

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

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

**May 12, 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 Certify Barbara Darby as the Secretary/Treasurer
- 4) Motion to approve the minutes of the previous Board meeting
- 5) 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**

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

**OLD BUSINESS**

- 8) None

**NEW BUSINESS**

- 9) Wholesale Water Provider Comparison
- 10) Douglas-Cherokee Economic Authority
- 11) Adjournment – Next regular Board Meeting to be held on Thursday, June 9, 2022- 5:30 pm

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

**East Sevier County Utility District  
1529 Alpine Drive  
Sevierville, TN 37876**

**May 12, 2022**

Dear Mayor Waters,

The East Sevier County Utility District will have a vacancy on its Board of Commissioners from Barbara Darby's term expiring. Please fill the vacancy by your appointment of one of the following three nominees certified by the ESCUD Board of Commissioners:

Barbara Darby, Secretary–Treasurer

Ron Cooley

Robert Sacco

Thank you for your consideration. Please notify the Board at the above address with your appointment at your earliest convenience.

Sincerely,

---

Roy Ivey

President – Board of Commissioners

# MINUTES

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

Thursday, April 14, 2022

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, April 14, 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 5:33 p.m. for any old or new business. Introductions were made between Ron Mitchell, the only visitor present at the time, and Brian Pieper, the new Alliance Water Resources Division Manager for ESCUD.

A motion to approve the minutes of the March 10, 2022, meeting was made by Barbara. Janice seconded the motion. Motion carried.

### Persons to be Heard

Ron Mitchell of 954 Pawnee Court asked when the new water and sewer lines were going to be installed on Half High Street as discussed during one or two of the Board meetings last fall. He uses Half High to get to his house, and the condition of the road is very poor and very rough on his vehicle. He explained that there is no use in paving Half High prior to the installation of the new water and sewer lines since ESCUD would have to damage the road during the installation.

He was told by Evan Romo that the materials were on back order; however, ESCUD can currently work with the English Mountain Property Owners Association (EMPOA) toward getting started on the plans, blueprints, bids, etc.

Roy began his response by asking Ron how his water pressure has been lately. Ron said it was much improved, and he hasn't had need to use the device he had installed to help increase the pressure. Roy then pointed out all of the factors involved in the delay of the project on Half High. The State insists that an engineer must be hired to oversee the work, which historically will slow a project down while increasing costs. Ron pressed Roy for a rough estimate when the improvement can begin and how long it will take. Roy explained that we had found a new engineer that, hopefully, will be more reliable. James said he would get in touch with the gentleman tomorrow; Brian reassured Ron that we will push forward on the project.

Brenda, the office clerk, presented the Board with a letter sent from Evan O'Connor, the owner of 1549 Lin Creek Road since July 30, 2021. Evan resides in Springfield, MO,

and when he inherited the property, he had rented it out until January 31, 2022, when the renter moved out. The renter had mentioned a leak and said he had repaired it. ESCUD staff had discovered a massive leak on the property sometime afterward and shut off the meter. Brenda had sent Evan the March bill, which totaled \$4,985.85 accompanied by a letter explaining the process of one-time forgiveness. Since Evan lives out of state, he emailed a letter asking the Board for the one-time forgiveness on his March 2022 bill. The Board granted the forgiveness of half of the water overage and all of the sewer overage, or \$3,660.03.

Ron Cooley asked if the Utility was aware that e-coli had been found in the aquifer in Chestnut Hill and if there was a chance that it could spread here. James said that he tests regularly; the water is good. He will ask TDEC their opinion and take samples at every well site and let him know the results.

Dan of The Preserve said they drilled their well, which is producing at 20 gpm. They paid King Water for the filtration system. They will be testing for a couple of weeks and sending results to TDEC. He asked for a maintenance agreement with ESCUD. There are quite a few houses being built. He asked about the \$1,250 tap fees we have been charging customers for taps at The Preserve; our contract stipulates that the tap fees would be \$750. He has spent a lot of time and money on this site and wants to know what we are planning; he wants us to take ownership of the water and sewer plants because a private entity is not allowed to own and operate them.

Representatives from Douglas-Cherokee Health spoke about the program that is starting which will enable them to help residents in the area who are having trouble paying their water and sewer utilities. They can give the resident up to \$2,000 toward their water and sewer bill. If we are interested in participating, we will need to fill out and send in the vendor agreement they had emailed to us. We will decide at the next Board meeting how to proceed.

Ronnie Buckner, an ESCUD employee and customer at 1408 Dogwood Street, asked the Board if he could purchase the old trailer for \$200. The Board agreed to allow it; James will write up a bill of sale.

#### Reports

Barbara motioned, and Jan seconded the motion, to approve the Accounts Payable listing in total as submitted.

Barbara motioned, and Jan seconded the motion, to approve the Financial report as submitted.

James said that March had been a challenging month. There were significant leaks and a loss of several thousand gallons of water. They had to bring water to Well D by rerouting the footprint at Black Oak and Alpine. Water loss was 68 percent in February, 66 percent in March, and 58 percent in April. At one time that would have been devastating for our

distribution; however, with all the improvements that have been made in the recent past, no customer went without water for any significant period of time.

Old Business

None

New Business

Brian Peeper, Division Manager for the District, said that Suez had been paid a hefty fee to maintain Well C; their service has been less than stellar. They have been bought out by Viola. James had tried to reach them by phone and found that their number had been disconnected. He will try to find out who is going to maintain our well at this point. Barbara asked him to find out when our contract with them expires. James said it ends in 90 days. Barbara suggested we not go any further with them until they rectify past mistakes, such as losing our pump in the well. Brian said he has dealt with them before; Barbara asked him to keep on them. Brian will report back next meeting. The estimate for a new well at C is \$60,000. However, since Suez dropped our pump, they should give us a producing well for the payments they have received from us in the past.

Barbara motioned to approve the payment of Pay App 10 to J S Haren at a reduced amount of \$1,746.73, which includes penalties for late completion. Jan seconded the motion. Motion carried. Roy asked how much we still owe. He was told that 98 percent of the bid had been paid.

The next regular Board meeting will be held on Thursday, May 12, 2022, at 5:30 p.m.

Adjournment

Roy motioned and Barbara seconded the motion, to adjourn at 7:06 p.m. Motion carried.

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Secretary-Treasurer

**East Sevier County Utility District  
List of Bills  
12-May-22**

<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# INV103669, May22 Services	\$ 49,048.00
First Horizon Bank	Alpine Fund Drive	\$ 2,000.00
The Mountain Press	Ad# 70322678, Apr22 Board meeting notice	\$ 26.26
Power Pumping	Inv# 1646, Pump and haul from WWTP, Apr22	\$ 700.00
Big Orange Electric	Inv# 2252, Svc call, Feb22, \$250; Svc call, Mar22, \$250	\$ 500.00
	Inv# 2253, Svc call/site work, Mar22	\$ 1,625.00
	Inv# 2254, Svc calls/site work, Mar22	\$ 1,750.00
	Inv# 2255, New Installs, Feb22, \$600; Mar22, \$3,700	\$ 4,300.00
Ace Fence Co.	Inv# 8995, WWTP Fence and gate, Apr22	\$ 5,250.00
Citgo Water	Inv# S100169822.001, Apr22, water meters, Inventory Shipping, \$134.79	\$ 3,686.79
Specialized Operations Services, Inc.	Inv#11303, Pumps, Ordered 03/10/22, shipped April 29; Freight \$600, Inventory	\$ 18,507.26
	Inv# 11307, Parts, Ordered 02/02/22, shipped March; Freight \$380, Inventory	\$ 5,172.90
Frank Manfredo, 5-10700-2	Refund, Deposit minus balance due	\$ 72.00
David Karkau, 4-15475-1	Refund, Overpayment	\$ 75.00
Ron Rule, 11-77-2	Refund, Deposit minus balance due	\$ 67.50
Tracy Morrow, 1-1800-3	Refund, Deposit minus balance due	\$ 80.32
Tracy Morrow, 1-1200-3	Refund, Deposit minus balance due	\$ 83.23
Neil Barnum, 11-42-5	Refund, Deposit minus balance due	\$ 88.69
Chuong Pham, 4-32100-1	Refund, Deposit plus overpayment	\$ 116.73
	<b>Total Regular Checking for Consideration</b>	<b>\$ 95,008.83</b>

**Charges and Bills Paid from Regular Checking Since April 14, 2022**

Sevier County Electric	Utility	\$ 4,672.59
Sevier County Water	Utility	\$ 42.25
City of Pigeon Forge Water & Sewer	Utility	\$ -
Appalachian Electric	Utility	\$ 417.51
USDA RD DCFO-Payment 2203120000	Loan repayment	\$ 2,076.00
State of Tennessee	Sales tax	\$ 1,660.00
IRS	Payroll tax	\$ 382.64
Bank Fee	Analysis service charge	\$ 259.09
	<b>Total Regular Checking Charges and Bills Paid</b>	<b>\$ 9,510.08</b>

**Grand Total Regular Checking** \$ 104,518.91

**Charges and Bills Paid from Alpine Drive fund Since April 14, 2022**

USDA RD DCFO-Payment 210925000	Repay Loan	\$ 1,667.00
	<b>Total Alpine Drive Fund Checking Charges and Bills Paid</b>	<b>\$ 1,667.00</b>

**Charges and Bills Paid from WWTP fund since April 14, 2022**

McGill Associates, P.A.	Inv# 15.06205-13765	\$ 3,932.75
J S Haren Company	WWTP Project, Pay app10	\$ 1,746.73
	<b>Total WWTP Fund Checking Charges and Bills Paid</b>	<b>\$ 1,746.73</b>

## East Sevier County Utility District

### Balance Sheets

March 31, 2022

	3/31/22	3/31/21
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Checking Account - Operations	\$ 316,204.69	\$ 334,233.66
Checking Account - Alpine Rd Funding	99,896.85	101,869.85
Cash on Hand	100.00	100.00
Cash - Restricted - Customer Deposits	(90,083.49)	(61,745.49)
<b>Total Cash</b>	<b>326,118.05</b>	<b>374,458.02</b>
Accounts Receivable	145,426.41	186,513.82
Allowance for Doubtful Accounts	(76,111.91)	(46,500.03)
Unbilled Accounts Receivable	8,803.00	10,539.00
Inventory - Water and Sewer	101,730.94	91,659.43
Prepaid Expenses	32,305.40	28,412.17
<b>Total Current Assets</b>	<b>538,271.89</b>	<b>645,082.41</b>
<b>PROPERTY, PLANT, &amp; EQUIPMENT</b>		
Land	76,657.80	31,657.80
Distribution & Collection System	3,155,538.32	2,962,944.76
Buildings	70,784.60	69,235.68
Machinery & Equipment	124,378.85	122,963.26
Vehicles & Trailer(s)	82,647.99	88,334.99
Construction Work in Progress	1,146,345.58	176,135.63
Less: Accumulated Depreciation	(1,421,121.37)	(1,231,356.17)
<b>Net Property, Plant, &amp; Equipment</b>	<b>3,235,231.77</b>	<b>2,219,915.95</b>
<b>RESTRICTED ASSETS</b>		
Construction Account - Waste Water Project	112,813.37	833.37
Cash - Restricted - Customer Deposits	90,083.49	61,745.49
<b>Total Restricted Assets</b>	<b>202,896.86</b>	<b>62,578.86</b>
<b>OTHER ASSETS</b>		
Deposits	14,945.00	14,370.00
<b>Total Other Assets</b>	<b>14,945.00</b>	<b>14,370.00</b>
<b>Total Assets</b>	<b>\$ 3,991,345.52</b>	<b>\$ 2,941,947.22</b>

## East Sevier County Utility District

### Balance Sheets

March 31, 2022

	3/31/22	3/31/21
<b>LIABILITIES AND DISTRICT'S EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Accounts Payable	\$ 146,411.12	\$ 39,009.68
Retainage Payable	46,521.55	-
Sales Tax Payable	1,669.11	2,715.54
Payroll Taxes Payable	382.52	382.52
Unearned Revenue	33,069.88	30,420.85
Long Term Debt - Current	17,049.98	8,163.56
Accrued Interest Payable	1,109.13	8,453.47
Customer Deposits	90,083.49	61,745.49
<b>Total Current Liabilities</b>	<b>336,296.78</b>	<b>150,891.11</b>
<b>LONG-TERM DEBT</b>		
USDA 2018 Loan #1	553,861.69	152,506.25
USDA 2017 Loan #2	279,748.74	283,947.12
USDA 2017 Loan #3	254,911.12	259,038.48
Less Current Portion of L-Term Debt	(17,049.98)	(8,163.56)
<b>Total Long-Term Debt</b>	<b>1,071,471.57</b>	<b>687,328.29</b>
<b>Total Liabilities</b>	<b>1,407,768.35</b>	<b>838,219.40</b>
<b>DISTRICT'S EQUITY</b>		
Retained Earnings (Deficit)	1,995,878.76	1,960,517.59
YTD Net Income	587,698.41	143,210.23
<b>Total District's Equity</b>	<b>2,583,577.17</b>	<b>2,103,727.82</b>
 <b>Total Liabilities and District's Equity</b>	 <b>\$ 3,991,345.52</b>	 <b>\$ 2,941,947.22</b>



**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>March, 2022</u>			<u>YTD</u>		<u>Annual Budget</u>
<u>Actual</u>	<u>Budget</u>		<u>Actual</u>	<u>Budget</u>	<u>Budget</u>
		<b>Operating Revenues</b>			
\$ 13,563	\$ 27,447	Water Sales	\$ 177,502	\$ 187,853	\$ 237,263
48,476	63,666	Sewer Charges	488,635	475,020	620,164
2,500	1,250	Connection Fees - Water	8,750	2,500	2,500
6,250	2,250	Connection Fees - Sewer	31,250	19,250	23,750
2,409	1,072	Late Charge Fees	5,119	9,646	12,861
18,608	8,938	Reconnect/Meter Sets/Other Fees	134,316	80,440	107,253
-	200	Miscellaneous Income	99	1,800	2,400
<b>91,806</b>	<b>104,823</b>	<b>Total Operating Revenues</b>	<b>845,670</b>	<b>776,509</b>	<b>1,006,191</b>
		<b>Operating Expenses</b>			
49,048	49,048	Management & Operations Contract	441,432	441,432	588,576
4,913	4,333	Utilities	43,052	39,000	52,000
2,743	2,500	Insurance	23,158	22,500	30,000
922	7,917	Repairs & Maintenance	94,002	71,250	95,000
7,018	1,000	Legal Expenses	10,840	9,000	12,000
-	-	Accounting/Audit	6,850	7,400	7,400
2,082	2,083	Director Fees	18,742	18,750	25,000
159	167	Payroll Taxes	1,434	1,500	2,000
1,167	1,167	Bad Debts	10,500	10,500	14,000
-	-	Dues & Subscriptions	-	100	100
69	-	Advertising	245	-	-
-	-	Permits	3,500	4,306	5,200
785	292	Miscellaneous Expenses	3,975	2,625	3,500
<b>68,905</b>	<b>68,506</b>	<b>Total Operating Expenses</b>	<b>657,730</b>	<b>628,363</b>	<b>834,776</b>
<b>22,901</b>	<b>36,316</b>	<b>Net Income B/4 Other Income (Expenses)</b>	<b>187,940</b>	<b>148,145</b>	<b>171,415</b>
		<b>Other Income (Expenses)</b>			
-	-	Gain (Loss) on Sale of Assets	643	-	-
112,000	-	Grant Income	551,483	512,125	536,000
(2,875)	(1,792)	Interest Expense	(25,982)	(16,125)	(21,500)
(12,992)	(12,992)	Depreciation	(116,925)	(116,925)	(155,900)
(5,000)	-	Bond Issue Costs	(9,460)	-	-
<b>91,133</b>	<b>(14,783)</b>	<b>Total Other (Income) Expenses</b>	<b>399,759</b>	<b>379,075</b>	<b>358,600</b>
<b>\$ 114,034</b>	<b>\$ 21,533</b>	<b>Net Income (Loss)</b>	<b>\$ 587,698</b>	<b>\$ 527,220</b>	<b>\$ 530,015</b>

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

<b>Billing Charges For the Month of:</b>	<b>Mar-22</b>	
Water Revenue		13,563.21
Sewer Revenue		48,512.08
Installment Billing -Offsite Sewer Arrears		520.34
Sales Taxes		1,667.09
Late Charges		2,408.96
Installation Fees-Water		2,500.00
Installation Fees-Sewer		6,250.00
Other Miscellaneous Fees		18,613.41
Returned Checks		2,645.00
Deposits Applied/Adjustments		(965.00)
Customer Refunds Paid		1,408.87
<b>Total Billing Charges</b>		<b>97,123.96</b>
<b>Water Gallons Billed</b>		<b>1,034,025</b>
<b>Water Customers Billed</b>		<b>250</b>
<b>Sewer Gallons Billed</b>		<b>692,210</b>
<b>Sewer Customers Billed</b>		<b>874</b>

<b>Accounts Receivable</b>	<b>Mar-22</b>	
Beginning Balance		148,363.32
Billing Charges		97,123.96
Bad Debt Recoveries (Write Offs)		(3,263.28)
Accounts Receivable Collections		(107,203.91)
<b>End of Month Accounts Receivable</b>		<b>135,020.09</b>

<b>Water Revenue Checking</b>	<b>Mar-22</b>	
Beginning Balance		332,650.19
<b>Deposits:</b>		
Accounts Receivable Collections		107,203.91
Customer Deposits		3,325.00
		<u>110,528.91</u>
<b>Disbursements:</b>		
Accounts Payable Checks		(109,396.59)
Auto Debit Charges-Utilities		(5,521.52)
USDA Loan Payment		(2,076.00)
Transfer to Alpine Road Funding		(2,000.00)
TN TAP - Sales Tax		(2,731.00)
Refund Checks		(1,408.87)
Purchase Checks		(525.61)
Payroll Taxes		(382.64)
Bank fees		(322.18)
Chargebacks		(2,610.00)
End of Month Balance		<u>316,204.69</u>
Cash Receipts Collected To Date in:	<b>Apr-22</b>	89,661.40
Cash Receipts Collected To Date in:	<b>May-22</b>	11,329.08
Auto Debited Utilities in:	<b>Apr-22</b>	(5,132.35)
Bills Submitted for Payment in:	<b>May-22</b>	(107,063.25)
<b>Available Balance</b>		<b>304,999.57</b>

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

<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>		332,650.19	110,528.91	-	(126,974.41)	316,204.69
<b>Checking Acct-Alpine Road Funding</b>		99,563.85	2,000.00	-	(1,667.00)	99,896.85
<b>Checking Acct-Waste Water Plant</b>		813.37	112,000.00	-	-	112,813.37
<b>Cash on Hand</b>		100.00	-	-	-	100.00
<b>Total Cash and Investments</b>		<b>433,127.41</b>	<b>224,528.91</b>	<b>-</b>	<b>(128,641.41)</b>	<b>529,014.91</b>

**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Mar-22	21,767	189,135	1,034	8,879	250
Feb-22	27,657	167,368	1,772	7,845	250
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

**EAST SEVIER COUNTY UTILITY DISTRICT  
BILLING SUMMARY**

DATE	SEWER REVENUE		SEWER GALLONS (000s)		NO. OF CUSTMRS	W&S CUSTMR RECEIPTS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL		
Mar-22	57,296	493,137	692	5,709	874	107,204
Feb-22	63,499	435,842	1,433	5,017	871	97,990
Jan-22	54,774	372,343	454	3,584	870	90,563
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



**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**

**APR – 2022**

**Administrative**

Staff contacted several utilities to inquire about their relationships with the Douglas-Cherokee Economic Authority. Feedback was 100% positive

**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**

A water tap was installed for a new customer on Alpine

A representative of the C2RL engineering firm visited the mountain to gather information for upcoming water and sewer projects

An effluent pump was replaced at the Bear Creek Crossing WWTP

A manhole on Trailerpark Lane was rebuilt to address odor release

The 2021 Consumer Confidence Report has been distributed and is currently under Review with the Division of Water Resources Compliance and Enforcement Division.

**Customer Service**

A citizen on Alpine complemented staff for weekend work on the “Sevierville speaks out” facebook page.

**Project Updates**

Perimeter fencing has been installed around the new WWTP.



**Safety**

April’s safety topics were distracted driving, vehicle backing, and hazardous driving conditions.

**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**

Our crew handled some heavy labor admirably.

**Leak Repairs**

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

<b>Alliance Year-to-Date Capped Expenses through March 2022</b>			
	<b>Actual</b>	<b>Budget</b>	<b>Over (Under) Budget</b>
<b>Repair Expense</b>	\$44,738	\$29,916	\$14,822
<b>Chemical Expense</b>	\$4,898	\$9,153	(\$4,255)

# memo

## Alliance Water Resources

To: Board of Directors/East Sevier County Utility District

From: Brian Pieper

CC: Evan Romo, Tony Sneed, & James Ford

Date: May 12, 2022

Re: Wholesale Water Provider Comparison

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On behalf of Alliance Water Resources, I would like to provide the following list of questions or concerns I have regarding the Wholesale Water Proposal provided by the Witt Utility District and dated May 5<sup>th</sup>, 2022 (attachment 1).

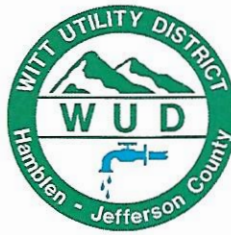
- The second line states: 'Our proposal is to supply 50,000 gallon per day at \$12 per thousand for the 1<sup>st</sup> 50,000 gallon'. FYI - this rate is significantly higher than the rate \$4.31 recently provided by Newport Utilities (see attachment 2 & 3)
- The fourth line states: 'You will be required to pay a minimum bill of 50,000 gallon whether or not the water is used'. The letter does not state whether this minimum is per day or per month.
- The fifth line states: 'We will lay line to Alpine Drive and maintain that pipe'. The exact connection point on Alpine Drive has not been provided and remains unknown.
- The sixth line states: 'It will maintain 30 PSI at the meter. Again, the location of the meter has not been provided and remains unknown. The 30 PSI identified in the letter may not provide sufficient water supply to the ESCUD system.
- The seventh line states: 'There will be an additional cost for the tapping fee'. When would cost/expense be provided?
- The final portion of the letter states: 'We will need your decision within 30 days of receiving this letter. If you are in agreement to purchase water then a contract will be written containing the final details. This is a one-time offer. If you do not choose to purchase water from WUD, then we will not lay pipe to your area. If the need arises for water in the future, then you will be responsible for the cost of the pipe installation and building the pump stations'. In my opinion this portion of the letter is providing ESCUD with an ultimatum and timeline that is both impactable and inappropriate.
- In addition to the unknown connection point between the two systems, a significant concern I have is the water quality at the connection point has not been disclosed or discussed. In the event the line feeding the ESCUD system does not have sufficient turnover, water age and low disinfectant levels could create operational issues.

In summary, it is my opinion that the above referenced questions or concerns should be addressed prior to exploring the wholesale water option with the Witt Utility District.

Thank you,

Brian Pieper





## WITT UTILITY DISTRICT

May 5, 2022

Board of Directors of East Sevier Co. Utility District:

Witt Utility District is currently in a project to bring water to your area as we have previously discussed. Our proposal is to supply 50,000 gallon per day at \$12 per thousand for the 1st 50,000 gallon. The cost will be \$11 per thousand for 50,001-200,000 gallon. You will be required to pay a minimum bill of 50,000 gallon whether or not the water is used. We will lay line to Alpine Drive and maintain that pipe. It will maintain 30 PSI at the meter. There will be an additional cost for the tapping fee. We will need your decision within 30 days of receiving this letter. If you are in agreement to purchase water then a contract will be written containing the final details. This is a one-time offer. If you do not choose to purchase water from WUD, then we will not lay pipe to your area. If the need arises for water in the future, then you will be responsible for the cost of the pipe installation and building the pump stations.

Thank you,

Witt Utility District

## Brian Pieper

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**From:** Chris Calhoun <ccalhoun@newportutilities.com>  
**Sent:** Monday, March 14, 2022 6:50 AM  
**To:** Brian Pieper  
**Cc:** Michael Williford  
**Subject:** RE: Personnel Change and Future Discussions Question

Good Morning Brian,

No problem making the time, it was a pleasure meeting you. Here are the present bulk water rates we have established with our bulk water customers:

Bulk Water Rate: \$4.31/1,000 gallons  
Surcharge Rate (Prime Rate): \$5.63/1,000

Surcharge Rate is applied when water is delivered at a rate in excess of 110% of the estimated hourly rate contained in the master agreement.

These rates were put in place on Sept 1, 2021 and are updated annually. Let me know if you have any additional questions.

Regards, Chris  
**Chris Calhoun**  
**Vice President, Operations and Technology**  
Newport Utilities  
PO Box 519  
Newport, TN 37822  
O: (423) 532-3557  
[ccalhoun@newportutilities.com](mailto:ccalhoun@newportutilities.com)  
**One team...One Mission!**  
**#CockeCountyStrong**



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**From:** Brian Pieper [mailto:bpieper@alliancewater.com]  
**Sent:** Friday, March 11, 2022 4:01 PM  
**To:** Chris Calhoun <ccalhoun@newportutilities.com>  
**Subject:** RE: Personnel Change and Future Discussions Question

This message was generated outside of Newport Utilities. Do not click links or open files that you are not expecting to receive.

Chris,

I just wanted to say thanks for taking the time to meet with me yesterday (despite my tardiness). At last night's meeting of the ESCUD Board, I relayed that overall I thought our meeting went well. I was then instructed to continue to pursue a possible wholesale water supply option with Newport Utilities for their system. At this time I was wondering if you

# Wholesale Water Provider Proposals

## Summary

	Witt Utility District	Newport
Cost per 1,000 Gallons	\$12.00	\$4.31
Minimum Water Usage	50000	0
Average Cost per Month (50,000 GPD @ 30 days)	\$18,000.00	\$6,465.00
Cost per Year	\$216,000	\$78,000.00
Surcharge Rate	\$11.00 + 50,000 GPD	\$5.63 per 1,000 Gal (110% of estimated)
Connection/Tapping Fee	Unknown	Unknown
ESCUD 2022 Budgeted Water Sales \$237,263		
March Actual Water Sales \$13,563		

April 29, 2022

Mr. Roy Ivey, President  
East Sevier County Utility District  
1529 Alpine Drive  
Sevierville, Tennessee 37876

RE: Application for Payment Number Eleven  
Wastewater Treatment Plant Improvements  
East Sevier County Utility District

Dear Mr. Ivey:

Please find enclosed one (1) electronic copy of **J.S. Haren Company** application for payment for the referenced project. The Contractor is requesting payment in the amount of **\$7,707.84** covering all work completed to date including stored materials. However, with work continuing beyond the contract dates, we are recommending the following set-off (deduction) amount of **\$6,206.42**. In doing so, the pay application amount would be revised downward to **\$1,501.42**.

In accordance with the Contract Documents, retainage is being withheld in the amount of \$46,927.22. The items outlined on this application for payment have been reviewed and we are in agreement with the work completed. Therefore, we recommend payment be made to **J.S. Haren Company** in the amount of **\$1,501.42**. *(This amount would need to be handwritten right of the amount on the Owner's line and a single line strike-through of the amount already typed in).*

The dollar amount of the work completed and stored to date for this application for payment represents approximately 99% of the current contract amount. Also, as of the date of this letter, the contractual substantial completion date (December 25, 2021) and the final completion date (January 24, 2022), per approved Change Order Number Three, have not been accomplished.

Upon your review and acceptance of the application for payment, please sign and return one copy via email to me. If you have any questions or need further information, please feel free to contact me at your convenience.

Sincerely,  
**MCGILL ASSOCIATES, P.A.**

**JAMIE CARDEN, PE**  
Principal

Enclosure: Application for Payment Number Eleven

cc: Bill Hunigan – McGill Associates, P.A. (via email)  
<L:\Knoxville\Projects\2015\15.06205 ESCUD Wastewater Treatment Plant Upgrade\Construction Administration\4.4 Pay Estimates\PA 11\PA 11.pdf>

**Contractor's Application for Payment No. 11**

Application Period: 2/26/22 to 3/25/22	Application Date: March 25, 2022
To (Owner): East Sevier County Utility District Wastewater Treatment Plant Improvements Sevier County, TN	From (Contractor): J. S. Haren Company East Sevier County Utility District Wastewater Treatment Plant Improvements Sevier County, TN
Owner's Contract No.:	Contractor's Project No.: 21412 Engineer's Project No.:
	Via (Engineer): McGill Associates 3231 Middlebrook Pike Knoxville, TN 37921


**Application For Payment  
Change Order Summary**

Approved Change Orders		
Number	Additions	Deductions
1	\$ 9,970.00	
3	\$ 12,614.48	
TOTALS	\$ 22,584.48	\$ -
NET CHANGE BY CHANGE ORDERS	\$ 22,584.48	

1. ORIGINAL CONTRACT PRICE.....	\$ 926,760.00
2. Net change by Change Orders.....	\$ 22,584.48
3. Current Contract Price (Line 1 ± 2).....	\$ 949,344.48
4. TOTAL COMPLETED AND STORED TO DATE (Column F total on Progress Estimates).....	\$ 938,544.48
5. RETAINAGE:	
a. 5.00% X \$938,544.48 Work Completed.....	\$ 46,927.22
b. 5.00% X Stored Material.....	\$ -
c. Total Retainage (Line 5.a + Line 5.b).....	\$ 46,927.22
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$ 891,617.26
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$ 883,909.42
8. AMOUNT DUE THIS APPLICATION.....	\$ 7,707.84
9. BALANCE TO FINISH, PLUS RETAINAGE (Column G total on Progress Estimates + Line 5.c above).....	\$ 57,727.22

(less \$6,206.42 set-off = \$1,501.42 recommended for payment - see attached)

**Contractor's Certification**  
The undersigned Contractor certifies, to the best of its knowledge, the following:  
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;  
(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and  
(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

**Contractor Signature**  
By:  Date: 3/25/22

Payment of: \$ 7,707.84  
(Line 8 or other - attach explanation of the other amount)

is recommended by: McGill Associates (Date) 05/09/22

Payment of: \$ 7,707.84  
(Line 8 or other - attach explanation of the other amount)

is approved by: East Sevier County Utility District (Date)

Approved by: Funding or Financing Entity (if applicable) (Date)

Progress Estimate - Unit Price Work

Contractor's Application

For (Contract): <b>East Sevier County Utility District Wastewater Treatment Plant Improvements</b>								Application Number: <b>11</b>			
Application Period: <b>2/26/22 to 3/25/22</b>								Application Date: <b>3/25/2022</b>			
A						B	C	D	E	F	
Bid Item No.	Item Description	Contract Information				Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (B - F)
		Item Quantity	Units	Unit Price	Total Value of Item (\$)						
1	Mobilization	1	LS	\$ 31,740.00	\$ 31,740.00	1	\$31,740.00		\$31,740.00	100.0%	
2	Procurement of 45,000 GPD Steel Package Plant (Allowance)	1	LS	\$294,872.00	\$ 294,872.00	1	\$294,872.00		\$294,872.00	100.0%	
3	Installation of 45,000 GPD Steel Package Plant & Site Grading (Excavation is Unclassified)	1	LS	\$376,748.00	\$ 376,748.00	1	\$376,748.00		\$376,748.00	100.0%	
4	Installation of Blower Concrete Pad	1	LS	\$8,000.00	\$ 8,000.00	1	\$8,000.00		\$8,000.00	100.0%	
5	8" PVC Gravity Sewer (all depths)	131	LF	\$140.00	\$ 18,340.00	131	\$18,340.00		\$18,340.00	100.0%	
6	4' Diameter Precast Manhole with Standard Lid (all depths-all Instal	5	EA	\$3,250.00	\$ 16,250.00	5	\$16,250.00		\$16,250.00	100.0%	
7	Chain Link Fence & Double Gate	1	LS	\$5,300.00	\$ 5,300.00						\$5,300.00
8	Admin/Lab Building and all related items shown on Sheets "A" & "E" (Includes Foundation and Utilities within 2 feet	1	LS		\$ -						
9	Utility Building & All Related Items Shown on Sheets "A" & "E"(includes foundation and utilities within 2 feet)	1	LS		\$ -						
10	Water Service (Includes all piping, tee, valves (3), Yard Hydrants (2), water meter assembly per detail, 20 LF of asphalt roadway repair with full stone backfill)	1	LS	\$6,750.00	\$ 6,750.00	1	\$6,750.00		\$6,750.00	100.0%	
11	Sanitary Sewer Service (Includes cleanout, Wye, 4" PVC Piping)	1	LS		\$ -						
12	Electrical Service (Includes all items listed on Sheets "E"	1	LS	\$102,760.00	\$ 102,760.00	1.00	\$102,760.00		\$102,760.00	100.0%	
13	Fiberglass Flume & Flow Monitoring Manhole (Includes Ultrasonic Device)	1	LS	\$8,250.00	\$ 8,250.00	1	\$8,250.00		\$8,250.00	100.0%	
14	Demolition & Abandonment of Existing Manholes & Linework	1	LS	\$1,900.00	\$ 1,900.00	1	\$1,900.00		\$1,900.00	100.0%	
15	Demo of Existing Electrical Lines & Related Junction Boxes	1	LS	\$4,250.00	\$ 4,250.00	1	\$4,250.00		\$4,250.00	100.0%	
16	Demo of Existing Buildings (all sizes)	1	LS	\$4,800.00	\$ 4,800.00	1	\$4,800.00		\$4,800.00	100.0%	
17	Demo of Existing Chain Link Fence, Gates & Wood Fence	1	LS	\$1,350.00	\$ 1,350.00	1	\$1,350.00		\$1,350.00	100.0%	
18	Washed Stone (for proposed parking area, existing north-side entrance and proposed east-side entrance)	1	LS	\$9,100.00	\$ 9,100.00	1	\$9,100.00		\$9,100.00	100.0%	
19	Erosion Protection & Sediment Control for Temporary & Permanent Conditions (On-site Grading)	1	LS	\$3,350.00	\$ 3,350.00	1	\$3,350.00		\$3,350.00	100.0%	
20	Select Backfill (from adjacent borrow site to supplement grading)	100	CY	\$55.00	\$ 5,500.00						\$5,500.00
21A	Foundation for 45,000 GPD Steel Package Plant	1	LS	\$27,500.00	\$ 27,500.00	1	\$27,500.00		\$27,500.00	100.0%	
22A	Additional Select Backfill as Soils from Adjacent Borrow Site	600	CY	\$55.00						100.0%	
23A	Demo & Removal of Existing WWTP walls to existing grade	380	LF	\$50.00							
CO1	Rebar	1	LS	\$9,970.00	\$ 9,970.00	1	\$9,970.00		\$9,970.00	100.0%	
CO3	Electrical	1	LS	\$12,614.48	\$ 12,614.48	1	\$12,614.48		\$12,614.48	100.0%	
<b>Totals</b>					<b>\$949,344.48</b>		<b>\$938,544.48</b>		<b>\$938,544.48</b>	<b>98.9%</b>	<b>\$10,800.00</b>

# Stored Material Summary

# Contractor's Application

For (Contract): <b>East Sevier County Utility District Wastewater Treatment Plant Improvements</b>								Application Number: <b>11</b>			
Application Period: <b>2/26/22 to 3/25/22</b>								Application Date: <b>3/25/2022</b>			
Bid Item No.	A Supplier Invoice No.	B Submittal No. (with Specification Section No.)	Storage Location	C Description of Materials or Equipment Stored	D Stored Previously		E Amount Stored this Month (\$)	Subtotal Amount Completed and Stored to Date (D + E)	F Incorporated in Work		G Materials Remaining in Storage (\$) (D + E - F)
					Date Placed into Storage (Month/Year)	Amount (\$)			Date (Month/Year)	Amount (\$)	
10	90796			Hayes Pipe & Supply	11/2021	\$1,381.49		\$1,381.49	2/2022	\$1,381.49	
				<b>Totals</b>		<b>\$1,381.49</b>		<b>\$1,381.49</b>		<b>\$1,381.49</b>	

**PROJECT TIMELINE**

**EAST SEVIER COUNTY UTILITY DISTRICT  
WASTEWATER TREATMENT PLANT IMPROVEMENTS  
SEVIER COUNTY, TENNESSEE**

As of May 09, 2022		BLACK = On-Time	RED = Beyond Substantial and/or Final Completion Dates per Amendments		
Line	# Days from NTP	Date	Description		
1	0	April 8, 2021	Construction Start Date per Notice to Proceed		
2	152	September 7, 2021	Reminder of upcoming Substantial Completion deadline sent to Contractor by email.		
3	202	October 27, 2021	Reminder of upcoming Substantial Completion deadline sent to Contractor by email.		
4	210	November 4, 2021	Substantial Completion Deadline (Original) [210 days]		
			Final Completion Deadline (Original) - December 4, 2021 [240 days]		
5	212	November 6, 2021	Reminder of upcoming Substantial Completion deadline sent to Contractor by email.		
	218	November 12, 2021	Contractor provided updated construction schedule as requested by Engineer		
			Estimated Final Completion per contractor schedule - January 22, 2022		
6	221	November 15, 2021	Change Order #2 - as executed by Owner		
7	223	November 17, 2021	Substantial Completion Deadline (as modified with CO #2) [223 days]		
Pay App #8	8	231	November 25, 2021	Beginning of Pay App #8 Application Period	Pay App #8
	9			Final Completion Deadline (as modified by CO #2) [253 days] December 17, 2021	
	10	258	December 22, 2021	End of application period for Pay Request #8.	
Pay App #9	11	259	December 23, 2021	Beginning of Pay App #9 Application Period	Pay App #9
	12	261	December 25, 2021	Substantial Completion Deadline (as modified with CO #3) [261 days]	
	13	271	January 4, 2022	Initial WWTP startup. Operation not successful. Earliest date of what could be considered substantial completion.	
	14	288	January 21, 2022	End of application period for Pay Request #9.	
Pay App #10	15	289	January 22, 2022	Beginning of Pay App #10 Application Period	Pay App #10
	16	291	January 24, 2022	Final Completion Deadline (as modified with CO #3) - January 24, 2022 [291 days] January 24, 2022	
	17	301	February 3, 2022	2nd WWTP startup and to address comments provided by Engineer's Field Representative. Operation not successful.	
	18	308	February 10, 2022	Change Order #3 - as executed by Owner	
	19	323	February 25, 2022	End of application period for Pay Request #10.	
Pay App #11	20	324	February 26, 2022	Beginning of Pay App #11 Application Period	Pay App #11
	21	329	March 3, 2022	3rd WWTP startup and to address comments provided by Engineer's Field Representative. Operation not successful.	
	22	351	March 25, 2022	End of application period for Pay Request #11.	
23	396	May 09, 2022	Information entered above		
			--		

Summary	Description
(\$329.03)	Daily liquidated damages per Agreement between Owner and Contractor Article 4
	<u>[Prev Pay Apps] 61 Days eligible for liquidated damages set-off contained in Pay Request #9,10</u>
27	<u>[Current Pay App] Days eligible for liquidated damages set-off contained in Pay Request #11 (Line 22 - Line 20)</u>
	<u>Substantial Completion has not been attained as of Line 12 and basis for days eligible of LDs</u>
(\$8,883.81)	Owner Liquidated Damages Claimed with Pay App #11 (\$329.03 x 27 days)
(\$7,569.25)	Other - McGill Associates
\$10,246.64	Max Interest Earned on Late Payments @ 0.027397% per day (Article 7 of Agreement) (Pay App 1 through Pay 11)
(\$6,206.42)	<b>Total Set-Off of Pay Request #11</b>



**J S HAREN PAYMENTS - INTEREST ACCRUED ON LATE PAYMENTS - PAY APPS 1 TO 11**

5/8/2022

PAY APP	DATE SIGNED BY CONTRACTOR	PAY APP AMOUNT REQUEST	DATE MAILED FROM OWNER TO CONTRACTOR	CHECK#	AMOUNT SENT TO CONTRACTOR	DAYS FROM RECEIVED TO MAILED	DAYS PERMITTED FOR PAYMENT	DAYS LATE	MAXIMUM ANNUAL INTEREST RATE T.C.A. 47-14-103	INTEREST RATE PER DAY	AMOUNT INTEREST OWED	CUMULATIVE INTEREST OWED
1	March 9, 2021	\$96,517.48	May 14, 2021	507	\$96,517.48	66	30	36	10.00%	0.027397%	\$951.94	\$951.94
2	May 13, 2021	\$150,090.78	July 09, 2021	509	\$150,090.78	57	30	27	10.00%	0.027397%	\$1,110.25	\$2,062.19
3	June 9, 2021	\$42,199.34	Sept 10, 2021	510	\$42,199.34	92	30	62	10.00%	0.027397%	\$716.80	\$2,779.00
4	July 7, 2021	\$176,076.15	Sept 10, 2021	511	\$176,076.15	65	30	35	10.00%	0.027397%	\$1,688.39	\$4,467.38
5	August 2, 2021	\$30,991.28	Oct 22, 2021	512	\$30,991.28	57	30	27	10.00%	0.027397%	\$229.25	\$4,696.63
6	September 3, 2021	\$35,791.06	Oct 22, 2021	512	\$35,791.06	49	30	19	10.00%	0.027397%	\$186.31	\$4,882.94
7	November 24, 2021	\$64,865.92	March 11, 2022	513	\$64,865.92	107	30	77	10.00%	0.027397%	\$1,368.39	\$6,251.33
8	December 22, 2021	\$190,506.03	March 11, 2022	514	\$190,506.03	79	30	49	10.00%	0.027397%	\$2,557.45	\$8,808.78
9	January 21, 2022	\$78,403.88	April 15, 2022	515	\$64,399.82	84	30	54	10.00%	0.027397%	\$1,159.94	\$9,968.72
10	February 25, 2022	\$18,467.50	May 13, 2022		\$1,746.73	77	30	47	10.00%	0.027397%	\$237.80	\$10,206.52
11	March 25, 2022	\$7,707.84	May 13, 2022		\$1,501.42	49	30	19	10.00%	0.027397%	\$40.12	\$10,246.64

<b>CONTRACT AMOUNT WITH ALL APPROVED CHANGE ORDERS</b>	<b>\$949,344.48</b>
<b>CONTRACT AMOUNT REMAINING AS SHOWN ON LAST PAY APP</b>	<b>\$65,435.06</b>

- Notes:
- (1) As per Article 7.01 of executed Agreement and TN State law, the maximum legal rate of per annum was utilized, applicable to time beyond 30 days from original Contractor certification/receipt date for each pay application. See attachment of T.C.A. 10.00%
  - (2) All future pay apps will be reviewed on similar basis with late payment interest credited accordingly
  - (3) General Conditions 15.01.C.1 permits 10 days from receipt of Contractor pay application to action by Engineer and the SC-15.01.D.1 permits another 20 days from date presented to Owner for payment to become due, hence 30 day total timeframe

# 2020 Tennessee Code

## Title 47 - Commercial Instruments and Transactions

### Chapter 14 - Interest Rates Generally

#### § 47-14-103. Maximum Effective Rates Generally

**Universal Citation:** TN Code § 47-14-103 (2020)

Except as otherwise expressly provided by this chapter or by other statutes, the maximum effective rates of interest are as follows:

1. For all transactions in which other statutes fix a maximum effective rate of interest for particular categories of creditors, lenders, or transactions, the rate so fixed;
2. For all written contracts, including obligations issued by or on behalf of the state of Tennessee, any county, municipality, or district in the state, or any agency, authority, branch, bureau, commission, corporation, department, or instrumentality thereof, signed by the party to be charged, and not subject to subdivision (1), the applicable formula rate; and
3. For all other transactions, ten percent (10%) per annum.

**Disclaimer:** These codes may not be the most recent version. Tennessee may have more current or accurate information. We make no warranties or guarantees about the accuracy, completeness, or adequacy of the information contained on this site or the information linked to on the state site. Please check official sources.

# Historical Listing of Formula Rates

As Determined Pursuant to T.C.A. §47-14-105

<b>Effective Date</b>	<b>Bank Prime Loan Rate</b>	<b>Formula Rate</b>
---------------------------	---------------------------------	-------------------------

Over the project duration, the Prime Rate + 4% has bounced between 7.25% and 7.50%

Based on TCA, the max rate is 10% and is therefore used to calculate the interest for all Late Payments

5/3/2022	3.50	7.50
4/26/2022	3.50	7.50
4/19/2022	3.50	7.50
4/13/2022	3.50	7.50
4/5/2022	3.50	7.50
3/29/2022	3.50	7.50
3/22/2022	3.35	7.35
3/15/2022	3.25	7.25
3/8/2022	3.25	7.25
3/1/2022	3.25	7.25
2/23/2022	3.25	7.25
2/15/2022	3.25	7.25
2/8/2022	3.25	7.25
2/1/2022	3.25	7.25
1/25/2022	3.25	7.25
1/19/2022	3.25	7.25
1/11/2022	3.25	7.25
1/4/2022	3.25	7.25
12/28/2021	3.25	7.25
12/21/2021	3.25	7.25
12/14/2021	3.25	7.25
12/7/2021	3.25	7.25
11/30/2021	3.25	7.25
11/23/2021	3.25	7.25
11/16/2021	3.25	7.25
11/9/2021	3.25	7.25
11/2/2021	3.25	7.25
10/26/2021	3.25	7.25
10/19/2021	3.25	7.25
10/13/2021	3.25	7.25
10/5/2021	3.25	7.25
9/28/2021	3.25	7.25
9/21/2021	3.25	7.25
9/14/2021	3.25	7.25
9/8/2021	3.25	7.25
8/31/2021	3.25	7.25
8/24/2021	3.25	7.25
8/17/2021	3.25	7.25
8/10/2021	3.25	7.25
8/3/2021	3.25	7.25
7/27/2021	3.25	7.25
7/20/2021	3.25	7.25

7/13/2021	3.25	7.25
7/7/2021	3.25	7.25
6/29/2021	3.25	7.25
6/22/2021	3.25	7.25
6/15/2021	3.25	7.25
6/8/2021	3.25	7.25
6/2/2021	3.25	7.25
5/25/2021	3.25	7.25
5/18/2021	3.25	7.25
5/11/2021	3.25	7.25
5/4/2021	3.25	7.25
4/27/2021	3.25	7.25
4/20/2021	3.25	7.25
4/13/2021	3.25	7.25
4/6/2021	3.25	7.25
3/30/2021	3.25	7.25
3/23/2021	3.25	7.25
3/16/2021	3.25	7.25
3/9/2021	3.25	7.25
3/2/2021	3.25	7.25
2/23/2021	3.25	7.25
2/17/2021	3.25	7.25
2/9/2021	3.25	7.25
2/2/2021	3.25	7.25
1/26/2021	3.25	7.25
1/20/2021	3.25	7.25
1/12/2021	3.25	7.25
1/5/2021	3.25	7.25

May 09, 2022

Mr. Roy Ivey, President  
East Sevier County Utility District  
1529 Alpine Drive  
Sevierville, Tennessee 37876

RE: Application for Payment Number Twelve  
Wastewater Treatment Plant Improvements  
East Sevier County Utility District

Dear Mr. Ivey:

Please find enclosed one (1) electronic copy of **J.S. Haren Company** application for payment for the referenced project. The Contractor is requesting payment in the amount of **\$5,035.00** covering all work completed to date including stored materials. However, with work continuing beyond the contract dates, we are recommending the following set-off (deduction) amount of **\$11,746.18**. In doing so, the pay application amount would be revised downward to **\$0.00**

In accordance with the Contract Documents, retainage is being withheld in the amount of \$47,192.22. The items outlined on this application for payment have been reviewed and we are in agreement with the work completed. Therefore, we recommend payment be made to **J.S. Haren Company** in the amount of **\$0.00**. *(This amount would need to be handwritten right of the amount on the Owner's line and a single line strike-through of the amount already typed in).*

The dollar amount of the work completed and stored to date for this application for payment represents approximately 99% of the current contract amount. Also, as of the date of this letter, the contractual substantial completion date (December 25, 2021) and the final completion date (January 24, 2022), per approved Change Order Number Three, have not been accomplished.

Upon your review and acceptance of the application for payment, please sign and return one copy via email to me. If you have any questions or need further information, please feel free to contact me at your convenience.

Sincerely,  
**MCGILL ASSOCIATES, P.A.**

**JAMIE CARDEN, PE**  
Principal

Enclosure: Application for Payment Number Twelve

cc: Bill Hunigan – McGill Associates, P.A. (via email)  
<L:\Knoxville\Projects\2015\15.06205 ESCUD Wastewater Treatment Plant Upgrade\Construction Administration\4.4 Pay Estimates\PA 12\PA 12.pdf>

**Contractor's Application for Payment No. 12**

Application Period: 3/26/22 to 4/25/22		Application Date: April 25, 2022	
To (Owner): East Sevier County Utility District Wastewater Treatment Plant Improvements Sevier County, TN	From (Contractor): J. S. Haren Company	Via (Engineer): McGill Associates 3231 Middlebrook Pike Knoxville, TN 37921	
Project:	Contract:		
Owner's Contract No.:	Contractor's Project No.: 21412	Engineer's Project No.:	

**Application For Payment  
Change Order Summary**

Approved Change Orders			
Number	Additions	Deductions	
1	\$ 9,970.00		
3	\$ 12,614.48		
TOTALS	\$ 22,584.48	\$ -	
NET CHANGE BY CHANGE ORDERS	\$ 22,584.48		

1. ORIGINAL CONTRACT PRICE.....	\$	926,760.00
2. Net change by Change Orders.....	\$	22,584.48
3. Current Contract Price (Line 1 ± 2).....	\$	949,344.48
4. TOTAL COMPLETED AND STORED TO DATE (Column F total on Progress Estimates).....	\$	943,844.48
5. RETAINAGE:		
a. 5.00% X \$943,844.48 Work Completed.....	\$	47,192.22
b. 5.00% X Stored Material.....	\$	-
c. Total Retainage (Line 5.a + Line 5.b).....	\$	47,192.22
6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5.c).....	\$	896,652.26
7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application).....	\$	891,617.26
8. AMOUNT DUE THIS APPLICATION.....	\$	5,035.00
9. BALANCE TO FINISH, PLUS RETAINAGE (Column G total on Progress Estimates + Line 5.c above).....	\$	52,692.22

(less \$11,746.18.00 set-off= \$0.00 recommended for payment - see attached)

**Contractor's Certification**  
The undersigned Contractor certifies, to the best of its knowledge, the following:  
(1) All previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with the Work covered by prior Applications for Payment;  
(2) Title to all Work, materials and equipment incorporated in said Work, or otherwise listed in or covered by this Application for Payment, will pass to Owner at time of payment free and clear of all Liens, security interests, and encumbrances (except such as are covered by a bond acceptable to Owner indemnifying Owner against any such Liens, security interest, or encumbrances); and  
(3) All the Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.

**Contractor Signature**  
By: *J. Haren* Date: 4-25-22

Payment of: \$ 5,035.00  
(Line 8 or other - attach explanation of the other amount)

is recommended by: McGill Associates (Date) 05/09/22

Payment of: \$ 5,035.00  
(Line 8 or other - attach explanation of the other amount)

is approved by: East Sevier County Utility District (Date)

Approved by: Funding or Financing Entity (if applicable) (Date)

**Progress Estimate - Unit Price Work**

**Contractor's Application**

For (Contract): <b>East Sevier County Utility District Wastewater Treatment Plant Improvements</b>						Application Number: <b>12</b>					
Application Period: <b>3/26/22 to 4/25/22</b>						Application Date: <b>4/25/2022</b>					
A				B	C	D	E	F			
Bid Item No.	Item Description	Contract Information				Estimated Quantity Installed	Value of Work Installed to Date	Materials Presently Stored (not in C)	Total Completed and Stored to Date (D + E)	% (F / B)	Balance to Finish (B - F)
		Item Quantity	Units	Unit Price	Total Value of Item (\$)						
1	Mobilization	1	LS	\$ 31,740.00	\$ 31,740.00	1	\$31,740.00		\$31,740.00	100.0%	
2	Procurement of 45,000 GPD Steel Package Plant (Allowance)	1	LS	\$294,872.00	\$ 294,872.00	1	\$294,872.00		\$294,872.00	100.0%	
3	Installation of 45,000 GPD Steel Package Plant & Site Grading (Excavation is Unclassified)	1	LS	\$376,748.00	\$ 376,748.00	1	\$376,748.00		\$376,748.00	100.0%	
4	Installation of Blower Concrete Pad	1	LS	\$8,000.00	\$ 8,000.00	1	\$8,000.00		\$8,000.00	100.0%	
5	8" PVC Gravity Sewer (all depths)	131	LF	\$140.00	\$ 18,340.00	131	\$18,340.00		\$18,340.00	100.0%	
6	4' Diameter Precast Manhole with Standard Lid (all depths-all Insta	5	EA	\$3,250.00	\$ 16,250.00	5	\$16,250.00		\$16,250.00	100.0%	
7	Chain Link Fence & Double Gate	1	LS	\$5,300.00	\$ 5,300.00	1	\$5,300.00		\$5,300.00	100.0%	
8	Admin/Lab Building and all related items shown on Sheets "A" & "E" (Includes Foundation and Utilities within 2 feet	1	LS		\$ -						
9	Utility Building & All Related Items Shown on Sheets "A" & "E"(includes foundation and utilities within 2 feet)	1	LS		\$ -						
10	Water Service (Includes all piping, tee, valves (3), Yard Hydrants (2), water meter assembly per detail, 20 LF of asphalt roadway repair with full stone backfill)	1	LS	\$6,750.00	\$ 6,750.00	1	\$6,750.00		\$6,750.00	100.0%	
11	Sanitary Sewer Service (Includes cleanout, Wye, 4" PVC Piping)	1	LS		\$ -						
12	Electrical Service (Includes all items listed on Sheets "E"	1	LS	\$102,760.00	\$ 102,760.00	1.00	\$102,760.00		\$102,760.00	100.0%	
13	Fiberglass Flume & Flow Monitoring Manhole (Includes Ultrasonic Device)	1	LS	\$8,250.00	\$ 8,250.00	1	\$8,250.00		\$8,250.00	100.0%	
14	Demolition & Abandonment of Existing Manholes & Linework	1	LS	\$1,900.00	\$ 1,900.00	1	\$1,900.00		\$1,900.00	100.0%	
15	Demo of Existing Electrical Lines & Related Junction Boxes	1	LS	\$4,250.00	\$ 4,250.00	1	\$4,250.00		\$4,250.00	100.0%	
16	Demo of Existing Buildings (all sizes)	1	LS	\$4,800.00	\$ 4,800.00	1	\$4,800.00		\$4,800.00	100.0%	
17	Demo of Existing Chain Link Fence, Gates & Wood Fence	1	LS	\$1,350.00	\$ 1,350.00	1	\$1,350.00		\$1,350.00	100.0%	
18	Washed Stone (for proposed parking area, existing north-side entrance and proposed east-side entrance)	1	LS	\$9,100.00	\$ 9,100.00	1	\$9,100.00		\$9,100.00	100.0%	
19	Erosion Protection & Sediment Control for Temporary & Permanent Conditions (On-site Grading)	1	LS	\$3,350.00	\$ 3,350.00	1	\$3,350.00		\$3,350.00	100.0%	
20	Select Backfill (from adjacent borrow site to supplement grading)	100	CY	\$55.00	\$ 5,500.00						\$5,500.00
21A	Foundation for 45,000 GPD Steel Package Plant	1	LS	\$27,500.00	\$ 27,500.00	1	\$27,500.00		\$27,500.00	100.0%	
22A	Additional Select Backfill as Soils from Adjacent Borrow Site	600	CY	\$55.00						100.0%	
23A	Demo & Removal of Existing WWTP walls to existing grade	380	LF	\$50.00							
CO1	Rebar	1	LS	\$9,970.00	\$ 9,970.00	1	\$9,970.00		\$9,970.00	100.0%	
CO3	Electrical	1	LS	\$12,614.48	\$ 12,614.48	1	\$12,614.48		\$12,614.48	100.0%	
<b>Totals</b>					<b>\$949,344.48</b>		<b>\$943,844.48</b>		<b>\$943,844.48</b>	<b>99.4%</b>	<b>\$5,500.00</b>



PROJECT TIMELINE

EAST SEVIER COUNTY UTILITY DISTRICT  
WASTEWATER TREATMENT PLANT IMPROVEMENTS  
SEVIER COUNTY, TENNESSEE

As of May 09, 2022		BLACK = On-Time		RED = Beyond Substantial and/or Final Completion Dates per Amendments	
Line	# Days from NTP	Date	Description		
1	0	April 8, 2021	Construction Start Date per Notice to Proceed		
2	152	September 7, 2021	Reminder of upcoming Substantial Completion deadline sent to Contractor by email.		
3	202	October 27, 2021	Reminder of upcoming Substantial Completion deadline sent to Contractor by email.		
4	210	November 4, 2021	Substantial Completion Deadline (Original) [210 days]		
			Final Completion Deadline (Original) - December 4, 2021 [240 days]		
5	212	November 6, 2021	Reminder of upcoming Substantial Completion deadline sent to Contractor by email.		
	218	November 12, 2021	Contractor provided updated construction schedule as requested by Engineer		
			Estimated Final Completion per contractor schedule - January 22, 2022		
6	221	November 15, 2021	Change Order #2 - as executed by Owner		
7	223	November 17, 2021	Substantial Completion Deadline (as modified with CO #2) [223 days]		
Pay App #8	8	231	November 25, 2021	Beginning of Pay App #8 Application Period	Pay App #8
	9			Final Completion Deadline (as modified by CO #2) [253 days] December 17, 2021	
	10	258	December 22, 2021	End of application period for Pay Request #8.	
Pay App #9	11	259	December 23, 2021	Beginning of Pay App #9 Application Period	Pay App #9
	12	261	December 25, 2021	Substantial Completion Deadline (as modified with CO #3) [261 days]	
	13	271	January 4, 2022	Initial WWTP startup. Operation not successful. Earliest date of what could be considered substantial completion.	
	14	288	January 21, 2022	End of application period for Pay Request #9.	
Pay App #10	15	289	January 22, 2022	Beginning of Pay App #10 Application Period	Pay App #10
	16	291	January 24, 2022	Final Completion Deadline (as modified with CO #3) - January 24, 2022 [291 days] January 24, 2022	
	17	301	February 3, 2022	2nd WWTP startup and to address comments provided by Engineer's Field Representative. Operation not successful.	
	18	308	February 10, 2022	Change Order #3 - as executed by Owner	
	19	323	February 25, 2022	End of application period for Pay Request #10.	
Pay App #11	20	324	February 26, 2022	Beginning of Pay App #11 Application Period	Pay App #11
	21	329	March 3, 2022	3rd WWTP startup and to address comments provided by Engineer's Field Representative. Operation not successful.	
	22	351	March 25, 2022	End of application period for Pay Request #11.	
Pay App #12	23	352	March 26, 2022	Beginning of Pay App #12 Application Period	Pay App #12
	24	383	April 25, 2022	End of application period for Pay Request #12.	
	25	384	May 09, 2022	Information entered above	
			--		
			Summary	Description	
			(\$329.03)	Daily liquidated damages per Agreement between Owner and Contractor Article 4	
				[Prev Pay Apps] 88 Days eligible for liquidated damages set-off contained in Pay Request #9,10,11	
			31	[Current Pay App] Days eligible for liquidated damages set-off contained in Pay Request #12 (Line 24 - Line 23)	
				Substantial Completion has not been attained as of Line 12 and basis for days eligible of LDs	
			(\$10,199.93)	Owner Liquidated Damages Claimed with Pay App #12 (\$329.03 x 31 days)	
			(\$1,546.25)	Other - McGill Associates	
			\$0.00	Max Interest Earned on Late Payments @ 0.027397% per day (Article 7 of Agreement) (Pay App 12)	
			(\$11,746.18)	Total Set-Off of Pay Request #12	

Note:  
PA #12 request + \$ 5035.00  
Set-off - \$11,74.18  
Net for PA #12 - \$ 6,711.28

Net Amount of -\$ 6,711.28 to be carried forward to future pay app(s) and assessed prior to contract final payment

**J S HAREN PAYMENTS - INTEREST ACCRUED ON LATE PAYMENTS - PAY APPS 1 TO 12**

5/8/2022

PAY APP	DATE SIGNED BY CONTRACTOR	PAY APP AMOUNT REQUEST	DATE MAILED FROM OWNER TO CONTRACTOR	CHECK#	AMOUNT SENT TO CONTRACTOR	DAYS FROM RECEIVED TO MAILED	DAYS PERMITTED FOR PAYMENT	DAYS LATE	MAXIMUM ANNUAL INTEREST RATE T.C.A. 47-14-103	INTEREST RATE PER DAY	AMOUNT INTEREST OWED	CUMULATIVE INTEREST OWED
1	March 9, 2021	\$96,517.48	May 14, 2021	507	\$96,517.48	66	30	36	10.00%	0.027397%	\$951.94	\$951.94
2	May 13, 2021	\$150,090.78	July 09, 2021	509	\$150,090.78	57	30	27	10.00%	0.027397%	\$1,110.25	\$2,062.19
3	June 9, 2021	\$42,199.34	Sept 10, 2021	510	\$42,199.34	92	30	62	10.00%	0.027397%	\$716.80	\$2,779.00
4	July 7, 2021	\$176,076.15	Sept 10, 2021	511	\$176,076.15	65	30	35	10.00%	0.027397%	\$1,688.39	\$4,467.38
5	August 2, 2021	\$30,991.28	Oct 22, 2021	512	\$30,991.28	57	30	27	10.00%	0.027397%	\$229.25	\$4,696.63
6	September 3, 2021	\$35,791.06	Oct 22, 2021	512	\$35,791.06	49	30	19	10.00%	0.027397%	\$186.31	\$4,882.94
7	November 24, 2021	\$64,865.92	March 11, 2022	513	\$64,865.92	107	30	77	10.00%	0.027397%	\$1,368.39	\$6,251.33
8	December 22, 2021	\$190,506.03	March 11, 2022	514	\$190,506.03	79	30	49	10.00%	0.027397%	\$2,557.45	\$8,808.78
9	January 21, 2022	\$78,403.88	April 15, 2022	515	\$64,399.82	84	30	54	10.00%	0.027397%	\$1,159.94	\$9,968.72
10	February 25, 2022	\$18,467.50	May 13, 2022		\$1,746.73	77	30	47	10.00%	0.027397%	\$237.80	\$10,206.52
11	March 25, 2022	\$7,707.84	May 13, 2022		\$1,501.42	49	30	19	10.00%	0.027397%	\$40.12	\$10,246.64
12	April 25, 2022	\$5,035.00	May 13, 2022		\$0.00	18	30	0	10.00%	0.027397%	\$0.00	\$10,246.64

<b>CONTRACT AMOUNT WITH ALL APPROVED CHANGE ORDERS</b>	<b>\$949,344.48</b>
<b>CONTRACT AMOUNT REMAINING AS SHOWN ON LAST PAY APP</b>	<b>\$52,692.22</b>

- Notes:
- (1) As per Article 7.01 of executed Agreement and TN State law, the maximum legal rate of per annum was utilized, applicable to time beyond 30 days from original Contractor certification/receipt date for each pay application. See attachment of T.C.A. 10.00%
  - (2) All future pay apps will be reviewed on similar basis with late payment interest credited accordingly
  - (3) General Conditions 15.01.C.1 permits 10 days from receipt of Contractor pay application to action by Engineer and the SC-15.01.D.1 permits another 20 days from date presented to Owner for payment to become due, hence 30 day total timeframe

# 2020 Tennessee Code

## Title 47 - Commercial Instruments and Transactions

### Chapter 14 - Interest Rates Generally

#### § 47-14-103. Maximum Effective Rates Generally

**Universal Citation:** TN Code § 47-14-103 (2020)

Except as otherwise expressly provided by this chapter or by other statutes, the maximum effective rates of interest are as follows:

1. For all transactions in which other statutes fix a maximum effective rate of interest for particular categories of creditors, lenders, or transactions, the rate so fixed;
2. For all written contracts, including obligations issued by or on behalf of the state of Tennessee, any county, municipality, or district in the state, or any agency, authority, branch, bureau, commission, corporation, department, or instrumentality thereof, signed by the party to be charged, and not subject to subdivision (1), the applicable formula rate; and
3. For all other transactions, ten percent (10%) per annum.

**Disclaimer:** These codes may not be the most recent version. Tennessee may have more current or accurate information. We make no warranties or guarantees about the accuracy, completeness, or adequacy of the information contained on this site or the information linked to on the state site. Please check official sources.

# Historical Listing of Formula Rates

As Determined Pursuant to T.C.A. §47-14-105

<b>Effective Date</b>	<b>Bank Prime Loan Rate</b>	<b>Formula Rate</b>
---------------------------	---------------------------------	-------------------------

Over the project duration, the Prime Rate + 4% has bounced between 7.25% and 7.50%

Based on TCA, the max rate is 10% and is therefore used to calculate the interest for all Late Payments

5/3/2022	3.50	7.50
4/26/2022	3.50	7.50
4/19/2022	3.50	7.50
4/13/2022	3.50	7.50
4/5/2022	3.50	7.50
3/29/2022	3.50	7.50
3/22/2022	3.35	7.35
3/15/2022	3.25	7.25
3/8/2022	3.25	7.25
3/1/2022	3.25	7.25
2/23/2022	3.25	7.25
2/15/2022	3.25	7.25
2/8/2022	3.25	7.25
2/1/2022	3.25	7.25
1/25/2022	3.25	7.25
1/19/2022	3.25	7.25
1/11/2022	3.25	7.25
1/4/2022	3.25	7.25
12/28/2021	3.25	7.25
12/21/2021	3.25	7.25
12/14/2021	3.25	7.25
12/7/2021	3.25	7.25
11/30/2021	3.25	7.25
11/23/2021	3.25	7.25
11/16/2021	3.25	7.25
11/9/2021	3.25	7.25
11/2/2021	3.25	7.25
10/26/2021	3.25	7.25
10/19/2021	3.25	7.25
10/13/2021	3.25	7.25
10/5/2021	3.25	7.25
9/28/2021	3.25	7.25
9/21/2021	3.25	7.25
9/14/2021	3.25	7.25
9/8/2021	3.25	7.25
8/31/2021	3.25	7.25
8/24/2021	3.25	7.25
8/17/2021	3.25	7.25
8/10/2021	3.25	7.25
8/3/2021	3.25	7.25
7/27/2021	3.25	7.25
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5/25/2021	3.25	7.25
5/18/2021	3.25	7.25
5/11/2021	3.25	7.25
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3/16/2021	3.25	7.25
3/9/2021	3.25	7.25
3/2/2021	3.25	7.25
2/23/2021	3.25	7.25
2/17/2021	3.25	7.25
2/9/2021	3.25	7.25
2/2/2021	3.25	7.25
1/26/2021	3.25	7.25
1/20/2021	3.25	7.25
1/12/2021	3.25	7.25
1/5/2021	3.25	7.25