

**Minutes of the Board of Commissioners
East Sevier County Utility District
October 19, 2023**

The monthly meeting of the Board of Commissioners of the East Sevier County Utility District (“the District”), was held at the District’s Offices on October 19, 2023.¹ Commissioners present were Dan Barnett, Secretary/Treasurer, and Eddie Crosby. Others present were Bert Underwood, Wastewater Operations; Jeff Bragonier, Water Operations; LaDonna Holiway, Witt Utility; and Doug Overbey, Owings, Wilson & Coleman, General Counsel for the District.

Mr. Barnett called the meeting to order at 5:34 p.m.

Approval of Minutes of Prior Meetings

The Minutes of the Board of Commissioner’s September 14, 2023, meeting were presented. Mr. Crosby moved to approve the Minutes. The motion was seconded by Mr. Barnett and carried unanimously.

Announcements

Mr. Barnett announced that Mr. Jerry Hayes has resigned from the Board of Commissioners and that applications to fill his unexpired term were available at the meeting and would be available online. Mr. Barnett also announced that an advertisement announcing the vacancy and the availability of applications would be run in *The Mountain Press*.

Review of Financials

There were no monthly financial statements presented for review. Mr. Crosby noted this was the second month in a row that Witt Utility had not furnished financial statements. Mr. Barnett requested that consideration of accounts payable be deferred until after New Business.

Report from Manager – Witt Utility

There was no report from the District’s manager, Witt Utility.

Unfinished Business

- A. Rate Study: Mr. Barnett reported he had recently had discussions with Jim Marshall of Jackson Thornton, the firm selected to perform the rate study. Mr. Marshall had suggested the District request a postponement of the rate study from the Tennessee Board of Utility Regulation (TBOUR) as that would allow the firm to have a better handle on the District’s expenses. Mr. Crosby moved that the District request a six-month postponement from TBOUR. The motion was seconded by Mr. Barnett and carried unanimously.

¹ The regularly monthly meeting was scheduled to be held on October 12, 2023. Because a quorum was not present on that date, Commissioner Crosby, after calling the meeting to order, adjourned the meeting to October 19, 2023.

- B. MG Group Audit: Mr. Barnett reported that much of the information needed for the audit will come from Witt Utility and that MG Group hopes to have the audit completed by November 27, 2023.
- C. Management Agreement with Witt Utility: The Commissioners discussed the Management Agreement with Witt Utility. It was noted that the initial term of the agreement will end November 8, 2023. After considerable discussion, Mr. Crosby moved to terminate the District's management agreement with Witt Utility effective November 8, 2023. The motion was seconded by Mr. Barnett and carried unanimously.

New Business

- A. Grant Application for \$1.6 Million for Filtration. Mr. Barnett reported that the District was ready to apply for a \$1.6 million grant from USDA Rural Development. This grant would be in addition to the \$822,000 Rural Development grant previously awarded for new well at Well AB. Mr. Barnett explained that a filtration system is needed to go along with the well. Mr. Barnett moved that the District submit a grant application to Rural Development in the amount of \$1.6 million for a filtration system and that he, as Secretary/Treasurer, be authorized to execute all documents for the District in connection with the grant application. The motion was seconded by Mr. Crosby and carried unanimously.
- B. Proposed Management Services Agreement with TUA, LLC: The District's legal counsel distributed a proposed agreement between Tennessee Utility Assistance, LLC (TUA), a subsidiary of the Tennessee Association of Utility Districts for management services. After review of the proposed agreement and discussion of the same, Mr. Crosby moved that the District enter into the agreement with TUA for management services and that Mr. Barnett, as Secretary/Treasurer, be authorized to execute the agreement on behalf of the District. The motion was seconded by Mr. Barnett and carried unanimously.
- C. Well D Repair. Considerable discussion was had relative to repairs for Well D, which included the cost of the repair and how much was already owed to the contractors involved in the repairs. There was also discussion related to the use of polyphosphate as a medium to clear the lines.
- D. Tap Fees and Customer Deposits for 1401 & 1395 Alpine Drive. There was considerable discussion related to the customer's request for water and sewer services at 1401 and 1395 Alpine Drive. Following discussion, the Board requested that Mr. Underwood and Mr. Bragonier speak with the customer and bring the matter back to the board at its next meeting.
- E. ESCUUD Sewer and Off-Site Sewer Systems: Mr. Barnett reported that he and the District's legal counsel had scheduled a meeting with the developer of Forgotten Forest at the development but that the developer had failed to appear. Mr. Barnett reported there is not an agreement in place at this time but that the District is serving the development. Legal counsel will continue to review the matter and report back at the next meeting of the board. As to Bear Creek, Mr. Barnett reported the District had received a notice of violation from

TDEC and that the development's HOA had sent a letter terminating the agreement with the District for the operation of the system. Mr. Barnett reported that the District had fixed the broken pipes but does not intend to submit a corrective action plan to TDEC due to the engineering cost. At this time, the District remains the operator of the system and will not be refunding deposits. Legal counsel will continue to review the matter and report back at the next meeting of the board.

- F. Accounts Payable: After a thorough review of the District's accounts payable, Mr. Barnett moved that, subject to it having sufficient funds, the District pay the following vendors, in the order listed, in amounts not to exceed the amount stated beside the name of each vendor, as follows: SOS - \$23,145; Big Orange - \$11,675; Power Pump - \$3,350; Wholesale Supply - \$482.34; Owings Wilson & Coleman - \$15,000; King's - \$500; and B&R - \$4,600. The motion was seconded by Mr. Crosby and carried unanimously.
- G. Muni-link: Discussion was had concerning the availability of the District's database stored with Muni-Link. Following various comments, Mr. Barnett moved to the Commissioners be authorized to spend up to \$6,000 for the release of the customer database and other customer information from Muni-Link. The motion was seconded by Mr. Crosby and carried unanimously.
- H. Bank Accounts. Mr. Barnett noted that, in light of Mr. Hayes' resignation, certain changes are needed with respect to the District's bank accounts. Following discussion, Mr. Barnett moved that (i) Mr. Jerry Hayes be removed as a signatory on the District's bank accounts, (ii) Mr. Eddie Crosby be added as a signatory on the District's bank accounts; (iii) Mr. Dan Barnett be made the Administrator of the bank accounts; and (iv) that Mr. Dan Barnett and Ms. LaDonna Holiway be granted access to the District's bank accounts on-line. The motion was seconded by Mr. Crosby and carried unanimously.

Hear From District Customers: Various customers addressed the Commissioners with their concerns and positive comments.

There being no further business, the meeting was adjourned at 7:55 p.m.



Dan Barnett, Secretary/Treasurer