

East Sevier County Utility District

1529 Alpine Dr.

Phone (865) 453-6704 Sevierville, Tennessee 37876
Regular Meeting, Thursday, October 13, 2022 – 5:30 p.m.
East Sevier County Utility Building

AGENDA

- 1) Call the meeting to order
 - A. Introductions of Commissioners, Alliance Personnel and ESCUD Manager
- 2) Review and Consideration to Approve Minutes
- 3) 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 5 minutes.
 - Customers that interrupt others speaking may be asked to leave meeting.
- 4) Review and Consideration of Financial Reports
 - A. Review and Consideration to Approve Treasurer's Report
 - B. Review and Consideration to Approve Other Financials
- 5) Review and Consideration to Approve Bills
- 6) Legal
 - A. Any Issues for Discussion with Board Attorney
- 7) Operations
 - A. Alliance Operations Report
 - B. Water Loss Report
- 8) Capital Projects Report
 - A. New WWTP Update
- 9) Old Business
 - A. Review and Consideration to Approve the updated Purchasing Policy.
 - B. Review and Consideration to Approve the Capitalization Policy.
- 10) New Business
 - A. Samantha Ammann Leak Adjustment Request
 - B. Alechia Kiss Leak Adjustment Request
- 11) Consider Motion to Convene into Closed Executive Session
- 12) Consider Motion to Close Executive Session
- 13) Adjourn – Next Regular Board Meeting to be Held on Thursday, November 10th, 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, September 08, 2022

The Board of Commissioners of the East Sevier County Utility District met at 5:30 p.m. on Thursday, September 08, 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 5:32 p.m. for any old or new business. Introductions were made among the staff and visitors.

A motion to approve the minutes of the August 12, 2022, meeting was made by Barbara; Janice seconded the motion. Motion carried.

Persons to be Heard

Jerry Hayes of 1201 Low Sunset Drive said that the questions asked at the last meeting remain unanswered. He also inquired about an outside meeting being held by the Commissioners. He was told that an unofficial meeting was held in which no decision making took place. He asked how the District can afford to apply for grants when we don't have money for improvements and repairs. There have been no response to the request at last meeting to provide financial information to customers. Jerry asked about the money paid to Alliance each month. He said that their payments increase yearly yet they have done nothing to justify it. There were no water or infrastructure improvements during that time. He questioned the rationale of spending \$160K just on researching the ability to purchase water from a neighboring District.

Patricia Rogers, 1208 Lakeside Court, wanted to know about any response from the UMRB investigation, stated that TDEC comptrollers have an open investigation and that results should be coming very soon. She wants to know why Alliance has gotten a raise in pay while there was no water. She also questioned why we have not reached out to any other districts for water and has a meeting scheduled with the mayor. She states she knows we can get water from other sources.

Heather Fromm, 1545 Wilhite Creek Road, stated that she requested records and was told they would be delivered. Upon day of delivery, she waited all day on her porch and never received anything. Craig Miller, Division Manager, stated he would look into it and see that she receives the records, that James has all the tracking information. She gave her phone number (865-216-7476) and told Craig she will gladly pick them up. She gave her remaining time to Jerry Hayes.

Jerry Hayes questioned why our roads are damaged from the Utility's working on the lines and not being repaired. He stated if the board can't do their job then they need to step down.

Everett McGee, 1201 Alpine, questioned whether or not customers get credit on their bill during the timeframe of the water outage in June and July, which was discussed at last month's board meeting. Craig agreed that last month's bills need to be credited for customers without water.

Ron Mitchell of 954 Pawnee Court inquired about when the utility was going to do the water and sewer installations on Half High so that they could have repairs made to the road, which is in bad shape, especially three areas across from the Jared's home. This has been under discussion for three years now with no results. Craig said that the District needs to get together with McGill. Ron said that someone contacted TDEC and discovered that no plans had ever been submitted. Craig is to meet with Jamie Carden to discuss a timeline and will get back with Ron.

Ken Sedgwick of 1606 Lin Creek Drive asked if the fire hydrants are working. Jason Damron, Local Manager, said that they were working.

Reports

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

Financials, July 2022: Craig went over the financials with the Commissioners. Jan asked if some of the revenue from the offsite properties was used for the mountain. Craig said it was. Barbara motioned, and Janice seconded the motion, to approve the financial report. Motion carried.

Operations, July 2022: On the Mountain, besides Jason Damron, the new local manager, and Craig Miller, the new division manager, we have two new staff members. Lena Casey will be starting next month as a new field worker, and Elizabeth Newman has been hired to replace Brenda Fields as office clerk as she is retiring. Darrell Baker, the wastewater operator, has also decided to retire sometime in December of 2022. The staff participated in company-wide training in the collection and storage of inventory.

Several leaks were repaired in the Well C footprint. We had to replace the Well C pump, which was still under warranty. We purchased an extra pump to keep on hand. The Preserve has copper lines, which tend to get pinholes in them. All leaks in that location with the exception of the leak at the gatehouse, have been repaired. We will need to cut across the road to repair the leak at the gatehouse; however, everyone presently has water.

We have recently had several line breaks in the same area on Alpine Drive. Staff will be installing new pressure reduction valves, which will take the pressure off the main line and prevent future line breaks. Citco has submitted an estimate for parts.

Capital Projects

J S Haren still has two more issues to address, one of them being to replace a screen, at the WWTP before the project is completed.

New Business

- A. Craig asked the Board to review the Red Flag policy, which will protect the privacy of the office and field staff. A memo of explanation was included in the Board packet.
- B. Craig asked for a motion to approve adding Jason, Craig, and Elizabeth to the bank account as users and signers and taking Brenda off. Janice motioned to approve adding Jason, Craig, and Elizabeth to the bank account users and signers; Barbara seconded the motion. Motion carried.
- C. Craig asked the Board to review the Purchasing Policy included in the Board packet to be discussed at the next meeting.
- D. Craig asked the Board to review the Capitalization Policy included in the Board packet to be discussed at the next meeting.
- E. Craig asked the Board for a motion to approve the purchase of new the pressure reducer valves and other parts to reduce the number of breaks on Alpine Drive for a cost of \$27,000. Barbara motioned to approve the purchase of the valves and other parts for the cost of \$27,000; Janice seconded the motion. Motion carried.

Adjournment

The next regular Board meeting will be held on Thursday, October 13, 2022, at 5:30 p.m. Roy motioned and Barbara seconded the motion, to adjourn at 6:11 p.m. Motion carried.

Secretary-Treasurer

East Sevier County Utility District

Balance Sheets

August 31, 2022

	8/31/22	8/31/21
ASSETS		
CURRENT ASSETS		
Checking Account - Operations	\$ 280,527.45	\$ 304,309.13
Checking Account - Alpine Rd Funding	99,936.85	111,869.85
Cash on Hand	100.00	100.00
Cash - Restricted - Customer Deposits	(100,683.49)	(74,984.49)
Total Cash	279,880.81	341,294.49
Accounts Receivable	146,310.63	153,945.60
Allowance for Doubtful Accounts	(67,833.26)	(72,333.34)
Unbilled Accounts Receivable	8,712.00	8,803.00
Inventory - Water and Sewer	146,034.03	22,784.79
Prepaid Expenses	24,935.47	23,536.76
Total Current Assets	538,039.68	478,031.30
PROPERTY, PLANT, & EQUIPMENT		
Land	76,657.80	76,657.80
Distribution & Collection System	3,256,013.33	3,131,525.25
Buildings	70,784.60	69,235.68
Machinery & Equipment	114,939.85	122,962.26
Vehicles & Trailer(s)	80,808.00	89,933.99
Construction Work in Progress	1,184,446.42	468,135.98
Less: Accumulated Depreciation	(1,495,138.30)	(1,324,125.21)
Net Property, Plant, & Equipment	3,288,511.70	2,634,325.75
RESTRICTED ASSETS		
Construction Account - Waste Water Project	18,277.29	101,760.29
Cash - Restricted - Customer Deposits	100,683.49	74,984.49
Total Restricted Assets	118,960.78	176,744.78
OTHER ASSETS		
Deposits	14,945.00	14,945.00
Total Other Assets	14,945.00	14,945.00
Total Assets	\$ 3,960,457.16	\$ 3,304,046.83

East Sevier County Utility District

Balance Sheets

August 31, 2022

	8/31/22	8/31/21
LIABILITIES AND DISTRICT'S EQUITY		
CURRENT LIABILITIES		
Accounts Payable	\$ 155,094.52	\$ 90,210.57
Retainage Payable	47,192.22	15,200.40
Sales Tax Payable	1,943.18	2,014.23
Payroll Taxes Payable	371.62	382.56
Unearned Revenue	35,675.67	33,069.88
Long Term Debt - Current	12,693.80	8,417.23
Accrued Interest Payable	1,115.88	691.99
Customer Deposits	100,683.49	74,984.49
Total Current Liabilities	354,770.38	224,971.35
LONG-TERM DEBT		
USDA 2018 Loan #1	553,002.05	555,000.00
USDA 2017 Loan #2	277,949.41	282,209.83
USDA 2017 Loan #3	253,149.61	257,330.17
USDA 2022 Loan	111,194.99	-
Less Current Portion of L-Term Debt	(12,693.80)	(8,417.23)
Total Long-Term Debt	1,182,602.26	1,086,122.77
Total Liabilities	1,537,372.64	1,311,094.12
DISTRICT'S EQUITY		
Retained Earnings (Deficit)	2,418,617.56	1,995,878.76
YTD Net Income	4,466.96	(2,926.05)
Total District's Equity	2,423,084.52	1,992,952.71
Total Liabilities and District's Equity	\$ 3,960,457.16	\$ 3,304,046.83

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>August, 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			
\$ 19,929	\$ 19,318	Water Sales	\$ 39,584	\$ 39,815	\$ 237,263
60,480	55,627	Sewer Charges	120,335	112,664	727,810
-	1,250	Connection Fees - Water	1,250	1,250	2,500
1,250	5,000	Connection Fees - Sewer	11,000	7,500	38,750
1,216	1,206	Late Charge Fees	2,046	2,413	14,476
4,700	8,983	Reconnect/Meter Sets/Other Fees	20,955	17,965	107,791
25	200	Miscellaneous Income	25	400	2,400
87,600	91,584	Total Operating Revenues	195,195	182,007	1,130,990
		Operating Expenses			
54,395	54,395	Management & Operations Contract	108,790	108,790	652,740
5,937	5,000	Utilities	11,709	10,000	60,000
2,743	2,583	Insurance	5,485	5,167	31,000
6,217	9,104	Repairs & Maintenance	14,577	18,208	109,250
10,919	1,250	Legal Expenses	9,542	2,500	15,000
-	-	Accounting/Audit	-	-	7,000
2,082	2,083	Director Fees	4,165	4,167	25,000
159	167	Payroll Taxes	319	333	2,000
1,167	1,167	Bad Debts	2,333	2,333	14,000
37	-	Advertising	62	-	-
417	3,412	Permits	417	3,412	5,200
205	500	Miscellaneous Expenses	1,270	1,000	6,000
84,279	79,661	Total Operating Expenses	158,668	155,910	927,190
3,321	11,923	Net Income B/4 Other Income (Expenses)	36,527	26,096	203,800
		Other Income (Expenses)			
-	-	Grant Income	-	-	536,000
(3,038)	(1,792)	Interest Expense	(6,077)	(3,583)	(21,500)
(12,992)	(12,992)	Depreciation	(25,983)	(25,983)	(155,900)
(16,030)	(14,783)	Total Other (Income) Expenses	(32,060)	(29,567)	358,600
\$ (12,709)	\$ (2,861)	Net Income (Loss)	\$ 4,467	\$ (3,470)	\$ 562,400

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

Billing Charges For the Month of:	Aug-22	
Water Revenue		19,928.71
Sewer Revenue		60,480.38
Installment Billing -Offsite Sewer Arrears		452.46
Sales Taxes		1,943.40
Late Charges		1,216.27
Installation Fees-Water		-
Installation Fees-Sewer		1,250.00
Other Miscellaneous Fees		4,700.00
Returned Checks		107.67
Deposits Applied/Adjustments		(515.00)
Customer Refunds Paid		407.19
Total Billing Charges		<u>89,971.08</u>
Water Gallons Billed		<u>914,347</u>
Water Customers Billed		<u>250</u>
Sewer Gallons Billed		<u>524,790</u>
Sewer Customers Billed		<u>888</u>

Accounts Receivable	Aug-22	
Beginning Balance		137,161.57
Billing Charges		89,971.08
Bad Debt Recoveries (Write Offs)		-
Accounts Receivable Collections		(87,864.45)
End of Month Accounts Receivable		<u>139,268.20</u>

Water Revenue Checking	Aug-22	
Beginning Balance		347,311.15
Deposits:		
Accounts Receivable Collections		87,864.45
Transfer from Construction Account to Reimburse Invoices Paid from Revenue Fund		12,480.25
Customer Deposits		1,186.00
Deposit Shortage		(180.25)
		<u>101,350.45</u>
Disbursements:		
Accounts Payable Checks		(155,349.62)
Auto Debit Charges-Utilities		(5,610.27)
USDA Loan Payment		(2,076.00)
TN TAP - Sales Tax		(1,892.00)
TN TAP- Interest & Penalties		-
Transfer to Alpine Road Funding		(2,000.00)
Refund Checks		(407.19)
Payroll Taxes		(382.64)
Bank fees		(308.76)
Returned Auto Draft		(107.67)
End of Month Balance		<u>280,527.45</u>
Cash Receipts Collected To Date in:	Sep-22	114,411.37
Auto Debited Utilities in:	Sep-22	(6,209.20)
Bills Submitted for Payment in:	Sep-22	(143,922.46)
Available Balance		<u><u>244,807.16</u></u>

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

Bank Account / Security	Maturity Date	Beginning Balance	Deposits	Interest Earned	Payments	Ending Balance
Checking Acct-Operations		347,311.15	101,350.45	-	(168,134.15)	280,527.45
Checking Acct-Alpine Road Funding		99,928.85	2,000.00	-	(1,992.00)	99,936.85
CD#6220639704-Commerce-2014	closed	-	-	-	-	-
Checking Acct-Waste Water Plant		30,757.54	-	-	(12,480.25)	18,277.29
Cash on Hand		100.00	-	-	-	100.00
Total Cash and Investments		478,097.54	103,350.45	-	(182,606.40)	398,841.59

**EAST SEVIER COUNTY UTILITY DISTRICT
BILLING SUMMARY**

DATE	WATER REVENUE		WATER GALLONS (000s)		NO. OF CUSTMRS
	TOTAL	YTD TOTAL	TOTAL	YTD TOTAL	
Aug-22	20,035	39,932	914	1,789	250
Jul-22	19,897	19,897	875	875	253
Jun-22	20,375	249,773	905	11,504	248
May-22	20,535	229,398	947	10,599	251
Apr-22	19,728	208,862	773	9,652	251
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

**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		
Aug-22	60,530	120,785	525	1,019	888	87,864
Jul-22	60,255	60,255	494	494	891	108,472
Jun-22	56,384	659,835	541	7,170	883	159,782
May-22	55,271	603,451	483	6,629	877	81,438
Apr-22	55,042	548,179	437	6,146	872	93,775
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

**East Sevier County Utility District
List of Bills
13-Oct-22**

		Total
Regular Checking for Consideration		
Barbara Darby	Meeting fee	\$266.05
Barbara Darby	Insurance payment	\$350.00
Janice Brooks-Headrick	Meeting fee	\$277.05
Janice Brooks-Headrick	Insurance payment	\$350.00
Roy Ivey	Meeting fee	\$266.05
Roy Ivey	Insurance payment	\$350.00
Alliance Water Resources, Inc	Inv# PS-INV104026, October 2022 Services \$54,395.00	\$91,781.00
	2022 Fiscal Year End Repair Limit Overage \$37,386.00	
First Horizon Bank	Alpine Fund Drive	\$2,000.00
DSI Drillers Service LLC	Inv# 108007373-00 Pump down without plug	\$151.11
G & C Supply Co., Inc.	Inv# 6880671, 09/26/2022- 8 M&H Gate Valve	\$1,601.25
Bakers Wrecker Service	Inv# 22-26023 Tow	\$150.00
The Mountain Press (Paxton Media Group)	Ad #70461131 September , 2022	\$381.72
Woolf, McClane, Bright, Allen & Carpenter	Inv# 311650, 08/01-08/31/2022 Legal Services	\$3,452.50
	Inv #311651, 08/01-08/31/2022 Legal Services	\$727.50
	Inv #311652, 08/24/2022 2022 Legal Services	\$260.00
Dale Parton	Inv# 336322, 9/6- 1 Load C run \$650.00, 9/15-\$650.00	\$1,300.00
Citco Water	Inv# S100193585.001, PVC Pipe Fuel surcharge, Aug 29,	\$9,278.88
Utility Service Co. Inc.	Well C Annual Maintenance 6/1/22 to 5/31/22	\$10,917.17
Christopher Myers	Refund Deopisit	\$105.00
Kelley Sempert 1-10600-3	Deposit + Overpayment	\$148.20
Courteney Karger 5-27600-5	Deposit + Overpayment	\$232.50
Phyllis Perkins 4-17675-2	Deposit + Overpayment	\$158.10
Rolland Neutzling 1-03000-2	Deposit	\$105.00
Leslie Ainley 1-09000-5	Deposit	\$105.00
George Wilhoite 10-70000-2	Overpayment	\$23.10
19390 Andrew Canham, 11-54-1	Voided Check, Customer did not receive, \$19.29	
Andrew Canham, 11-54-1	Refund Overpayment	\$19.29
	Total Regular Checking for Consideration	\$124,756.47
Charges and Bills Paid from Regular Checking Since September 9, 2022		
Sevier County Electric	Utility (ACH various Septermber dates)	\$5,995.78
Sevier County Water	Utility (ACH 9/15/2022)	\$42.42
City of Pigeon Forge Water & Sewer	Utility (ACH 09/30/2022)	\$29.12
Appalachian Electric	615498 Utility (ACH 09/15/2022)	\$26.61
	615518 Utility (ACH 09/15/2022)	\$25.90
	366438 Utility (ACH 09/15/2022)	\$23.74
	615454 Utility (ACH 09/15/2022)	\$65.63
USDA	Loan repayment (ACH 9/15/2022)	\$2,076.00
State of Tennessee	Sales tax (ACH 09/13/2022)	\$1,918.00
IRS	Payroll tax (ACH 09/13/2022)	\$382.64
Bank Fee	Analysis service charge (09/19/2022)	\$205.14
	Total Regular Checking Charges and Bills Paid	\$10,790.98
	Grand Total Regular Checking	\$135,547.45
Charges and Bills Paid from Alpine Drive fund Since September 8, 2022		
	Total Alpine Drive Fund Checking Charges and Bills Paid	\$ -
Charges and Bills Paid from WWTP fund Since September 8, 2022		
McGill Associates, PA	WWTP Upgrade, Project 15.06205-15930	\$3,228.00
	Total WWTP Fund Checking Charges and Bills Paid	\$3,228.00



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

SEP – 2022

Administrative

Bids for concrete pad at C Well have been gathered and work has been scheduled.

Audrea Lena Casey started with AWR as Utility Worker I.

Treatment

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

Treatment at the wastewater plant met all monthly parameters and were within permit limits.

Collection/Distribution

A PRV was installed on the 8in main on Alpine Dr. Two gate valves that were not working were replaced with new valves at the same location as the new PRV.

A significant leak was found just below the PRV that was installed on Alpine. This leak looked like it has been present for years. The pipe that was used for a repair there years earlier had a tap cut into the pipe. Significant amounts of water have, undoubtedly, been lost at this point of the years. The leak was repaired.

Service line leak at the gatehouse at The Preserve was repaired.

Contractors at The Preserve drilled an auger into our 6in main in two places. Repairs were made the same day without any customers losing water.

Customer Service

AWR staff completed all meter reading and customer service-related tasks during SEP.



Work sites that were left in sub standard conditions have been cleaned up. The old pipe that had been littered on Alpine Dr was threw away.

Project Updates

Engineer from McGill visited Half High and we are awaiting recommendations from them concerning water and sewer lines on Half High.

Representatives from Complete Restoration came to C Well and did an inspection on SEP 30.

Safety

To create a safer work environment AWR purchased safety cones and flagger signs.

Regulatory

Monthly Water and Wastewater reports were submitted to Tennessee Department of Energy in a timely manner.

Positives for the Month

The biggest positive for the district in the last month was the installation of the PRV and two new valves on Alpine. The installation of the PRV and valves will reduce the amount of leaks and outages on Alpine.

Leak Repairs

There are no known leaks in our system.



Alliance Year-to-Date Capped Expenses through JULY 2022			
	Actual	Budget	Over (Under) Budget
Repair Expense	\$6,217	\$9,104	(\$2,887)
Chemical Expense	\$1,017	\$12,200	(\$11,183)

ALLIANCE WATER RESOURCES

Monthly Water Loss Report

Water Utility:

For the Month of: Year:

LINE #	ITEM	GALLONS (Omit 000's)
1	WATER PRODUCED, PURCHASED & DISTRIBUTED	
2	WELL A+B	1,217
3	WELL C	1,116
4	WELL D	925
5	Water Purchased	
6	TOTAL PRODUCED AND PURCHASED	3,258
7		
8	WATER SALES	
9	Residential	914
10	Commercial	
11	Industrial	-
12	Bulk Loading Stations	
13	Wholesale	-
14	Public Authorities	
15	Other Sales (Explain) _____ 0	-
16	TOTAL WATER SALES	914 28.1%
17		
18	OTHER WATER USED	
19	Utility and/or Water Treatment Plant	
20	Wastewater Plant	
21	System Flushing	250
22	Fire Department	
23	Other _____	-
24	TOTAL OTHER WATER USED	250 7.7%
25		
26	WATER LOSS	
27	Tank Overflows	-
28	Line Breaks	2,094
29	Line Leaks	
30	Excavation Damages	
31	Theft	
32	Other Loss _____	
33	TOTAL LINE LOSS	2,094 64.3%
34		
35	Note: Line 14 + Line 22 + Line 31 Must Equal Line 4	
36		
37	WATER LOSS PERCENTAGE	
38	Unaccounted-For Water (Line 31 divided by Line 4)	64.3%

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ALLIANCE WATER RESOURCES

Monthly Water Loss Report

Water Utility: East Sevier County Utility District

For the Month of: AUGUST Year: 2022

LINE #	ITEM	GALLONS (Omit 000's)	
1	WATER PRODUCED, PURCHASED & DISTRIBUTED		
2	WELL A+B	959	
3	WELL C	1,065	
4	WELL D	409	
5	Water Purchased		
6	TOTAL PRODUCED AND PURCHASED	2,433	
7			
8	WATER SALES		
9	Residential	989	
10	Commercial		
11	Industrial	-	
12	Bulk Loading Stations		
13	Wholesale	-	
14	Public Authorities		
15	Other Sales (Explain) _____ 0	-	
16	TOTAL WATER SALES	989 40.6%	
17			
18	OTHER WATER USED		
19	Utility and/or Water Treatment Plant		
20	Wastewater Plant		
21	System Flushing	250	
22	Fire Department		
23	Other _____	-	
24	TOTAL OTHER WATER USED	250 10.3%	
25			
26	WATER LOSS		
27	Tank Overflows	-	
28	Line Breaks	1,194	
29	Line Leaks		
30	Excavation Damages		
31	Theft		
32	Other Loss		
33	TOTAL LINE LOSS	1,194 49.1%	
34			
35	Note: Line 14 + Line 22 + Line 31 Must Equal Line 4		
36			
37	WATER LOSS PERCENTAGE		
38	Unaccounted-For Water (Line 31 divided by Line 4)	49.1%	

7B-2

**A RESOLUTION ADOPTING A PURCHASING POLICY FOR
EAST SEVIER COUNTY UTILITY DISTRICT**

BE IT RESOLVED, by the Board of Commissioners of East Sevier County Utility District as follows:

Section 1: Purchasing Agent Designated. The Purchasing Agent shall be the Manager of East Sevier County Utility District (hereinafter the "District") unless the President of the Board of Commissioners, with the approval of a majority of the members of the Commission, shall appoint some other person.

Section 2: Duties. The Purchasing Agent shall:

- a) act to procure for the District the highest quality in supplies and contractual services at the least expense to the District;
- b) prepare and adopt written specifications for all supplies and services;
- c) discourage uniform bidding and endeavor to obtain as full and open competition as possible on all purchases and sales;
- d) keep informed of current developments in the field of purchasing, prices, market conditions and new products, and secure for the District the benefits of research done in the field of purchasing by other governmental jurisdictions, national technical societies, trade associations, and by private businesses and organizations;
- e) prescribe and maintain such forms necessary for the operation of the purchasing function;
- f) exploit the possibilities of buying in bulk so as to take full advantage of discounts;
- g) act so as to procure for the District all federal and state tax exemptions to which it is entitled;
- h) inspect or supervise the inspection of all deliveries with regard to quantity, quality and conformance to specifications; and
- i) pursue all appropriate claims against the supplier, shipper or carrier.

Section 3: Gifts and Other Rebates. The Purchasing Agent and every other officer are expressly prohibited from accepting, directly or indirectly, from any person, company, firm or corporation to which any purchase or contract is or might be awarded, any rebate, gift, money or anything of value in excess of \$100.00, except when given for the use and benefit of the District.

Section 4: Competitive Bidding. When the District negotiates any purchase, sale or other contract, there shall be provided ample opportunity for competitive bidding in the following manner:

- a) If the consideration is more than \$1,000.00, bids shall be solicited in the most expedient manner with due regard for competitive prices and quality.
- b) If the consideration is for more than \$1,000.00 but less than \$2,500.00, at least three (3) bids shall be solicited by mail, email or telephone request from three (3) prospective vendors, from which the lowest and best bid with proper qualifications shall be accepted. A record of quotations shall be maintained. The purchase shall be approved by the Purchasing Agent.
- c) If the consideration is for more than \$2,500.00 but less than \$5,000.00, three (3) written bids shall be solicited from which the lowest and best bid with proper qualifications shall be accepted. The purchase shall be approved by the Purchasing Agent.
- d) All supplies and contractual services estimated to cost in excess of \$5,000.00 shall be purchased by Purchase Order from the lowest responsible bidder, after due notice inviting proposals. Whenever possible, at least three (3) bids should be obtained from prospective, qualified vendors. The Board of Commissioners shall award the contract or purchase.
- e) Individual contracts, purchases or sales, be they for goods, supplies, commodities or services, shall not be subdivided for the purpose of evading the requirements of competitive bidding.

Section 5: Notice Defined. The notice required by the preceding Section shall consist of the following:

- a) Notice inviting bids shall be published once in at least one official newspaper of the District at least five (5) days preceding the last day set for the receipt of proposals. The newspaper notice shall include a general description of the articles to be purchased or sold, shall state where bid forms and specifications may be secured, and the date, time and place for opening bids.
- b) The Purchasing Agent shall also solicit bids from all responsible perspective suppliers by sending them a copy of such newspaper notice or such other notice as will acquaint them with the proposed purchase or sale. In any case, invitations sent to the vendors shall be limited to commodities that are similar in character and ordinarily handled by the trade group to which the invitations are sent.
- c) The Purchasing Agent shall also advertise all pending purchase or sales by notice on the public bulletin board at the District's office.

- d) The Purchasing Agent shall also solicit sealed bids by direct mail request or email to prospective vendors and by telephone as may seem to be in the best interest of the District.

Section 6: Bid Opening Procedure. Bids shall be submitted sealed or via email to the Purchasing Agent and shall be identified as bids on the envelope or subject line. A tabulation of all bids received shall be posted for public inspection and a tabulation report forwarded to the Board of Commissioners.

Section 7: Lowest Responsible Bidder. The District reserves the right to reject any or all bids. Contracts shall be awarded to the lowest responsible bidder. Bids shall not be accepted from, nor contract awarded to, a contractor who is in default on the payment of any monies to the District. In determining “lowest responsible bidder”, in addition to price, the following shall be considered:

- a) the ability, capacity and skill of the bidder to perform the contract or provide the service required;
- b) whether the bidder can perform the contract or provide the service promptly, or within the time specified, without delay or interference;
- c) the character, integrity, reputation, judgment, experience and efficiency of the bidder;
- d) the quality or performance of previous contracts or services;
- e) the previous and existing compliance by the bidder with the laws relating to the contract or services;
- f) the sufficiency of the financial resources and ability of the bidder to perform the contract or provide the services;
- g) the quality, availability and adaptability of the supplies or contractual services to the particular use required;
- h) the ability of the bidder to provide future maintenance and service for the use of the subject of the contract;
- i) the number and scope of conditions attached to the bid; and
- j) any other factor which the Board of Commissioners deems relevant to the decision.

Section 8: Open Market Procedure. All purchases of supplies and contractual services, and all sales of personal property that have become obsolete and unusable for this competitive bidding are not required by Section 4 of this policy shall be made in the open market, without

newspaper advertisement and without observing the procedure described by Sections 5 and 6 for the award of formal contracts.

- a) All open market purchases shall, whenever possible, be based on at least three competitive bids, and shall be awarded to the lowest responsible bidder in accordance with the standards set forth in Section 7.
- b) The District shall solicit bids by:
 - a. direct mail or email request to prospective vendors;
 - b. by telephone; and
 - c. by public notice posted on the bulletin board at the District office.
- c) The Purchasing Agent shall keep a record of all open market orders and the bids submitted in competition thereon, and such records shall be open to public inspection.

Section 9: Emergency Purchases. In case of an apparent emergency that requires immediate purchase of supplies or contractual services, and time is of the essence, the President or Purchasing Agent may authorize the purchase, at the lowest obtainable price, of any supplies or contractual services. A full explanation of the circumstances of an emergency purchase shall be reported to the full Board of Commissioners at the next regular meeting of the Board. This section shall only apply to any natural disaster or civil emergency requiring an immediate response on the part of the District.

Section 10: Cooperative Procurement. The Purchasing Agent shall have the authority to join with other units of government in cooperative purchasing plans when the best interest of the District would be served and after approval of the Board of Commissioners.

Section 11: Exclusive Service. In the event that there is only one (1) firm or company or individual capable of providing a particular service or commodity and said services or commodities cannot be secured from other persons or companies, then the bidding requirements contained above shall not be applicable and the Purchasing Agent is authorized to proceed with the purchase of such services or commodities as are required by the District, but cannot be secured through the normal bidding process. Exclusive service purchases for amounts exceeding \$5,000.00 must be pre-approved by the Board of Commissioners.

Section 12: Professional Services. The competitive bidding requirements of this Policy shall not apply to professional services, and the requirements herein shall not be required in the employment of professional services including, but not limited to, attorneys, engineers, certified public accountants or financial advisers.

Adopted this _____ day of _____, 20__ by the Board of
Commissioners of East Sevier County Utility District.

ATTEST: _____
Barbara Darby, Clerk

Roy Ivey, President

East Sevier County Utility District
1529 Alpine Drive
Sevierville, TN 37876
(865) 453-6704

Title: FIXED ASSET CAPITALIZATION & DEPRECIATION POLICY

Policy: Asset acquisitions with a useful life expectancy of greater than one year and with a minimum threshold amount as specified by the Board of Commissioners should be capitalized and depreciated.

Purpose: The purpose of this procedure is to delineate the capitalization and depreciation methods for various asset groups.

Scope: All acquisitions for capital assets for the District.

Definitions: Capitalization – Capitalization is the method chosen to record the purchase of a fixed asset on the District’s accounting books. If an asset is capitalized, then it is not expenses in the same year the asset is purchased. Instead, the asset is generally recorded on the balance sheet and individually on an asset schedule. Examples of capital expenditures are purchases of land, buildings, machinery, office equipment, leasehold improvements and vehicles.

Depreciation – Depreciation is an expense deduction that allows the write-down or write-off of the cost of the asset over its estimated useful life to recover the cost or other basis of certain property over the time the property is used. It is an allowance expense for the wear and tear, age, deterioration, or obsolescence of the property.

As an asset ages and is used by the District, its value declines. It, in effect, becomes worth less and less over time. The declining value or usefulness of the asset over time is represented as a discount that is applied to the original purchase price. At the end of the asset’s depreciation period, (and/or useful life), its value on the balance sheet will be zero, or fully-depreciated. At the same time, the individual depreciation expenses will have all been recorded on the income statement.

Note: Land is not depreciated because land does not wear out, become obsolete, or get used up. However, the building on the land is depreciated. Land is generally viewed as an appreciating asset while all other capital assets are generally viewed as depreciating over time, with use. Unlike depreciation, an asset’s appreciation is not recorded on the books until the asset is sold.

Note: Construction work-in-progress is not depreciated until the project is completed.

Cost basis – The total amount paid for the asset, in cash or kind, is considered the “cost-basis”. This should include all charges relating to the purchase, such as the

East Sevier County Utility District
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purchase price, freight charges, and installation, if applicable. The cost basis is not the market value or list price of the asset. It is the total amount invested in the purchase or the total amount paid. Donated capital assets are recorded at their estimated fair value at the date of donation.

Procedure:

1.0 Capitalization

- 1.1 All assets with a useful life greater than one year and costing more than \$1,000 will be capitalized. A group purchase of assets will be capitalized if the group purchase cost significantly exceeds the capitalization minimum threshold even if the individual assets in the group are less than the capitalization minimum threshold. Any asset that does not meet the above criteria will be expensed such as small tools and equipment or repairs and maintenance.
- 1.2 The cost basis of furniture and equipment assets will include all charges relating to the purchase of the asset including the purchase price, freight charges and installation if applicable.
- 1.3 Leasehold improvements including painting are to be capitalized if they relate to the occupancy of a new office or a major renovation of an existing office. Expenditures incurred in connection with maintaining an existing facility in good working order should be expenses as a repair.
- 1.4 The cost of buildings should include all expenditures related directly to its acquisition or construction. This cost includes materials, labor and overhead incurred during construction, and fees, such as attorney's, architect's, and building permits.

2.0 Depreciation

- 2.1 The depreciation method/lives for assets must be selected at the time the asset is first placed into service in order to ensure consistent financial reporting. Such method should be justified based on the expected useful life of the asset.
- 2.2 Assets will be depreciated using the straight-line method over their estimated useful lives as outlined below.

<u>Asset</u>	<u>Useful Life (years)</u>
Supply & Distribution System	10-50
Office Building	30
Office improvements	5-15
Vehicles	5
Furniture and Equipment	5-10