

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

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

March 10, 2022

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
 - ****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) None

NEW BUSINESS

- 8) Loan resolution and grant agreement
- 9) Adjournment – Next regular Board Meeting to be held on Thursday, April 14, 2022- 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, February 10, 2022

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, February 10, 2022, 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 5:27 p.m. for any old or new business. Introductions were made to acquaint visitors with the Commissioners and Alliance staff..

A motion to approve the minutes of the January 21, 2022, meeting was made by Barbara. Janice seconded the motion. Motion carried.

Persons to be Heard

Jalynn Pichardo of 1403 Lin Creek Road requested a one-time forgiveness for her November and December 2021 bills, which had high usage due to a leak on the inside of her dwelling. The adjustment will include half of the water overage, related sales tax, and half of the sewer overage since the water went into the sewer. The total of the credit would be \$212.66. Barbara motioned to allow the once-in-twelve-month forgiveness; Janice seconded the motion. Motion carried.

Anthony Paquin of 1549 Lin Creek Drive requested a one-time forgiveness for his January 2022 bill, which had high usage due to a leak on the outside of his dwelling. The adjustment will include half of the water overage, related sales tax, and all of the sewer overage since the water spilled onto the ground. The total of the credit would be \$267.62. Barbara motioned to allow the once-in-twelve-month forgiveness; Janice seconded the motion. Motion carried.

Louie Fromm of 1545 Wilhite Creek Road spoke on behalf of the English Mountain Volunteer Fire Department (EMVFD). They are requesting a map of the hydrants on the mountain. James gave him his business card and told him that he and the staff will work on a list of all accessible hydrants on the mountain.

Reports

Evan called for a motion to approve the accounts payable listing in total as submitted. Barbara asked about the purchase of the door for the Well C booster station. On the list of bills, the description says that the price listed is for the door only; the installation is not included. James explained that the company does sales only, but we have found a

company that will install it for approximately \$800. The reason the door is \$1,548.92 is because it includes the casing and all the hardware. Barbara asked if there is a lock on the door. James said there is not a lock on the door, but Alliance will supply a lock, which staff will install. Barbara motioned to approve the accounts payable listing as submitted. Janice seconded the motion. Motion carried.

Since there were no questions concerning the financials, Barbara motioned to approve the financial report as submitted. Janice seconded the motion; motion carried.

Evan introduced to the Commissioners David Quillen, P.E., of Carl, Inc., Engineers. He gave the Board the company's Statement of Qualifications for their review. James and Roy will be working with David on some upcoming improvement projects.

James reported that we eliminated 29,000 gallons per day, or 10.5 million gallons per year, of water loss at Well D by adjusting the system so that only one booster is running at a time. They will alternate so they won't wear as quickly. Jan asked if we could produce more, if needed. James said we could double production if necessary. Barbara asked what percentage of water loss do we have now versus our water loss before the adjustment. James said he will get the exact figures to her; he doesn't want to give her misleading information.

Barbara asked about staff changing out whole sections of pipe when making repairs on the water lines. James said this is true, but only for the 8" PVC pipe on Alpine Drive. We have uncovered many places on Alpine where multiple repairs remain on a single line, which leaves multiple weak points at which it might break. It is more cost-effective in the long run to replace the entire pipe because it will cut down on the number of line breaks.

On the Mountain, the new SCADA system was successfully installed at Well C. Kazmier and Associates are to perform the calibration sometime this month. A small plastic shed was purchased for the new WWTP to house the chlorine and thiosulfate chemical feed units. ESCUD's annual Confirmation of Material Information Form was submitted to the United States Liability Insurance Group via the Ownby Insurance Service.

Although January 3-7 was a tough stretch with the power being out on the mountain, service was restored to the majority of our customers in a timely manner. A customer on Low Sunset thanked James for restoring service so quickly. He stated that in the past he would have expected several more days to go by without having water. January's safety topics were personal protective equipment and violence in the workplace. Repair expenses were \$11,510 over budget for the Year to Date as of the month of November. Chemical expenses were \$2,821 under budget Year to Date for the same period.

Offsite, a new pump kit was installed at Timberlake Bay, and two pumps were installed at Smoky Mountain Ridge. Staff repaired a PVC line at the Sherwood Forest WWTP.

Old Business

None

New Business

Evan said that the new WWTP may look close to being finished, but there are several things that still need to be done although they are very close to finishing the project. To recap, the project was supposed to be substantially complete on November 04, 2021; however, due to the trucking shortages at that time, the plant did not arrive until November. We then gave an extension, making the due date to finish December 24, 2021. J. S. Haren was not able to complete the work by December 24 so we have again extended the completion time to June of 2022. J. S. Haren will have to pay ESCUD liquidated damages starting December 24 through the date of completion. That amount will be subtracted from the final payment.

Evan presented pay app# 8 for the Board's approval to submit to the USDA for payment. Barbara motioned to approve the submittal of pay app# 8 to the USDA for payment. Janice seconded the motion; motion carried.

Evan submitted Change Order #3 for the WWTP project to the Board for approval, which added days due to weather (Oct 2021 to Dec 2021) and electrical work outside of scope. Barbara motioned to approve Change Order# 3. Janice seconded the motion; motion carried.

Evan presented the new standard offsite contract that he had submitted at an earlier meeting with the changes made by ESCUD's attorney, Mark Jendrek. Getting the State to approve the wording that makes ESCUD responsible for repairs up to, but not including the individual service lines has been a big ordeal. However, it has paid off because the State has allowed it. We are no longer obligated to make repairs on any service lines at subdivisions that are under this contract. The homeowner or developer will be responsible. ESCUD's responsibility will begin at the collection main.

The first contract will be signed by the For by Grace subdivision. We have several contracts that will expire soon; this contract will be the standard for all future agreements. Barbara motioned to approve this contract as the standard for all future agreements for operating the wastewater plants at our offsite subdivisions. Janice seconded the motion; motion carried.

Barbara motioned to approve the signing of the new contract with the For by Grace subdivision. Janice seconded the motion. Motion carried. The same rate structure will be in effect as for the other subdivisions.

Lastly, Evan asked the Board for clarification of their intent in dealing with Witt Utility District, which has proposed supplying ESCUD with water. Ben Harris, General Manager, has the impression that the Board wanted Witt Utility to make an offer on purchasing or taking over the ESCUD distribution system. Evan asked whether the Board's intention was to allow Witt Utility to purchase the water system or to sell it

water. There was a consensus among the Board members that they want to merely explore the possibility of purchasing water from Witt and are not interested in handing over the management of the Utility nor selling any part of the system. Evan will continue to request plans and proposals from Witt Utility for the purpose of purchasing water from them only and will keep the Board members informed of their progress.

The next regular Board meeting will be held on Thursday, March 10, 2022, at 5:30 p.m.

Adjournment

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

Secretary-Treasurer

**East Sevier County Utility District
List of Bills
10-Mar-22**

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	Inv# PS-INV103522 Mar22 Services	\$ 49,048.00
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Ad# 70274171, Feb22 Board meeting notice	\$ 25.26
	Ad# 70307328, Mar22 Board meeting notice	\$ 45.00
Mark Jendrek, P.C.	Inv# 16081, Dec21 Legal Services	\$ 330.00
Mission Communications, LLC	Inv# 1061120, Annual Service Package, 03/01/22-02/28/23, Wells A, B, C, & D	\$ 1,690.20
Brann & Whittemore, Inc.	Inv# 2211042078, Stack Kit (2), Jan22	\$ 2,762.00
Specialized Operations Services, Inc.	Inv# 11246, Capacitor Panel, shipping, \$200, Jan22,	\$ 595.00
G & C Supply Co., Inc.	Inv# 6855367, Parts, Feb22,	\$ 471.75
	Inv# 6855368, Parts, Feb22	\$ 1,326.75
	Inv# 6855369, Parts, Feb22	\$ 1,472.00
	Inv# 6854786, Parts, Feb22	\$ 1,139.99
	Inv# 6853735, Parts, Feb22	\$ 2,762.00
Wholesale Supply Group, Inc.	Inv# 1014564, Parts, Feb22	\$ 149.23
Selective Insurance	Policy# S1930014, 2022 Ins effective 02/12/22, paid in full, includes workers' comp	\$ 31,274.00
King Pure Water	Inv# 14356, Service call, \$75; Fuel, \$5; Seal kits, \$75; Piston, \$55; Feb22	\$ 470.00
Drillers Service LLC	Inv# 108004902-00, Parts, Feb22	\$ 1,687.26
Big Orange Electric	Inv# 2246, Jan22, work completed, service calls	\$ 1,874.00
	Inv# 2247, Jan22, work completed, service calls	\$ 3,035.00
	Inv# 2248, Jan22, work completed, service calls	\$ 440.00
	Inv# 2249, Jan22, work completed, new installs	\$ 1,800.00
	Inv# 2250, Jan22, work completed, site work	\$ 5,140.00
Marta Smith, 10-92500-1	Refund deposit plus overpayment	\$ 315.00
Marta Smith, 10-92600-1	Refund deposit plus overpayment	\$ 375.00
David Karkau, 4-15550-1	Refund deposit plus overpayment	\$ 139.80
Andrew Kensmoe, 7-51600-2	Refund overpayment	\$ 130.12
Brian Rand, 4-21675-1	Refund deposit	\$ 172.50
Julian Darren, 5-24700-3	Refund deposit	\$ 135.00
Wanda Knight, 1-5600-2	Refund deposit plus overpayment	\$ 199.50
Total Regular Checking for Consideration		\$ 112,863.51

Charges and Bills Paid from Regular Checking Since February 10, 2022		
B & R Drilling and Pump, LLC	Inv# 4079, Parts, Jan22,	\$ 4,946.00
Sevier County Electric	Utility	\$ 4,631.75
Sevier County Water	Utility	\$ 44.56
City of Pigeon Forge Water & Sewer	Utility	\$ 29.12
Appalachian Electric	Utility	\$ 303.89
USDA	Loan repayment	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,925.00
IRS	Payroll tax	\$ 770.48
Bank Fee	Analysis service charge	\$ 190.28
Total Regular Checking Charges and Bills Paid		\$ 9,971.08

Grand Total Regular Checking \$ 122,834.59

Charges and Bills Paid from Alpine Drive fund Since February 10, 2022		
USDA RD DCFO-Payment 210925000	Repay Loan	\$ 1,667.00
Total Alpine Drive Fund Checking Charges and Bills Paid		\$ 1,667.00

Charges and Bills Paid from WWTP fund since February 10, 2022		
J S Haren Company	WWTP Project, Pay app 7	\$ 64,865.92
J S Haren Company	WWTP Project, Pay app 8	\$ 190,506.03
Total WWTP Fund Checking Charges and Bills Paid		\$ 190,506.03

East Sevier County Utility District

Balance Sheets

January 31, 2022

	01/31/22	1/31/21
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$ 336,230.79	\$ 345,652.91
Checking Account - Alpine Rd Funding	99,230.85	97,869.85
Cash on Hand	100.00	100.00
Cash - Restricted - Customer Deposits	(86,623.49)	(58,219.49)
Total Cash	348,938.15	385,403.27
Accounts Receivable	144,452.84	189,847.21
Allowance for Doubtful Accounts	(77,041.85)	(44,166.69)
Unbilled Accounts Receivable	8,803.00	10,539.00
Inventory - Water and Sewer	60,386.38	67,391.09
Prepaid Expenses	7,172.15	3,659.92
Total Current Assets	492,710.67	612,673.80
PROPERTY, PLANT, & EQUIPMENT		
Land	76,657.80	31,657.80
Distribution & Collection System	3,144,298.32	2,960,448.61
Buildings	70,784.60	69,235.68
Machinery & Equipment	124,378.85	122,963.26
Vehicles & Trailer(s)	89,933.99	88,334.99
Construction Work in Progress	1,071,167.78	165,335.63
Less: Accumulated Depreciation	(1,402,666.90)	(1,218,956.17)
Net Property, Plant, & Equipment	3,174,554.44	2,219,019.80
RESTRICTED ASSETS		
Construction Account - Waste Water Project	813.37	833.37
Cash - Restricted - Customer Deposits	86,623.49	58,219.49
Total Restricted Assets	87,436.86	59,052.86
OTHER ASSETS		
Deposits	14,945.00	14,370.00
Total Other Assets	14,945.00	14,370.00
Total Assets	\$ 3,769,646.97	\$ 2,905,116.46

East Sevier County Utility District

Balance Sheets

January 31, 2022

	01/31/22	1/31/21
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 312,873.59	\$ 49,435.61
Retainage Payable	41,423.05	-
Sales Tax Payable	1,925.82	1,860.68
Payroll Taxes Payable	765.24	382.60
Unearned Revenue	33,069.88	30,420.85
Long Term Debt - Current	17,049.98	8,163.56
Accrued Interest Payable	1,109.13	10,424.19
Customer Deposits	86,623.49	58,219.49
Total Current Liabilities	494,840.18	158,906.98
LONG-TERM DEBT		
USDA 2018 Loan #1	554,192.91	152,506.25
USDA 2017 Loan #2	280,457.68	284,643.74
USDA 2017 Loan #3	255,606.68	259,721.96
Less Current Portion of L-Term Debt	(17,049.98)	(8,163.56)
Total Long-Term Debt	1,073,207.29	688,708.39
Total Liabilities	1,568,047.47	847,615.37
DISTRICT'S EQUITY		
Retained Earnings (Deficit)	1,995,878.76	1,960,517.59
YTD Net Income	205,720.74	96,983.50
Total District's Equity	2,201,599.50	2,057,501.09
Total Liabilities and District's Equity	\$ 3,769,646.97	\$ 2,905,116.46

East Sevier County Utility District
Statements of Revenues and Expenses
Fiscal Year Jul 01 to Jun 30
For the Month(s) Ending
Actual vs Budget

<u>January, 2022</u>			<u>YTD</u>		<u>Annual</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
		Operating Revenues			
\$ 19,742	\$ 18,886	Water Sales	\$ 136,598	\$ 139,838	\$ 237,263
58,188	50,674	Sewer Charges	375,174	361,846	620,164
-	-	Connection Fees - Water	2,500	1,250	2,500
1,500	1,500	Connection Fees - Sewer	21,250	14,750	23,750
(10)	1,072	Late Charge Fees	1,766	7,502	12,861
3,977	8,938	Reconnect/Meter Sets/Other Fees	106,452	62,564	107,253
-	200	Miscellaneous Income	99	1,400	2,400
83,397	81,270	Total Operating Revenues	643,839	589,151	1,006,191
		Operating Expenses			
49,048	49,048	Management & Operations Contract	343,336	343,336	588,576
5,233	4,333	Utilities	32,757	30,333	52,000
2,539	2,500	Insurance	17,775	17,500	30,000
12,903	7,917	Repairs & Maintenance	72,082	55,417	95,000
330	1,000	Legal Expenses	3,823	7,000	12,000
-	-	Accounting/Audit	6,850	7,400	7,400
2,082	2,083	Director Fees	14,577	14,583	25,000
159	167	Payroll Taxes	1,115	1,167	2,000
1,167	1,167	Bad Debts	8,167	8,167	14,000
-	-	Dues & Subscriptions	-	100	100
24	-	Advertising	151	-	-
3,500	894	Permits	3,500	4,306	5,200
191	292	Miscellaneous Expenses	2,863	2,042	3,500
77,177	69,400	Total Operating Expenses	506,996	491,350	834,776
6,220	11,869	Net Income B/4 Other Income (Expenses)	136,843	97,800	171,415
		Other Income (Expenses)			
400	-	Gain (Loss) on Sale of Assets	400	-	-
-	-	Grant Income	184,111	512,125	536,000
(2,875)	(1,792)	Interest Expense	(20,232)	(12,542)	(21,500)
(12,992)	(12,992)	Depreciation	(90,942)	(90,942)	(155,900)
-	-	Bond Issue Costs	(4,460)	-	-
(15,467)	(14,783)	Total Other (Income) Expenses	68,877	408,642	358,600
\$ (9,247)	\$ (2,914)	Net Income (Loss)	\$ 205,721	\$ 506,442	\$ 530,015

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

Billing Charges For the Month of:	Jan-22	
Water Revenue		19,742.22
Sewer Revenue		58,188.31
Installment Billing -Offsite Sewer Arrears		522.25
Sales Taxes		1,925.82
Late Charges		(10.25)
Installation Fees-Water		-
Installation Fees-Sewer		1,500.00
Other Miscellaneous Fees		3,976.50
Returned Checks		-
Deposits Applied/Adjustments		(465.00)
Customer Refunds Paid		703.01
Total Billing Charges		<u>86,082.86</u>
Water Gallons Billed		<u>778,684</u>
Water Customers Billed		<u>252</u>
Sewer Gallons Billed		<u>454,230</u>
Sewer Customers Billed		<u>870</u>

Accounts Receivable	Jan-22	
Beginning Balance		137,408.25
Billing Charges		86,082.86
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(90,563.47)
End of Month Accounts Receivable		<u>132,927.64</u>

Water Revenue Checking	Jan-22	
Beginning Balance		340,892.74
Deposits:		
Accounts Receivable Collections		90,563.47
Customer Deposits		6,276.00
Miscellaneous - Sale of Ford Ranger		400.00
		<u>97,239.47</u>
Disbursements:		
Accounts Payable Checks		(89,473.27)
Auto Debit Charges-Utilities		(5,203.15)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(1,970.00)
Refund Checks		(703.01)
Bank fees		(325.99)
Chargebacks		(150.00)
End of Month Balance		<u>336,230.79</u>
Cash Receipts Collected To Date in:	Mar-22	106,125.29
Auto Debited Utilities in:	Feb-22	(5,009.32)
Bills Submitted for Payment in:	Mar-22	(93,989.49)
Available Balance		<u><u>343,357.27</u></u>

**East Sevier County Utility District, TN
Treasury Report
Summary of Cash and Investments
January 31, 2022**

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		340,892.74	97,239.47	-	(101,901.42)	336,230.79
Checking Acct-Alpine Road Funding		98,897.85	2,000.00	-	(1,667.00)	99,230.85
Checking Acct-Waste Water Plant		813.37	-	-	-	813.37
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		440,703.96	99,239.47	-	(103,568.42)	436,375.01

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Jan-22	19,870	139,711	779	6,073	252
Dec-21	19,895	119,841	880	5,294	251
Nov-21	19,800	99,946	826	4,414	252
Oct-21	20,111	80,146	902	3,588	251
Sep-21	19,738	60,035	848	2,686	251
Aug-21	19,813	40,297	828	1,838	250
Jul-21	20,484	20,484	1,010	1,010	249
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

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
Jan-22	54,774	372,343	454	3,584	870	88,473
Dec-21	53,961	317,569	523	3,130	862	137,291
Nov-21	53,191	263,608	484	2,607	853	88,473
Oct-21	53,086	210,416	523	2,123	853	85,572
Sep-21	52,202	157,331	493	1,600	844	92,295
Aug-21	52,385	105,129	488	1,107	846	94,060
Jul-21	52,744	52,744	619	619	843	90,997
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

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

FEB – 2022

Administrative

Our library of “Material Safety Data Sheets” has been updated to “Safety Data Sheets” in order to comply with the current Global Harmonized System. The new “GHS” system follows a 16-section format to ensure consistency with all Modern “SDS” sheets.

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

The installation of a two-pump booster system at the Alpine Booster was successful. We now have a modern booster complete with redundancy.

Maintenance has been performed on the pre-chlorine systems at both Well C & D. The pre-chlorine system oxidizes the iron and manganese in the raw water. This process ensures that maximum removal is achieved.

A control box was repaired at the Bouldercrest WWTP.

A faulty Air release at Alpine and Black Oak was taken out of service.

Septic tank floats were replaced for a customer at Douglas Lake Resort.

Customer Service

Staff met with a new customer at the Preserves to ensure that the water and sewer taps would be installed in locations to best suit their construction project.

Project Updates

The new WWTP is now online. 2 staff members have been briefed on basic operation and experience is being gained daily. All staff members are being familiarized with the plant.



Safety

February’s safety topics were blood borne pathogens and CPR.

Regulatory

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

Concerns for the Month

Water Loss plus Inflow and Infiltration.

Positives for the Month

Quick response times for on and offsite repairs ensure that a high level of customer service is maintained.

Leak Repairs

Repairs were made at Smoky Mountain Ridge and on Alpine Drive.

Alliance Year-to-Date Capped Expenses through January 2022			
	Actual	Budget	Over (Under) Budget
Repair Expense	\$36,417	\$23,268	\$13,149
Chemical Expense	\$3,461	\$7,119	(\$3,658)

LOAN RESOLUTION
(Public Bodies)

A RESOLUTION OF THE _____

OF THE _____
AUTHORIZING AND PROVIDING FOR THE INCURRENCE OF INDEBTEDNESS FOR THE PURPOSE OF PROVIDING A
PORTION OF THE COST OF ACQUIRING, CONSTRUCTING, ENLARGING, IMPROVING, AND/OR EXTENDING ITS

FACILITY TO SERVE AN AREA LAWFULLY WITHIN ITS JURISDICTION TO SERVE.

WHEREAS, it is necessary for the _____

(Public Body)

(herein after called Association) to raise a portion of the cost of such undertaking by issuance of its bonds in the principal amount of

_____ ; and

WHEREAS, the Association intends to obtain assistance from the United States Department of Agriculture,
(herein called the Government) acting under the provisions of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921
et seq.) in the planning, financing, and supervision of such undertaking and the purchasing of bonds lawfully issued, in the event
that no other acceptable purchaser for such bonds is found by the Association:**NOW THEREFORE**, in consideration of the premises the Association hereby resolves:

1. To have prepared on its behalf and to adopt an ordinance or resolution for the issuance of its bonds containing such items and in such forms as are required by State statutes and as are agreeable and acceptable to the Government.
2. To refinance the unpaid balance, in whole or in part, of its bonds upon the request of the Government if at any time it shall appear to the Government that the Association is able to refinance its bonds by obtaining a loan for such purposes from responsible cooperative or private sources at reasonable rates and terms for loans for similar purposes and periods of time as required by section 333(c) of said Consolidated Farm and Rural Development Act (7 U.S.C. 1983(c)).
3. To provide for, execute, and comply with Form RD 400-4, "Assurance Agreement," and Form RD 400-1, "Equal Opportunity Agreement," including an "Equal Opportunity Clause," which clause is to be incorporated in, or attached as a rider to, each construction contract and subcontract involving in excess of \$10,000.
4. To indemnify the Government for any payments made or losses suffered by the Government on behalf of the Association. Such indemnification shall be payable from the same source of funds pledged to pay the bonds or any other legal ly permissible source.
5. That upon default in the payments of any principal and accrued interest on the bonds or in the performance of any covenant or agreement contained herein or in the instruments incident to making or insuring the loan, the Government at its option may (a) declare the entire principal amount then outstanding and accrued interest immediately due and payable, (b) for the account of the Association (payable from the source of funds pledged to pay the bonds or any other legally permissible source), incur and pay reasonable expenses for repair, maintenance, and operation of the facility and such other reasonable expenses as may be necessary to cure the cause of default, and/or (c) take possession of the facility, repair, maintain, and operate or rent it. Default under the provisions of this resolution or any instrument incident to the making or insuring of the loan may be construed by the Government to constitute default under any other instrument held by the Government and executed or assumed by the Association, and default under any such instrument may be construed by the Government to constitute default hereunder.
6. Not to sell, transfer, lease, or otherwise encumber the facility or any portion thereof, or interest therein, or permit others to do so, without the prior written consent of the Government.
7. Not to defease the bonds, or to borrow money, enter into any contractor agreement, or otherwise incur any liabilities for any purpose in connection with the facility (exclusive of normal maintenance) without the prior written consent of the Government if such undertaking would involve the source of funds pledged to pay the bonds.
8. To place the proceeds of the bonds on deposit in an account and in a manner approved by the Government. Funds may be deposited in institutions insured by the State or Federal Government or invested in readily marketable securities backed by the full faith and credit of the United States. Any income from these accounts will be considered as revenues of the system.
9. To comply with all applicable State and Federal laws and regulations and to continually operate and maintain the facility in good condition.
10. To provide for the receipt of adequate revenues to meet the requirements of debt service, operation and maintenance, and the establishment of adequate reserves. Revenue accumulated over and above that needed to pay operating and maintenance, debt service and reserves may only be retained or used to make prepayments on the loan. Revenue cannot be used to pay any expenses which are not directly incurred for the facility financed by USDA. No free service or use of the facility will be permitted.

According to the Paperwork Reduction Act of 1995, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a valid OMB control number. The valid OMB control number for this information collection is 0572-0121. The time required to complete this information collection is estimated to average 1 hour per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information.

CERTIFICATION TO BE EXECUTED AT LOAN CLOSING

I, the undersigned, as _____ of the _____
 hereby certify that the _____ of such Association is composed of
 _____ members, of whom , _____ constituting a quorum, were present at a meeting thereof duly called and
 held on the _____ day of _____ ; and that the foregoing resolution was adopted at such meeting
 by the vote shown above, I further certify that as of _____ ,
 the date of closing of the loan from the United States Department of Agriculture, said resolution remains in effect and has not been
 rescinded or amended in any way.

Dated, this _____ day of _____

Title _____

Water and Waste System Grant Agreement

United States Department of Agriculture

Rural Utilities Service

THIS AGREEMENT dated _____, between

_____ a public corporation organized and operating under

_____ (Authorizing Statute)

herein called "Grantee," and the United States of America acting through the Rural Utilities Service, Department of Agriculture, herein called "Grantor," WITNESSETH:

WHEREAS

Grantee has determined to undertake a project of acquisition, construction, enlargement, or capital improvement of a (water) (waste) system to serve the area under its jurisdiction at an estimated cost of \$ _____ and has duly authorized the undertaking of such project.

Grantee is able to finance not more than \$ _____ of the development costs through revenues, charges, taxes or assessments, or funds otherwise available to Grantee resulting in a reasonable user charge.

Said sum of \$ _____ has been committed to and by Grantee for such project development costs.

Grantor has agreed to grant the Grantee a sum not to exceed \$ _____ or _____ percent of said project development costs, whichever is the lesser, subject to the terms and conditions established by the Grantor. Provided, however, that the proportionate share of any grant funds actually advanced and not needed for grant purposes shall be returned immediately to the Grantor. The Grantor may terminate the grant in whole, or in part, at any time before the date of completion, whenever it is determined that the Grantee has failed to comply with the Conditions of the grant.

As a condition of this grant agreement, the Grantee assures and certifies that it is in compliance with and will comply in the course of the agreement with all applicable laws, regulations, Executive orders and other generally applicable requirements, including those set out in 7 CFR 3015.205(b), which hereby are incorporated into this agreement by reference, and such other statutory provisions as are specifically set forth herein.

NOW, THEREFORE, In consideration of said grant by Grantor to Grantee, to be made pursuant to Section 306(a) of The Consolidated Farm and Rural Development Act for the purpose only of defraying a part not to exceed _____ percent of the project development costs, as defined by applicable Rural Utilities Service instructions.

Grantee Agrees That Grantee Will:

A. Cause said project to be constructed within the total sums available to it, including said grant, in accordance with the project plans and specifications and any modifications thereof prepared by Grantee and approved by Grantor.

B. Permit periodic inspection of the construction by a representative of Grantor during construction.

C. Manage, operate and maintain the system, including this project if less than the whole of said system, continuously in an efficient and economical manner.

D. Make the services of said system available within its capacity to all persons in Grantee's service area without discrimination as to race, color, religion, sex, national origin, age, marital status, or physical or mental handicap (possess capacity to enter into legal contract for services) at reasonable charges, including assessments, taxes, or fees in accordance with a schedule of such charges, whether for one or more classes of service, adopted by resolution dated _____, as may be modified from time to time by Grantee. The initial rate schedule must be approved by Grantor. Thereafter, Grantee may make such modifications to the rate system as long as the rate schedule remains reasonable and nondiscriminatory.

E. Adjust its operating costs and service charges from time to time to provide for adequate operation and maintenance, emergency repair reserves, obsolescence reserves, debt service and debt service reserves.

F. Expand its system from time to time to meet reasonably anticipated growth or service requirements in the area within its jurisdiction.

G. Provide Grantor with such periodic reports as it may require and permit periodic inspection of its operations by a representative of the Grantor.

H. To execute any agreements required by Grantor which Grantee is legally authorized to execute. If any such agreement has been executed by Grantee as a result of a loan being made to Grantee by Grantor contemporaneously with the making of this grant, another agreement of the same type need not be executed in connection with this grant.

I. Upon any default under its representations or agreements set forth in this instrument, Grantee, at the option and demand of Grantor, will repay to Grantor forthwith the original principal amount of the grant stated herein above with the interest at the rate of 5 percentum per annum from the date of the default. Default by the Grantee will constitute termination of the grant thereby causing cancellation of Federal assistance under the grant. The provisions of this Grant Agreement may be enforced by Grantor, at its option and without regard to prior waivers by it previous defaults of Grantee, by judicial proceedings to require specific performance of the terms of this Grant Agreement or by such other proceedings in law or equity, in either Federal or State courts, as may be deemed necessary by Grantor to assure compliance with the provisions of this Grant Agreement and the laws and regulations under which this grant is made.

J. Return immediately to Grantor, as required by the regulations of Grantor, any grant funds actually advanced and not needed by Grantee for approved purposes.

K. Use the real property including land, land improvements, structures, and appurtenances thereto, for authorized purposes of the grant as long as needed.

1. Title to real property shall vest in the recipient subject to the condition that the Grantee shall use the real property for the authorized purpose of the original grant as long as needed.

2. The Grantee shall obtain approval by the Grantor agency for the use of the real property in other projects when the Grantee determines that the property is no longer needed for the original grant purposes. Use in other projects shall be limited to those under other Federal grant programs or programs that have purposes consistent with those authorized for support by the Grantor.

3. When the real property is no longer needed as provided in 1 and 2 above, the Grantee shall request disposition instructions from the Grantor agency or its successor Federal agency. The Grantor agency shall observe the following rules in the disposition instructions:

(a) The Grantee may be permitted to retain title after it compensates the Federal Government in an amount computed by applying the Federal percentage of participation in the cost of the original project to the fair market value of the property.

(b) The Grantee may be directed to sell the property under guidelines provided by the Grantor agency. When the Grantee is authorized or required to sell the property, proper sales procedures shall be established that provide for competition to the extent practicable and result in the highest possible return.

[Revision 1, 04/17/1998]

(c) The Grantee may be directed to transfer title to the property to the Federal Government provided that in such cases the Grantee shall be entitled to compensation computed by applying the Grantee's percentage of participation in the cost of the program or project to the current fair market value of the property.

This Grant Agreement covers the following described real property (use continuation sheets as necessary).

L. Abide by the following conditions pertaining to equipment which is furnished by the Grantor or acquired wholly or in part with grant funds. Equipment means tangible, non-expendable, personal property having a useful life of more than one year and an acquisition cost of \$5,000 or more per unit. A grantee may use its own definition of equipment provided that such definition would at least include all equipment defined above.

[Revision 1, 04/17/1998]

1. Use of equipment.

(a) The Grantee shall use the equipment in the project for which it was acquired as long as needed. When no longer needed for the original project, the Grantee shall use the equipment in connection with its other Federally sponsored activities, if any, in the following order of priority:

1) Activities sponsored by the Grantor.

(2) Activities sponsored by other Federal agencies.

(b) During the time that equipment is held for use on the property for which it was acquired, the Grantee shall make it available for use on other projects if such other use will not interfere with the work on the project for which the equipment was originally acquired. First preference for such other use shall be given to Grantor sponsored projects. Second preference will be given to other Federally sponsored projects.

2. Disposition of equipment. When the Grantee no longer needs the equipment as provided in paragraph (a) above, the equipment may be used for other activities in accordance with the following standards:

(a) Equipment with a current per unit fair market value of less than \$5,000. The Grantee may use the equipment for other activities without reimbursement to the Federal Government or sell the equipment and retain the proceeds.

(b) Equipment with a current per unit fair market value of \$5,000 or more. The Grantee may retain the equipment for other uses provided that compensation is made to the original Grantor agency or its successor. The amount of compensation shall be computed by applying the percentage of Federal participation in the cost of the original project or program to the current fair market value or proceeds from sale of the equipment. If the Grantee has no need for the equipment and the equipment has further use value, the Grantee shall request disposition instructions from the original Grantor agency.

The Grantor agency shall determine whether the equipment can be used to meet the agency's requirements. If no requirement exists within that agency, the availability of the equipment shall be reported, in accordance with the guidelines of the Federal Property Management Regulations (FPMR), to the General Services Administration by the Grantor agency to determine whether a requirement for the equipment exists in other Federal agencies. The Grantor agency shall issue instructions to the Grantee no later than 120 days after the Grantee requests and the following procedures shall govern:

(1) If so instructed or if disposition instructions are not issued within 120 calendar days after the Grantee's request, the Grantee shall sell the equipment and reimburse the Grantor agency an amount computed by applying to the sales proceeds the percentage of Federal participation in the cost of the original project or program. However, the Grantee shall be permitted to deduct and retain from the Federal share ten percent of the proceeds for Grantee's selling and handling expenses.

(2) If the Grantee is instructed to ship the equipment elsewhere the Grantee shall be reimbursed by the benefiting Federal agency with an amount which is computed by applying the percentage of the Grantee participation in the cost of the original grant project or program to the current fair market value of the equipment, plus any reasonable shipping or interim storage costs incurred.

(3) If the Grantee is instructed to otherwise dispose of the equipment, the Grantee shall be reimbursed by the Grantor agency for such costs incurred in its disposition.

3. The Grantee's property management standards for equipment shall also include:

(a) Records which accurately provide for: a description of the equipment; manufacturer's serial number or other identification number; acquisition date and cost; source of the equipment; percentage (at the end of budget year) of Federal participation in the cost of the project for which the equipment was acquired; location, use and condition of the equipment and the date the information was reported; and ultimate disposition data including sales price or the method used to determine current fair market value if the Grantee reimburses the Grantor for its share.

(b) A physical inventory of equipment shall be taken and the results reconciled with the equipment records at least once every two years to verify the existence, current utilization, and continued need for the equipment.

(c) A control system shall be in effect to insure adequate safeguards to prevent loss, damage, or theft of the equipment. Any loss, damage, or theft of equipment shall be investigated and fully documented.

(d) Adequate maintenance procedures shall be implemented to keep the equipment in good condition.

(e) Proper sales procedures shall be established for unneeded equipment which would provide for competition to the extent practicable and result in the highest possible return.

This Grant Agreement covers the following described equipment(use continuation sheets as necessary).

M. Provide Financial Management Systems which will include:

1. Accurate, current, and complete disclosure of the financial results of each grant. Financial reporting will be on an accrual basis.
2. Records which identify adequately the source and application of funds for grant-supported activities. Those records shall contain information pertaining to grant awards and authorizations, obligations, unobligated balances, assets, liabilities, outlays, and income.
3. Effective control over and accountability for all funds, property and other assets. Grantees shall adequately safeguard all such assets and shall assure that they are used solely for authorized purposes.
4. Accounting records supported by source documentation.

N. Retain financial records, supporting documents, statistical records, and all other records pertinent to the grant for a period of at least three years after grant closing except that the records shall be retained beyond the three-year period if audit findings have not been resolved. Microfilm or photo copies or similar methods may be substituted in lieu of original records. The Grantor and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access to any books, documents, papers, and records of the Grantee's government which are pertinent to the specific grant program for the purpose of making audits, examinations, excerpts and transcripts.

O. Provide information as requested by the Grantor to determine the need for and complete any necessary Environmental Impact Statements.

P. Provide an audit report prepared in accordance with Grantor regulations to allow the Grantor to determine that funds have been used in compliance with the proposal, any applicable laws and regulations and this Agreement.

Q. Agree to account for and to return to Grantor interest earned on grant funds pending their disbursement for program purposes when the Grantee is a unit of local government. States and agencies or instrumentality's of states shall not be held accountable for interest earned on grant funds pending their disbursement.

R. Not encumber, transfer or dispose of the property or any part thereof, furnished by the Grantor or acquired wholly or in part with Grantor funds without the written consent of the Grantor except as provided in item K above.

S. To include in all contracts for construction or repair a provision for compliance with the Copeland "Anti-Kick Back" Act (18 U.S.C. 874) as supplemented in Department of Labor regulations (29 CFR, Part 3). The Grantee shall report all suspected or reported violations to the Grantor.

T. To include in all contracts in excess of \$100,000 a provision that the contractor agrees to comply with all the requirements of the Clean Air Act (42 U.S.C. §7414) and Section 308 of the Water Pollution Control Act (33 U.S.C. §1318) relating to inspection, monitoring, entry, reports, and information, as well as all other requirements specified in Section 114 of the Clean Air Act and Section 308 of the Water Pollution Control Act and all regulations and guidelines issued thereunder after the award of the contract. In so doing the Contractor further agrees:

[Revision 1, 11/20/1997]

1. As a condition for the award of contract, to notify the Owner of the receipt of any communication from the Environmental Protection Agency (EPA) indicating that a facility to be utilized in the performance of the contract is under consideration to be listed on the EPA list of Violating Facilities. Prompt notification is required prior to contract award.

2. To certify that any facility to be utilized in the performance of any nonexempt contractor subcontract is not listed on the EPA list of Violating Facilities pursuant to 40 CFR Part 32 as of the date of contract award.

[Revision 1, 11/20/1997]

3. To include or cause to be included the above criteria and the requirements in every nonexempt subcontract and that the Contractor will take such action as the Government may direct as a means of enforcing such provisions.

As used in these paragraphs the term "facility" means any building, plan, installation, structure, mine, vessel or other floating craft, location, or site of operations, owned, leased, or supervised by a Grantee, cooperator, contractor, or subcontractor, to be utilized in the performance of a grant, agreement, contract, subgrant, or subcontract. Where a location or site of operation contains or includes more than one building, plant, installation, or structure, the entire location shall be deemed to be a facility except where the Director, Office of Federal Activities, Environmental Protection Agency, determines that independent facilities are co-located in one geographical area.

Grantor Agrees That It:

A. Will make available to Grantee for the purpose of this Agreement not to exceed \$_____ which it will advance to Grantee to meet not to exceed _____ percent of the project development costs of the project in accordance with the actual needs of Grantee as determined by Grantor.

B. Will assist Grantee, within available appropriations, with such technical assistance as Grantor deems appropriate in planning the project and coordinating the plan with local official comprehensive plans for sewer and water and with any State or area plans for the area in which the project is located.

C. At its sole discretion and at any time may give any consent, deferment, subordination, release, satisfaction, or termination of any or all of Grantee's grant obligations, with or without valuable consideration, upon such terms and conditions as Grantor may determine to be (1) advisable to further the purpose of the grant or to protect Grantor's financial interest therein and (2) consistent with both the statutory purposes of the grant and the limitations of the statutory authority under which it is made.

Termination of This Agreement

This Agreement may be terminated for cause in the event of default on the part of the Grantee as provided in paragraph I above or for convenience of the Grantor and Grantee prior to the date of completion of the grant purpose. Termination for convenience will occur when both the Grantee and Grantor agree that the continuation of the project will not produce beneficial results commensurate with the further expenditure of funds.

In witness whereof Grantee on the date first above written has caused these presence to be executed by its duly authorized

attested and its corporate seal affixed by its duly authorized

Attest:

By _____

(Title) _____

By _____

(Title) _____

UNITED STATES OF AMERICA

RURAL UTILITIES SERVICE

By _____

(Title)