigned certifies, to the best of his or her knowledge and belief, that:

1. No Federal appropriated funds have been paid or will be paid, by or on behalf of the undersigned, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant or Federal loan, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant or loan.

2. If any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with this Federal contract, grant or loan, the undersigned shall complete and submit Standard Form - LLL, "Disclosure of Lobbying Activities," in accordance with its instructions.

3. The undersigned shall require that the language of this certification be included in the award documents for all subawards at all tiers (including contracts, subcontracts, and subgrants under grants and loans) and that all subrecipients shall certify and disclose accordingly.

This certification is a material representation of fact upon which reliance was placed when this transaction was made or entered into. Submission of this certification is a prerequisite for making or entering into this transaction imposed by section 1352, title 31, U.S. Code. Any person who fails to file the required certification shall be subject to a civil penalty of not less than \$10,000 and not more than \$100,000 for each such failure.

Ray Luey (name)                      2-11-2021 (date)

PRESIDENT - BOARD OF COMMISSIONERS  
(title)

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