

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

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

January 14, 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 - Evan
- 9) Memorandums:
- 10) Adjournment – Next regular Board Meeting to be held on Thursday, February 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, December 17, 2020

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, December 17, 2020, in the Office of the East Sevier County Utility District, 1529 Alpine Drive, Sevierville, TN 37876. Commissioners present were Barbara Darby, Secretary/Treasurer and Janice Brooks–Headrick.

Secretary/Treasurer Barbara Darby called the meeting to order at 5:31 p.m. for any old or new business.

Introductions were skipped since only one visitor, who already knew the Board members and staff, was in attendance.

A motion to approve the minutes of the November 12, 2020, meeting was made by Janice; Barbara seconded the motion. Motion carried.

Persons to be Heard

John Haak, Local Manager, spoke on behalf of Bobby Miller, owner of 1335 Hickory Tree. Bobby had emailed a statement asking for an adjustment to his account. The property was purchased for his and his wife's retirement, and because of vandalism the trailer is currently uninhabitable. He explained that they plan on retiring in 2021 and have already begun the restoration. He estimates the trailer will be habitable by June of 2021 and asked that his account be inactivated until then and that all current charges be credited. Barbara asked if they had a water meter; John said they do not. She asked how long the property had been abandoned; John said he did not know. Barbara said to go ahead and credit the account and inactivate it until the restoration is finished.

During the September 2020 meeting, Scott Bell had requested a credit on his water and sewer bill for lost revenue. He had to relocate renters several times and refrained from renting his property at 1441 Mountain Ash Way at times due to no water at the Preserve. The Board had instructed him to gather and submit documents to the District that showed the total dollar amount of revenue he had lost. He since submitted a spreadsheet showing various dates throughout the year and dollar amounts. John explained to the Board that the spreadsheet was not adequate proof of loss. It was not printed on letterhead, it contained conflicting information, and it included no backup documents. Janice and Barbara agreed that John is to inform Scott that we need further information before his account can be credited.

Ron McCarter of 1223 Sourwood Honey Drive arrived late to the meeting. He said he has lived on the Mountain for 15 years and has rarely come to a meeting. He is here tonight because many people pay over \$100 per month and those who don't use the sewer pay a little less than \$60 per month, yet we are out of water a lot.

He has worked in construction for 15 years and could have replaced every pipe on this mountain by now. He is planning on moving away if circumstances do not change. It is time this stops. He asked that ESCUD either reduce the bill or fix the problems.

Barbara asked John when the two main breaks happened. He said they happened the last week of November. Ron said he was out of water for almost a week, and it is ridiculous that they had to go that long without water just to replace a pump. He said one of our trucks should have a boom pole. ESCUD has neither the equipment nor manpower to replace a pump, and it would cost \$10,000 to put a boom on the truck.

Evan said that it would cost much more to put a boom on one of the trucks than what Ron stated. We lost power and the filtration system went out after the snowstorm we had on Christmas Eve. We are replacing the holding tank at Well D with a 10,000-12,000 gallon tank, which is double the size of the present tank. We will also add a redundant system at Well C, which can take over in case the other goes out.

John said we had a spare pump on hand and called seven local (within 60 miles) well companies to install it. We got one response from Jerry Fox. We plan on hydrofracking wells A and B in order to help Well C handle the demand. He said he is working as diligently as possible to keep the systems going.

Ron said that customers' not being allowed to put in their own wells is frustrating. There is often air in his lines, yet there is a blowoff by his house. John said the larger tank will help with that. Barbara asked if he had anything else to say. He said customers don't like paying almost \$108 per month, but we pay it. Barbara said she feels for him; we are all in the same situation. Sometimes things happen. John said that we can't get companies up here to help. Carol Peak commented that ESCUD has come a long way. Barbara told Ron to call us when he is having problems; Ron said it helps to know ESCUD is making plans to better the situation.

Evan said the State will probably approve a redundant well at C if we use the same shaft. John got two bids for a 700-ft., 8-in. well. One bid was \$37,052, which is \$136 less than the second. John asked if the Board wanted to make a motion to approve a not-to-exceed cost for the second well, and mentioned the cost is likely to go up 5 percent after the first of the year. Barbara asked if there were going to be any other costs involved. John said we would have to pay Wayne Key, ESCUD's contracted electrician for his work; ESCUD can do all the plumbing. Barbara asked if either had previously done work for us. John said Jerry Fox and Tommy Turner, who bid around \$36,900. Evan suggested using the one who could finish the job quicker. Janice motioned to approve a cost not to exceed \$37,052 to install a second well at C. Barbara seconded the motion; motion carried.

Janice motioned to approve the accounts payable listing in total as submitted. Barbara seconded the motion; motion carried.

John went over several points of the financials. Barbara motioned to approve the financial report; Janice seconded the motion. Motion carried.

John discussed operations for November. On the Mountain, we repaired two leaks, one a 6-inch pipe and the other an 8-inch pipe. We replaced the pump at Well D for \$4,600. The pump was not working to capacity, and the filter was backwashing excessively. Aquaclear was called out several times and could not remedy the problem. They had come here eight times and submitted five invoices; sent us parts we didn't need, which we sent back; and marked up the parts three times the cost. The same young man was sent here most of the time and did not seem to be able to find solutions. He had to call the office for help with technical questions. John complained to the owner, Mr. Brewster and has consulted other companies, such as Culligan, to get quotes.

Old Business

New Business

Evan attended the meeting remotely. He said we had received three quotes for the WWTP upgrade. He prefers to accept the middle-priced bid even though it is \$25,000 higher than the lowest bid. Evan said that the proposal from the middle-priced company includes materials that will last longer because they will prevent corrosion. He explained to the USDA, who strongly suggested we accept the lowest bid, that we can either spend the extra money now or spend it later when we have to replace rusted material. The USDA said we are going to have to rebid it, letting the public know that we are scoring heavily on corrosion prevention. This will put us back about three weeks to late March, early April.

Evan said the audit is finished and ready for approval. MG Group found that water loss was under control, all properties are now metered, and we are in good standing with the Comptroller. Barbara motioned to approve the audit results. Janice seconded the motion. Motion carried.

The next regular meeting will be held on Thursday, January 14, 2021, at 5:30 p.m.

Adjournment

Roy motioned, and Barbara seconded the motion, to adjourn at 6:18 p.m. Motion carried.

Secretary-Treasurer

**East Sevier County Utility District
List of Bills
14-Jan-21**

<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	Inv# 9198 January 2021 Services	\$ 43,932.00
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Meeting Announcement Ad#	\$ 25.88
Power Pumping	Inv# 9470 dated 12/09/20, Pump and haul, work completed	\$ 700.00
Orenco Systems, Incorporated	Inv# 373667 dated 12/10/20, 6 Pump packages, inventory, S&H \$882.62	\$ 16,373.61
TDEC	2021 Wastewater Permits, 10 x \$350, \$3,500	\$ 3,500.00
Total Regular Checking for Consideration		\$ 68,390.64

<u>Charges and Bills Paid from Regular Checking Since December 17, 2020</u>		
Sevier County Electric	Utility	\$ 3,312.00
Sevier County Water	Utility	\$ 42.25
Appalachian Electric	Utility	\$ 127.00
City of Pigeon Forge Water & Sewer	Utility	\$ 58.24
USDA	Loan Repayment, November	\$ 2,076.00
State of Tennessee	Sales tax	\$ 2,052.00
IRS	Payroll tax	\$ 382.64
Bank fee	Analysis Service Charge	\$ 211.12
Total Regular Checking Charges and Bills Paid		\$ 8,261.25
Grand Total Regular Checking		\$ 76,651.89

<u>Charges and Bills Paid from Alpine Drive fund Since December 17, 2020</u>		
Total Alpine Drive Fund Checking Charges and Bills Paid		\$ -

<u>Charges and Bills Paid from WWTP fund Since December 17, 2020</u>		
Total WWTP Fund Checking Charges and Bills Paid		\$ -

East Sevier County Utility District
Balance Sheet
November 30, 2020

	11/30/2020	11/30/2019
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$298,951.28	\$295,043.59
Checking Account - Alpine Rd Funding	93,869.85	86,426.13
Cash on Hand	100.00	60.00
Cash-Restricted-Customer Deposits	(55,276.00)	0.00
Total Cash	337,645.13	381,529.72
Accounts Receivable	214,673.31	151,062.10
Allowance for Doubtful Accts	(41,833.35)	(25,038.15)
Unbilled Accounts Receivable	10,539.00	6,045.00
Inventory	40,081.25	16,819.70
Prepaid Expenses	9,344.20	8,379.11
Total Current Assets	570,449.54	538,797.48
PROPERTY, PLANT & EQUIPMENT		
Land	31,657.80	31,657.80
Distribution & Collection System	2,929,720.45	2,164,734.74
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	792,125.97
Less: Accumulated Depreciation	(1,206,556.17)	(1,099,121.00)
Net Property, Plant & Equipment	2,190,269.64	2,139,790.03
RESTRICTED CASH		
Construction Account - Waste Wtr Project	833.37	4,999.62
Cash-Restricted-Customer Deposits	55,276.00	0.00
Total Restricted Cash	56,109.37	4,999.62
OTHER ASSETS		
Deposits	14,370.00	14,370.00
Total Other Assets	14,370.00	14,370.00
Total Assets	\$2,831,198.55	\$2,697,957.13

East Sevier County Utility District
Balance Sheet
November 30, 2020

	11/30/2020	11/30/2019
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$14,601.95	\$21,733.90
Sales Tax Payable	2,051.38	1,845.72
Payroll Taxes Payable	382.54	382.54
Unearned Revenue	30,420.85	26,417.05
Long Term Debt-Current	8,163.56	0.00
Accrued Interest Payable	4,058.87	3,779.07
Customer Deposits	55,276.00	38,445.00
Total Current Liabilities	114,955.15	92,603.28
LONG-TERM DEBT		
USDA 2018 Loan #1	152,506.25	152,506.25
USDA 2017 Loan #2	285,277.33	291,000.00
USDA 2017 Loan #3	260,355.45	266,000.00
Less: Current Portion of L-Term Debt	(8,163.56)	0.00
Total Long-Term Debt	689,975.47	709,506.25
Total Liabilities	804,930.62	802,109.53
DISTRICT'S EQUITY		
Retained Earnings	1,960,517.59	1,397,784.62
YTD Net Income	65,750.34	498,062.98
Total District's Equity	2,026,267.93	1,895,847.60
Total Liabilities and District's Equity	\$2,831,198.55	\$2,697,957.13

East Sevier County Utility District
Statements of Revenues and Expenses
For the Five Months Ending November 30, 2020
Actual vs Budget

<u>November</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	
		Operating Revenues			
\$20,020	\$18,670	Water Sales	\$98,276	\$95,688	\$237,263
52,505	42,266	Sewer Charges	259,483	202,694	503,224
0	0	Connection Fees - Water	2,500	1,250	2,500
3,000	1,500	Connection Fees - Sewer	13,250	6,500	16,250
0	926	Late Charge Fees	0	4,628	11,107
14,010	7,222	Reconnect/Meter Sets/Other Fees	60,979	36,112	86,668
1,200	200	Miscellaneous Income	1,200	1,000	2,400
90,735	70,784	Total Operating Revenues	435,688	347,872	859,412
		Operating Expenses			
159	167	Payroll Taxes	797	833	2,000
43,932	43,932	Management & Operations Contract	219,660	219,660	527,184
4,114	4,000	Utilities	19,548	20,000	48,000
2,450	2,000	Insurance	12,436	10,000	24,000
4,227	4,417	Repairs & Maintenance	48,461	22,083	53,000
0	417	Professional Outside Services	0	2,083	5,000
2,082	2,083	Directors' Fees	10,412	10,417	25,000
138	1,000	Legal Expenses	8,845	5,000	12,000
0	0	Accounting	7,350	3,600	7,300
1,167	1,167	Bad Debts	5,833	5,833	14,000
0	0	Dues	0	725	825
(310)	0	One Call	0	0	0
0	0	Office Expense	(47)	0	0
26	0	Advertising Expense	136	0	0
412	0	Permits	412	3,412	5,200
211	250	Miscellaneous Expense	3,004	1,250	3,000
58,608	59,433	Total Operating Expenses	336,847	304,896	726,509
32,127	11,351	Net Income B/4 Other (Inc) & Exp	98,841	42,976	132,903
		Other Income (Expenses)			
(421)	(1,792)	Interest Expense	(2,091)	(8,958)	(21,500)
(6,200)	(6,200)	Depreciation	(31,000)	(31,000)	(74,400)
0	(83)	Bond Issue Costs	0	(417)	(1,000)
(6,621)	(8,075)	Total Other Income (Expenses)	(33,091)	(40,375)	(96,900)
\$25,506	\$3,276	Net Income(Loss)	\$65,750	\$2,601	\$36,003

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

Billing Charges For the Month of:		Nov-20	
Water Revenue			20,019.69
Sewer Revenue			52,505.25
Installment Billing -Offsite Sewer Arrears			780.54
Sales Taxes			2,052.15
Late Charges			-
Installation Fees-Water			-
Installation Fees-Sewer			3,000.00
Other Miscellaneous Fees			14,010.12
Returned Checks			-
Deposits Applied/Adjustments			(420.00)
Customer Refunds Paid			201.69
Total Billing Charges			<u>92,149.44</u>
Water Gallons Billed			<u>934,691</u>
Water Customers Billed			<u>250</u>
Sewer Gallons Billed			<u>572,400</u>
Sewer Customers Billed			<u>824</u>
<hr/>			
Accounts Receivable		Nov-20	
Beginning Balance			163,647.63
Billing Charges			92,149.44
Bad Debt Recoveries (Write Offs)			-
Accounts Receivable Collections			(69,015.87)
End of Month Accounts Receivable			<u>186,781.20</u>
<hr/>			
Water Revenue Checking		Nov-20	
Beginning Balance			315,620.25
Deposits:			
Accounts Receivable Collections			69,015.87
Customer Deposits			1,700.00
Miscellaneous - Parts			1,200.00
			<u>71,915.87</u>
Disbursements:			
Accounts Payable Checks			(78,181.61)
Auto Debit Charges-Utilities			(3,686.54)
USDA Loan Payment			(2,076.00)
Transfer to Alpine Road Funding			(2,000.00)
TN TAP - Sales Tax			(1,918.00)
Payroll Taxes			(382.64)
Refund Checks			(201.69)
Bank fees			(138.36)
End of Month Balance			<u>298,951.28</u>
Cash Receipts Collected To Date in:	Dec-20		113,285.87
Auto Debited Utilities in:	Dec-20		(3,539.49)
Bills Submitted for Payment in:	Dec-20		(73,057.58)
Available Balance			<u><u>335,640.08</u></u>

East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
November 30, 2020

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		315,620.25	71,915.87	-	(88,584.84)	298,951.28
Checking Acct-Alpine Road Funding		91,869.85	2,000.00	-	-	93,869.85
Checking Acct-Waste Water Plant		833.37	-	-	-	833.37
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		408,423.47	73,915.87	-	(88,584.84)	393,754.50

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
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
Nov-19	26,715	104,527	1,740	5,561	247

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTOMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
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
Nov-19	54,957	237,360	1,438	3,689	778	65,064

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

December - 2020

Administrative

Staff has been working with McGill, TDEC, and USDA to move the wastewater plant project as quickly as possible.

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

AquaClear was contacted for issues with Well D. The filtration system was going into a prolonged period of backwashing causing the storage tank to run empty. Found # 6 tank to be defective. AquaClear replaced tank and system operating better.

Replaced well pump at Well D. New pump is pumping at 35+ gallons per minute.

East Sevier County Utility District's service area experienced a total loss of power from Dec. 24, 2020 through Dec. 28, 2020. Due to the extended power loss all wells and booster systems were off. This resulted in loss of water to all customers for 7-8 days.

Customer Service

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

Project Updates



OPERATIONS REPORT – East Sevier County Utility District

Safety

Hazard Communication was December's safety topic.

Regulatory

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

Concerns for the Month

Still experiencing intermittent telemetry issues with our Mission SCADA system. Situation is ongoing and is being monitored by staff.

Contacted several well drilling companies to have additional well drilled at Well C site. Negative results.

Obtaining quotes for larger storage tank for Well D.

Positives for the Month

ESCUD employee Jeff Bragonier requested to use ESCUD backhoe to remove fallen trees and assist stranded motorists along Alpine Drive on Dec. 24, 2020. This request was approved by LM. Jeff worked until 2:30am on Christmas Eve helping English Mountain residents and the English Mountain Fire Dept. Several residents stopped and thanked Jeff and some posted positive messages on Facebook and other social media.

All of the necessary components to upgrade Well C Booster station have arrived. Installation date set in very near future.

Leak Repairs

None to report