

**Minutes of the Board of Commissioners
East Sevier County Utility District
February 14, 2024**

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 February 14, 2024, at 4:00 p.m. Commissioners present were Dan Barnett, Secretary/Treasurer, and Louie Fromm. Others present were Tim Ham and Nathaniel Allsup, Tennessee Utility Assistance, LLC (“TUA”); and Gavin Smelcer, Owings, Wilson & Coleman, General Counsel for the District.

Mr. Barnett called the meeting to order at 4:06 p.m.

Approval of Minutes of Prior Meetings

The Minutes of the Board of Commissioner’s January 10, 2024, meeting were presented. Commissioner Fromm moved to approve the Minutes. The motion was seconded by Commissioner Barnett and carried unanimously.

Announcements

Mr. Ham announced that Commissioner Louie Fromm was appointed by Sevier County Mayor Larry Waters to fill the unexpired term of former Commissioner Eddie Crosby. Commissioner Fromm’s term will expire May 31, 2027.

Review of Financials

Mr. Ham discussed the District’s financials. Mr. Ham stated that the District’s financials are set to be fully completed by February 28, 2024, and full financials will be presented at the District’s regular meeting next month. Mr. Ham stated that completing the financials has been a thorough process; that the comptroller’s office has asked them to review every check.

Report from General Manager

- A. Water System: Mr. Ham gave a report on the current status of the District’s water system. Mr. Ham stated that many customers have been without water in the past thirty (30) days due to the freeze. The distribution system has experienced three (3) major breaks in the past fifteen (15) days; there is a current issue with the water line up Darvan Way. The District has stockpiled water for customers who are without water.

Mr. Ham reported that staff is applying for federal grant monies to be able to fund repairs and/or replacements of the distribution system. Mr. Ham stated that, with the recent problems being caused by a documented weather event, the District can apply for emergency funds. Mr. Ham stated that he anticipates the District will receive funds but the amount is not certain. Commissioner Barnett stated that repairs needed to focus where the system continually fails; that repeat leaks and failures need to be the priority. Mr. Ham stated that these funds could be obtained through emergency grants without a completed audit.

- B. Sewer System: Mr. Ham gave a report on the current status of the District's sewer system. Mr. Ham also stated that they are reviewing agreements for the twelve (12) off-site sewer systems, the goal being to review the contracts and potentially come up with a new agreement to be used for all off-site systems. Mr. Ham is coordinating with the legal department at TAUD for this project.

- D. Billing: Mr. Ham reported that staff was preparing to send out minimum bills to customers for January, but that, when everyone was zeroed out, the billing system stilled showed a credit to some customers. Staff did not wish to send out incorrect bills again for January and, therefore, did not send out bills. Staff has the goal of sending out minimum bills on February 25; everyone will be zeroed out.

LaDonna, who was hired to do the District's billing, has quit as she is moving out of state. Originally, TUA was prepared to bring in United Billing Systems to do bills for the District, but did not ultimately bring them in because LaDonna was going to do billing. Now that she has quit, Mr. Ham will be bringing in United Billing Systems to conduct billing services and answer the phone during business hours.

Mr. Ham stated that the District will be hard pressed to have a person in the District's office in the next few months, but that United Billing will be available to answer phone calls during business hours, and Lakeview Service will answer phone calls after hours. Mr. Ham stated that staff will endeavor to have the office open; however, the District needs another field employee more than it needs an office employee at the current time.

Unfinished Business

The District had no unfinished business.

New Business

- A. Appointment of District Secretary and Vice President: Mr. Ham reported to the Board that Tennessee law requires the Board to have a secretary, who will be required to sign documents, checks, payroll, *etc.* Mr. Ham also stated that an office of vice president is good to have because it details a chain of command and makes clear who will chair meetings in the absence of the president. Mr. Barnett stated that he believes it is a good idea to have the secretary to be present on English Mountain. As for the office of treasurer, Mr. Ham stated that the office of treasurer was not necessary; that these functions would be handled by general management.

Commissioner Fromm made a motion that Commissioner Barnett be appointed the vice president of the District and that Commissioner Fromm be appointed the secretary of the District. Commissioner Barnett seconded the motion and carried unanimously.

- B. Authorization to place Commissioner Louie Fromm on District Checking Account: Commissioner Barnett made a motion to place Commissioner Louie Fromm on the

District's financial accounts, as signatory and otherwise. The motion was seconded by Commissioner Fromm and carried unanimously.

- C. Authorization of Credit Card Requests for District Employees: Considerable discussion was had regarding the need for the District's employees to have a credit card to be able to pay for expenses incurred in their capacity as employees of the District. For example, paying for gas, travel, *etc.*

Commissioner Barnett made a motion to authorize the District to request and obtain two (2) credit cards for District employees with a \$5,000.00 credit limit for each card. The motion was seconded by Commissioner Fromm and carried unanimously.

- D. Reset Meeting Time of the District's Monthly Board Meetings: Considerable discussion was had regarding the District's new meeting time of 4:00 p.m. The reason originally given for the earlier meeting time was so that LaDonna could be present to take minutes of the meeting. Now that she has quit, that reason no longer applies. Commissioner Fromm and customers also stated that a meeting time of 5:30 p.m. was a better time for customers to attend the meetings.

Commissioner Barnett made a motion to reset and establish the Board's regular monthly meeting date and time to the second Wednesday of every month at 5:30 p.m. Commissioner Fromm seconded the motion and carried unanimously.

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

Board of Commissioners' Comments:

Commissioner Fromm stated that the District should have discussions going forward about the public records of the District (*i.e.*, minutes, agenda, contracts) being posted on the District's website; that he believed the District's public records, to the extent possible and in accordance with the Tennessee Public Records Act, should be posted on the District's website. Considerable discussion was had regarding the documents to post. A consensus was reached by the Commissioners and Mr. Ham regarding the posting of agendas, minutes, and contracts of the District on the website, subject to the Tennessee Public Records Act and applicable exceptions. The goal being to provide the public with access to the District's records and to prevent a situation such as Alliance arising again.

Commissioner Fromm stated that the District should consider looking at state law regarding the process to establish additional board members for the District; that the District has seen a lot of turnover in the Board lately, and that if there were four (4) or five (5) board members, the District could better ensure it could conduct business and hold meetings.

There being no further business, the meeting was adjourned at 6:06 p.m.