



JASON E. MUMPOWER  
Comptroller

## East Sevier County Utility District

### Board Training

East Sevier County Utility District (“ESCUD”) is a water and sewer utility district serving 248 water customers and 838 sewer customers. ESCUD’s Board has three Commissioners, below.

	Initial Appointment	Most Recent Appt.	Customer of District?
Roy Ivey, President	February 2012	June 2021	No
Barbara Darby	December 2010	June 2022	Yes
Janice Brooks-Headrick	March 2013	June 2019	Yes

Each of the Commissioners completed 12 hours of training in 2018 and in 2021. Board staff believes the Board of Commissioners is compliant with the training hours requirement; however, the Commissioners have not filed annual training statements since at least 2018.

Utility commissioners are required to file annual training statements. This requirement is separate and distinct from the requirement that the commissioners receive training:

“By January 31 of each year, each utility district commissioner shall file with the utility district an annual written statement on a form developed by the comptroller of the treasury that certifies the training and continuing education courses attended by the commissioner during the prior calendar year.” TCA § 7-82-308(f)(4)(A).

Commissioners are ineligible to receive payments from their utility district if they do not file the annual training statement:

“The failure to file the annual written statement pursuant to this subdivision (f)(4) causes a commissioner to be ineligible to receive further payment or benefit as provided in subsection (a) until the annual written statement is filed.” TCA § 7-82-308(f)(4)(E).

Utilities are required to keep annual training statements for 6 years following the calendar year in which the annual statement was filed. ESCUD is unable to provide the training statements as described. Board staff believes the current Board of Commissioners each should repay the District for all payments and benefits paid to each Commissioner.

### Alliance Water Resources

ESCUD currently contracts with Alliance Water Resources (“Alliance”) for management of the utility. ESCUD has been contracted with Alliance since October 2017. ESCUD is contracted to pay Alliance \$652,740 (\$54,395 monthly) for labor, materials, supplies, equipment, subcontractor expense, or other operating expenses necessary to operate and maintain the utility. This includes a \$59,750.00 annual repair limit and \$12,200 annual chemical limit. If the annual repair limit or annual chemical limit are less than what is spent in the year, the remainder is returned to the utility. Below is a table exhibiting the costs of the contract since its inception.

Fiscal Year	Annual Base Fee	Repair Limit	Chemical Limit
2018	\$454,589.00	\$29,000.00	\$12,200.00
2019	\$463,680.00	\$29,900.00	\$12,200.00
2020	\$487,824.00	\$39,900.00	\$12,200.00
2021	\$527,184.00	\$39,900.00	\$12,200.00
2022	\$588,576.00	\$55,400.00	\$12,200.00
2023	\$652,740.00	\$59,750.00	\$12,200.00

Board staff has concerns the Board of Commissioners has failed to negotiate a proper contract to ensure optimal service for the cost of the contract since the cost has increased by roughly \$200,000 with the repair limit only increasing by roughly \$30,000. Board staff is unaware of any other justification for such an increase in the annual base fee.

### Water Loss

In the most recent information available for 2021, ESCUD reported producing 38 million gallons and selling 14 million gallons resulting in water loss of roughly 63%. Below is a table demonstrating the water loss numbers that have been reported in recent years through the AWWA 5.0 submission.

	Water Supplied (in million gallons)	Water Sold (in million gallons)	Water Loss %
2017	27.271	14.141	48.14%
2018	25.111	14.083	43.91%
2019	28.375	8.978	66.94%
2020	32.530	12.013	63.07%
2021	38.614	14.025	62.90%

Board staff does not attribute the dramatic increase of water loss from 2018 to 2019 to Alliance’s operation of the system. Instead, Board staff believes Alliance began reporting the water loss numbers more accurately which is the reason for the rise in water loss. However, Board staff is concerned that the severe water loss by volume has not improved.

### Failure to Seek Funding for Capital Improvements

ESCUD contends grant funding has not been available for utility districts to improve their water infrastructure. In working with other utility districts, Board staff believes there were opportunities for grants or loans to be obtained to repair aging infrastructure. In its 2020 audit,

ESCUD was awarded a \$443,000 grant through USDA. Board staff was informed this was to address water infrastructure issues. Board staff is not aware of why the Board of Commissioners did not direct any relevant parties to pursue other funding than this grant in this instance.

The Board of Commissioners has not been proactive in seeking capital for the improvement of the system to ensure optimal service to its customers.

### **Customer Complaints**

Board staff has fielded numerous customer complaints regarding the operation of the utility. Customers have been without water service on multiple occasions due to failing infrastructure.

ESCUD uses three wells to supply water to its customers. Customers lose service when storage tanks at the wells are empty, as the tanks refill. The pumps at these wells fail with some frequency, and the wells leak. In addition, Board staff have been advised that one of the wells is at least temporarily out of operation.

Board staff has concerns that the Board of Commissioners has failed to ensure consistent water service by failing to properly maintain and/or upgrade existing infrastructure.

### **Rates**

ESCUD has not had a rate study performed in at least the last five years.

ESCUD currently charges water customers \$53.00 for the first 3,000 gallons, \$3.00 per thousand for every 1,000 gallons to 7,200 gallons, and \$8.00 per thousand in excess of 7,200 gallons.

ESCUD currently charges sewer customers \$49.50 for the first 3,000 gallons, \$3.10 per thousand for every 1,000 gallons to 7,200 gallons, and \$8.80 per thousand in excess of 7,200 gallons. ESCUD also charges subdivisions for sewer services based on the number of bedrooms in each dwelling at a minimum of \$45.00 or maximum of \$195.00.

Board staff has concerns the Board of Commissioners has failed to ensure fair and reasonable rates by conducting a rate study to properly allocate costs across the utility's customers.

### **Potential Conflict of Interest**

ESCUD advised that it has done business with Ivey Excavating. Ivey Excavating is owned by Roy Ivey, the ESCUD Board President.

Board staff was given proof of payment to Roy Ivey for \$5,000 for a poured concrete pad for a storage tank at a well. Board staff does not believe the Board of Commissioners exhausted all options in searching for a disinterested contractor for this work.

Board staff has concerns the Board of Commissioners failed to provide adequate oversight to ensure payments were not made in conflict of interest to other Board Commissioners.

## Conclusion

Board staff believes it is in the best interest of the East Sevier County Utility District and its customers that a new Board of Commissioners be seated, to provide adequate oversight and ensure the utility operates in the best interest of its customers.

The currently sitting Commissioners have failed in their fiduciary duty to the district by:

- Conducting business with a party that has a conflict of interest with the district;
- Failing to ensure that the utility's rates are fair and reasonable;
- Failing to seek opportunities to upgrade or replace failing infrastructure, leading to frequent interruptions in service;
- Failing to control and implement a plan to control excessive water loss;
- Failing to negotiate an operating agreement which ensures the best use of the district's funds;
- Failing to comply with state laws regarding training reporting requirements;
- Illegal payments made to Commissioners.

The Commissioners' pattern of behavior amounts to an abdication of their responsibility for oversight of the district's operation, and either the inability or unwillingness to take proactive action in the best interest of the district.

## Staff Recommendation

The Board should order Board staff to initiate a contested case to determine whether the current Board of Commissioners of the East Sevier County Utility District should be removed from their positions.

Board staff are authorized to nonsuit or otherwise seek dismissal of this contested case should the members seated as of the date of this order resign or otherwise be removed from office.

ESCUD shall have the Tennessee Association of Utility Districts, or another qualified expert as approved by Board staff, perform a rate study that includes the following:

1. a review of the capitalization policy, including any recommended modifications;
2. a review of the debt management policy, including any recommended modifications;
3. the creation of a five-year capital asset budget, to be taken from the current capital asset list and to include future anticipated needs;
4. a review of relevant utility fees including but not limited to connection or tap fees, including any recommended modifications;
5. and a review of the leak adjustment policy, including any recommended modifications or adoption of such policy should one not exist.



JASON E. MUMPOWER  
Comptroller

August 31, 2022

Mr. Tony Sneed  
1529 Alpine Drive  
Sevierville, TN 37876

Dear Tony:

Please fill out the following questionnaire and include any supporting documents that have been requested. Based on the information provided, more documentation may be requested at a later date upon receipt of the completed questionnaire.

#### Section 1. Utility Board Information

If any of the pre-filled elected official information is incorrect, please note the changes needed to ensure that we have the correct list of Commissioners for the Utility.

##### 1. Fill out the following table:

Title	Name	Initial Appointment Month and Year	Most Recent Appointment Month and Year	Is this individual a Water Customer?	Is this individual a Sewer customer?
Commissioner	Roy Ivey	FEB 2012	JUN 2021	NO	NO
Commissioner	Barbara Darby	DEC 2010	JUN 2022	YES	YES
Commissioner	Janice Brooks-Headrick	MAR 2013	JUN 2019	YES	YES

Note: The initial appointment date is the first appointment date in the commissioners' current line of service history. For example, if someone was appointed in November of 2012, and has consistently been reappointed, please list November of 2012 as their initial appointment month and year. If someone was appointed in November of 2012, was not reappointed in 2016, then was appointed in 2020, please list November 2020 as the initial election month and year.

2. Provide all Annual Training Statements filed pursuant to § 7-82-308(f)(4) for Roy Ivey. Label this as Exhibit 1. If this individual is out of compliance with the training requirements or if these documents cannot be provided, please provide a written explanation as Exhibit 1.
3. Provide all Annual Training Statements filed pursuant to § 7-82-308(f)(4) for Barbary Darby. Label this as Exhibit 2. If this individual is out of compliance with the training requirements or if these documents cannot be provided, please provide a written explanation as Exhibit 2.
4. Provide all Annual Training Statements filed pursuant to § 7-82-308(f)(4) for Janice Brooks-Headrick. Label this as Exhibit 3. If this individual is out of compliance with the training



JASON E. MUMPOWER  
*Comptroller*

requirements or if these documents cannot be provided, please provide a written explanation as Exhibit 3.

#### Section 2. Utility Rates

1. Provide a written statement as to any future rate increases that are currently planned. If there are no rate increases planned, please indicate so. Label this as Exhibit 4.

#### Section 3. Policies and Contracts

1. Provide a copy of the District's Capitalization policy. Label this as Exhibit 5.
2. Provide a copy of the District's Purchasing policy. Label this as Exhibit 6.
3. Provide a copy of the District's Debt Management policy. Label this as Exhibit 7.
4. Provide a copy of the District's Leak Adjustment policy. Label this as Exhibit 8.

#### Section 4. Disbursement and Reimbursements

1. Provide a list of the names of all companies or organizations that members of the District's Board of Commissioners have ownership in or employment of that conduct business with the District. Label this as Exhibit 9.
2. Provide a copy of all disbursements and reimbursements made to these companies since January 2017. Label this as Exhibit 10.
3. Provide a copy of all disbursements and reimbursements made to Alliance Water Resources since January 2017. Label this as Exhibit 11.



JASON E. MUMPOWER  
*Comptroller*

If you need to contact our office, please call 615.747.8831 or email  
Benjmain.s.johnson@cot.tn.gov. You may also respond to this letter at the following address:

Tennessee Comptroller of the Treasury  
Division of Local Government Finance  
Cordell Hull Building  
425 Rep. John Lewis Way N.  
Nashville, TN 37243

Sincerely,

Ben Johnson, Financial Analyst





*Roy M. Ivey*

*has attended and participated in the  
2018 Leadership Conference*

*An Approved Training Course Presented by the  
Tennessee Association of Utility Districts*

*Date: 11/7/2018*

*Location: Gatlinburg*

*Credit: 12 hours for Commissioner*

**Tennessee Association  
of Utility Districts**

**Vital for Tennessee's future**



*Bob Freudenthal*

Bob Freudenthal, Executive Director

RI4085



*Ray Juey*

*has attended and participated in the  
2021 Leadership Conference*

*An Approved Training Course Presented by the  
Tennessee Association of Utility Districts*

*Date: 11/3/2021*

*Location: Gatlinburg*

*Credit: 12 hours for Commissioner*

**Tennessee Association  
of Utility Districts**  
*Vital for Tennessee's future*



*Bob Freudenthal*

Bob Freudenthal, Executive Director

R14085



# Barbara Darby

*has attended and participated in the  
2018 Leadership Conference*

*An Approved Training Course Presented by the  
Tennessee Association of Utility Districts*

*Date: 11/7/2018*

*Location: Gatlinburg*

*Credit: 12 hours for Commissioner*

**Tennessee Association  
of Utility Districts**

**Vital for Tennessee's future**



A handwritten signature in black ink, appearing to read "B. Freudenthal".

Bob Freudenthal, Executive Director

BD7805



24  
*Barbara Darby*

*has attended and participated in the  
2021 Leadership Conference*

*An Approved Training Course Presented by the  
Tennessee Association of Utility Districts*

*Date: 11/3/2021*

*Location: Gatlinburg*

*Credit: 12 hours for Commissioner*

**Tennessee Association  
of Utility Districts**

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Bob Freudenthal, Executive Director

BD7805



*Janice Brooks-Headrick*

*has attended and participated in the  
2018 Leadership Conference*

*An Approved Training Course Presented by the  
Tennessee Association of Utility Districts*

*Date: 11/7/2018*

*Location: Gatlinburg*

*Credit: 12 hours for Commissioner*

**Tennessee Association  
of Utility Districts**

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A handwritten signature in black ink, appearing to read "B. Freudenthal".

Bob Freudenthal, Executive Director

JB7319



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# *Janice Brooks-Headrick*

*has attended and participated in the  
2021 Leadership Conference*

*An Approved Training Course Presented by the  
Tennessee Association of Utility Districts*

*Date: 11/3/2021*

*Location: Gatlinburg*

*Credit: 12 hours for Commissioner*

**Tennessee Association  
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Bob Freudenthal, Executive Director

JB7319

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

EXHIBIT 4

Rate changes and plans.

July 2019: Water Rates on the mountain increased \$5/month from \$48/month to \$53/month.

July 2020: Ten percent increase on water and sewer rates for flat rate customers on English Mountain.

Ten percent increase on sewer rates on the mountain. Availability fee increased from \$45/month (including 3,000 gallons) to \$49.50/month.

These increases were due to the USDA Loans for the water filtration units/Alpine main replacement and the wastewater plant upgrade.

The District has no current plans to increase rates. We will assess the rates annually as the budget is evaluated and prepared. We do intend to move the Rehab and Condos to a metered usage rate by FYE 24.

***East Sevier County Utility District***

**1529 Alpine Drive  
Sevierville, TN 37876  
(865) 453-6704**

Presented to board in SEP '22  
Expected to become policy OCT '22

**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

**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 not 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

**Debt Management Policy**

The Board directs Alliance Water Resources, Inc. to:

- In the preparation of the budget, maintain three months of operating expenses in unrestricted reserve.
- Provide monthly balance sheet, profit and loss and income / expense statements for review as well as water sales (loss), connection growth (shrinkage), etc.
- Review water user rates and formally consider adjustment, no less frequent than annually (as part of the budgeting process).
- Provide reports on Debt Service and Coverage as part of the annual budget.
- Ensure that the District's budgeted revenue covers all projected expenditures.

**East Sevier County Utility District  
Rules and Regulations**

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**Rule #6. Water Rates and Charges (continued)**

- G.** Water meters will be owned and maintained by the District. The District will keep meters in proper operating condition. Meter damaged or destroyed through tampering or abuse will be repaired or replaced at the customers' expense. Meters that fail or are replaced due to routine use and wear will be repaired or replaced at the District's expense.
- H.** Meter tests will be performed from time to time to determine accuracy and meters may be replaced from time to time to ensure accuracy. Meter tests will be performed as deemed necessary by the District at no charge to the customer. Meter tests requested by the customer that are deemed unnecessary in advance by the District will result in a \$50.00 testing charge to the customer, unless the meter registers outside of the 98 to 102 percent accuracy level in which no charge will incur.
- I.** The District reserves the option, at the District's sole discretion, to grant a customer a one-time leak adjustment in any 12 month period, provided the customer can prove by providing written documentation and justification that a leak occurred and was promptly repaired at time of discovery and after considering staff's recommendation. Leak adjustments will be based on average water usage over the previous three (3), six (6) or twelve (12) month period or as however deemed appropriate by the District. Leak adjustments will not be granted to customers who do not promptly repair leaks after notification by District personnel. Any leak adjustment will be calculated at the rate of 50% of the excess water billed to the customer over and above the average usage. The customer will not be charged any additional sewage fee if the water leak did not enter the sewer system. Any leak adjustment under this policy, which exceeds \$250, requires specific Board approval.
- J.** The District expressly prohibits all non-district and unauthorized personnel from accessing or entering district-owned facilities, including meter pits and grinder stations, for any reason. No person, other than authorized District staff or its representatives or authorized agents shall be permitted access to the interior of the meter pits. Unauthorized access shall be considered tampering and shall be subject to a tampering charge of up to \$500 per occurrence. All charges and any outstanding penalties and balances are to be paid in full prior to restoring services. Each day shall count as a separate occurrence.



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(865) 453-6704

EXHIBIT 9

Provide a list of the names of all companies or organizations that members of the District's Board of Commissioners have ownership in or employment of that conduct business with the District.

Ivey Excavation – Owned by Roy Ivey

## Payments made to Roy Ivey 7/1/2021 to 7/31/2022 in Dynamics 365 Business Central

Posting Date	Document Type	Document No.	Vendor No.	Vendor Name	Payment Type	Original Amount	Column1
6/9/2022	Payment	19423	V00011	Roy Ivey	CHECK	616.05	Board Member compensation
4/14/2022	Payment	19379	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
4/14/2022	Payment	19376	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
3/10/2022	Payment	19354	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
3/10/2022	Payment	19351	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
2/10/2022	Payment	19333	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
2/10/2022	Payment	19330	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
1/20/2022	Payment	19307	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
1/20/2022	Payment	19304	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
12/9/2021	Payment	19283	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
12/9/2021	Payment	19280	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
11/11/2021	Payment	19264	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
11/11/2021	Payment	19261	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
10/21/2021	Payment	19242	V00011	Roy Ivey	CHECK	5,000.00	Poured Pad for Storage Tank at Well D, Sep21, Work completed, GL Code 1350 Construction Work in Progress
10/21/2021	Payment	19228	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
10/21/2021	Payment	19225	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
9/9/2021	Payment	19200	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
9/9/2021	Payment	19197	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
8/12/2021	Payment	19169	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
8/12/2021	Payment	19166	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
7/8/2021	Payment	19142	V00011	Roy Ivey	CHECK	350.00	Board Member compensation
7/8/2021	Payment	19139	V00011	Roy Ivey	CHECK	266.05	Board Member compensation
7/14/2022	Payment	19465	V00052	Roy Ivey	CHECK	627.05	Board Member compensation
5/12/2022	Payment	19409	V00052	Roy Ivey	CHECK	616.05	Board Member compensation

Date: Friday, August 12, 2022  
 Time: 11:20AM  
 User: ACOTTEN

**East Sevier County Utility Dis**  
**Vendor History - Standard**  
 Period: 12-21 As of: 8/12/2022

Page: 1 of 2  
 Report: 03671.rpt  
 Company: ESCUD

Vendor Name	Beginning Balance	Period	Purchases	Payments	Debit Adjustments	Credit Adjustments	Discounts Taken	Backup Withholding	YTD Balance
<b>Company: ESCUD</b>									
1020									
Roy Ivey (W-2)		1	616.05	616.05	0.00	0.00	0.00	0.00	0.00
	0.00	2	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		3	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		4	616.05	616.05	0.00	0.00	0.00	0.00	0.00
Fiscal Year: 2021		5	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		6	616.05	0.00	616.05	0.00	0.00	0.00	0.00
		7	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		8	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		9	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		10	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		11	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		12	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Vendor Totals</b>			<b>7,392.60</b>	<b>6,776.55</b>	<b>616.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
1020									
Roy Ivey (W-2)		1	616.05	616.05	0.00	0.00	0.00	0.00	0.00
	0.00	2	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		3	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		4	616.05	616.05	0.00	0.00	0.00	0.00	0.00
Fiscal Year: 2020		5	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		6	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		7	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		8	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		9	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		10	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		11	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		12	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Vendor Totals</b>			<b>7,392.60</b>	<b>7,392.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

Date: Friday, August 12, 2022  
 Time: 11:20AM  
 User: ACOTTEN

**East Sevier County Utility Dis**  
**Vendor History - Standard**  
 Period: 12-21 As of: 8/12/2022

Page: 2 of 2  
 Report: 03671.rpt  
 Company: ESCUD

Vendor Name	Beginning Balance	Period	Purchases	Payments	Debit Adjustments	Credit Adjustments	Discounts Taken	Backup Withholding	YTD Balance
1020									
Roy Ivey (W-2)		1	616.05	616.05	0.00	0.00	0.00	0.00	0.00
	0.00	2	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		3	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		4	616.05	616.05	0.00	0.00	0.00	0.00	0.00
Fiscal Year: 2019		5	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		6	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		7	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		8	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		9	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		10	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		11	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		12	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>Vendor Totals</b>	<b>7,392.60</b>	<b>7,392.60</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
1020									
Roy Ivey (W-2)		1	616.05	616.05	0.00	0.00	0.00	0.00	0.00
	0.00	2	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		3	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		4	616.05	616.05	0.00	0.00	0.00	0.00	0.00
Fiscal Year: 2018		5	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		6	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		7	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		8	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		9	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		10	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		11	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		12	616.05	616.05	0.00	0.00	0.00	0.00	0.00
		13	0.00	0.00	0.00	0.00	0.00	0.00	0.00
		<b>Vendor Totals</b>	<b>6,776.55</b>	<b>6,776.55</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	
<b>Company Totals</b>			<b>28,954.35</b>	<b>28,338.30</b>	<b>616.05</b>	<b>0.00</b>	<b>0.00</b>	<b>0.00</b>	

Date: Wednesday, September 7, 202  
 Time: 02:25PM  
 User: ACOTTEN

**East Sevier County Utility Dis**  
**Check Register - Standard**  
 Periods: 01-17 Through 12-21 As of: 9/7/2022

Page: 1 of 5  
 Report: 03630.rpt  
 Company: ESCUD

Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
<b>Company: ESCUD</b>											
Acct / Sub:	1000		0								
006005	HC	6/30/2019	1000	Alliance Water Resources, Inc.	12-19	000623	VO	6005	6/30/2019	0.00	38,640.00
<u>18639</u>											
006006	-	016944		Missing							
<u>046945</u>	HC	10/15/2020	1000	Alliance Water Resources, Inc.	04-21	000867	VO	16945	10/15/2020	0.00	60,323.31
016946	-	018165		Missing							
<u>018166</u>	HC	10/3/2017	1000	Alliance Water Resources, Inc.	04-18	000210	VO	18166	10/3/2017	0.00	28,645.33
018167	-	018251		Missing							
<u>018252</u>	HC	11/14/2017	1000	Alliance Water Resources, Inc.	05-18	000295	VO	18252	11/14/2017	0.00	37,882.41
018253	-	018306		Missing							
<u>018307</u>	HC	12/12/2017	1000	Alliance Water Resources, Inc.	06-18	000349	VO	18307	12/12/2017	0.00	37,882.41
018308	-	018347		Missing							
<u>018348</u>	HC	1/11/2018	1000	Alliance Water Resources, Inc.	07-18	000373	VO	18348	1/11/2018	0.00	37,882.41
018349	-	018358		Missing							
<u>018359</u>	HC	2/8/2018	1000	Alliance Water Resources, Inc.	08-18	000381	VO	18359	2/8/2018	0.00	38,407.75
018360	-	018375		Missing							
<u>018376</u>	HC	3/5/2018	1000	Alliance Water Resources, Inc.	09-18	000398	VO	18376	3/5/2018	0.00	41,691.56
018377	-	018391		Missing							
<u>018392</u>	HC	4/30/2018	1000	Alliance Water Resources, Inc.	10-18	000415	VO	18392	4/30/2018	0.00	37,882.41
018393	-	018410		Missing							
<u>018411</u>	HC	5/31/2018	1000	Alliance Water Resources, Inc.	11-18	000432	VO	18411	5/31/2018	0.00	37,882.41

Date: Wednesday, September 7, 202  
Time: 02:25PM  
User: ACOTTEN

# East Sevier County Utility Dis Check Register - Standard

Periods: 01-17 Through 12-21 As of: 9/7/2022

Page: 2 of 5  
Report: 03630.rpt  
Company: ESCUD

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post	Ref Closed	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
018412 018430	- HC	- 6/30/2018	1000 Alliance Water Resources, Inc.	12-18	12-18	000450	18430	6/30/2018	0.00	37,882.41
018431 018444	- HC	- 7/12/2018	1000 Alliance Water Resources, Inc.	01-19	01-19	000464	18444	7/12/2018	0.00	37,805.41
018445 018462	- HC	- 8/31/2018	1000 Alliance Water Resources, Inc.	02-19	02-19	000481	18462	8/31/2018	0.00	39,397.59
018463 018479	- HC	- 9/30/2018	1000 Alliance Water Resources, Inc.	03-19	03-19	000494	18479	9/30/2018	0.00	38,640.00
018480 018496	- HC	- 10/31/2018	1000 Alliance Water Resources, Inc.	04-19	04-19	000511	18496	10/31/2018	0.00	35,728.00
018497 018516	- HC	- 11/30/2018	1000 Alliance Water Resources, Inc.	05-19	05-19	000523	18516	11/30/2018	0.00	38,640.00
018517 018531	- HC	- 12/31/2018	1000 Alliance Water Resources, Inc.	06-19	06-19	000535	18531	12/31/2018	0.00	38,640.00
018532 018549	- HC	- 1/31/2019	1000 Alliance Water Resources, Inc.	07-19	07-19	000550	18549	1/31/2019	0.00	38,640.00
018550 018566	- HC	- 2/28/2019	1000 Alliance Water Resources, Inc.	08-19	08-19	000563	18566	2/28/2019	0.00	38,640.00
018567 018583	- HC	- 3/31/2019	1000 Alliance Water Resources, Inc.	09-19	09-19	000578	18583	3/31/2019	0.00	39,014.64
018584	-	-	Missing							

Date: Wednesday, September 7, 202  
Time: 02:25PM  
User: ACOTTEN

**East Sevier County Utility Dis**  
**Check Register - Standard**  
Periods: 01-17 Through 12-21 As of: 9/7/2022

Page: 3 of 5  
Report: 03630.rpt  
Company: ESCUD

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
<u>018600</u>	HC	4/30/2019	1000 Alliance Water Resources, Inc.	10-19	000593	VO	18600	4/30/2019	0.00	38,640.00
<u>018601</u>	-	018615	Missing	11-19	000607	VO	18616	5/31/2019	0.00	38,640.00
<u>018616</u>	HC	5/31/2019	1000 Alliance Water Resources, Inc.	11-19	000607	VO	18616	5/31/2019	0.00	38,640.00
<u>018617</u>	-	018661	Missing	01-20	000647	VO	18662	7/18/2019	0.00	38,640.00
<u>018662</u>	HC	7/18/2019	1000 Alliance Water Resources, Inc.	01-20	000647	VO	18662	7/18/2019	0.00	38,640.00
<u>018663</u>	-	018668	Missing	02-20	000671	VO	18689	8/15/2019	0.00	42,664.00
<u>018689</u>	HC	8/15/2019	1000 Alliance Water Resources, Inc.	02-20	000671	VO	18689	8/15/2019	0.00	42,664.00
<u>018690</u>	-	018704	Missing	03-20	000681	VO	018705	10/24/2019	0.00	41,522.99
<u>018705</u>	HC	10/24/2019	1000 Alliance Water Resources, Inc.	03-20	000681	VO	018705	10/24/2019	0.00	41,522.99
<u>018706</u>	-	018721	Missing	04-20	000696	VO	018722	11/19/2019	0.00	44,324.88
<u>018722</u>	HC	11/19/2019	1000 Alliance Water Resources, Inc.	04-20	000696	VO	018722	11/19/2019	0.00	44,324.88
<u>018723</u>	-	018739	Missing	05-20	000709	VO	18740	11/14/2019	0.00	40,652.00
<u>018740</u>	HC	11/14/2019	1000 Alliance Water Resources, Inc.	05-20	000709	VO	18740	11/14/2019	0.00	40,652.00
<u>018741</u>	-	018763	Missing	06-20	000722	VO	18764	12/12/2019	0.00	40,652.00
<u>018764</u>	HC	12/12/2019	1000 Alliance Water Resources, Inc.	06-20	000722	VO	18764	12/12/2019	0.00	40,652.00
<u>018765</u>	-	018781	Missing	07-20	000738	VO	18782	1/9/2020	0.00	40,652.00
<u>018782</u>	HC	1/9/2020	1000 Alliance Water Resources, Inc.	07-20	000738	VO	18782	1/9/2020	0.00	40,652.00
<u>018783</u>	-	018794	Missing	08-20	000750	VO	18795	2/13/2020	0.00	40,652.00
<u>018795</u>	HC	2/13/2020	1000 Alliance Water Resources, Inc.	08-20	000750	VO	18795	2/13/2020	0.00	40,652.00
<u>018796</u>	-	018807	Missing	09-20	000766	VO	18808	3/12/2020	0.00	40,652.00
<u>018808</u>	HC	3/12/2020	1000 Alliance Water Resources, Inc.	09-20	000766	VO	18808	3/12/2020	0.00	40,652.00

Date: Wednesday, September 7, 202  
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**East Sevier County Utility Dis**  
**Check Register - Standard**  
Periods: 01-17 Through 12-21 As of: 9/7/2022

Page: 4 of 5  
Report: 03630.rpt  
Company: ESCUD

Check Nbr	Check Type	Check Date	Vendor ID Vendor Name	Period To Post	Ref Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
018809 018824	- HC	018823 4/9/2020	Missing 1000 Alliance Water Resources, Inc.	10-20	10-20	000776	VO	18824	4/9/2020	0.00	40,652.00
018825 018842	- HC	018841 5/14/2020	Missing 1000 Alliance Water Resources, Inc.	11-20	11-20	000790	VO	18842	5/14/2020	0.00	40,652.00
018843 018863	- HC	018862 6/11/2020	Missing 1000 Alliance Water Resources, Inc.	12-20	12-20	000806	VO	18863	6/11/2020	0.00	40,652.00
018864 018882	- HC	018881 7/9/2020	Missing 1000 Alliance Water Resources, Inc.	01-21	01-21	000821	VO	18882	7/9/2020	0.00	41,451.00
018883 018900	- HC	018899 8/13/2020	Missing 1000 Alliance Water Resources, Inc.	02-21	02-21	000836	VO	18900	8/13/2020	0.00	47,212.00
018901 018926	- HC	018925 9/10/2020	Missing 1000 Alliance Water Resources, Inc.	03-21	03-21	000854	VO	18926	9/10/2020	0.00	43,932.00
018927 018975	- HC	018974 11/12/2020	Missing 1000 Alliance Water Resources, Inc.	05-21	05-21	000887	VO	18975	11/12/2020	0.00	43,932.00
018976 018996	- HC	018995 12/17/2020	Missing 1000 Alliance Water Resources, Inc.	06-21	06-21	000904	VO	18996	12/17/2020	0.00	43,932.00
018997 019018	- HC	019017 1/14/2021	Missing 1000 Alliance Water Resources, Inc.	07-21	07-21	000921	VO	19018	1/14/2021	0.00	43,932.00
019019 019039	- HC	019038 2/11/2021	Missing 1000 Alliance Water Resources, Inc.	08-21	08-21	000936	VO	19039	2/11/2021	0.00	45,976.20



Date: Wednesday, September 7, 202  
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 User: ACOTTEN

**East Sevier County Utility Dis**  
**Check Register - Standard**  
 Periods: 01-17 Through 12-21 As of: 9/7/2022

Page: 5 of 5  
 Report: 03630.rpt  
 Company: ESCUD

Check Nbr	Check Type	Check Date	Vendor ID	Vendor Name	Period To Post	Period Closed	Ref Nbr	Doc Type	Invoice Number	Invoice Date	Discount Taken	Amount Paid
019040 019060	HC	019059 3/11/2021	1000	Missing Alliance Water Resources, Inc.	09-21	09-21	000954	VO	19060	3/11/2021	0.00	43,932.00
019061 019083	HC	019082 4/8/2021	1000	Missing Alliance Water Resources, Inc.	10-21	10-21	000972	VO	19083	4/8/2021	0.00	43,932.00
019084 019102	HC	019101 5/13/2021	1000	Missing Alliance Water Resources, Inc.	11-21	11-21	000986	VO	19102	5/13/2021	0.00	43,832.00
019103 019119	HC	019118 6/10/2021	1000	Missing Alliance Water Resources, Inc.	12-21	12-21	000998	VO	19119	6/10/2021	0.00	43,932.00

Check Count: 45

Acct Sub Total: 1,835,791.12

Check Type	Count	Amount Paid
Regular	0	0.00
Hand	45	1,835,791.12
Electronic Payment	0	0.00
Void	0	0.00
Stub	0	0.00
Zero	0	0.00
Mask	0	0.00
<b>Total:</b>	<b>45</b>	<b>1,835,791.12</b>

Company Disc Total 0.00 Company Total 1,835,791.12

Posting Date	Document Type	Document	Vendor No.	Vendor Name	Subaccount Code	Payment	Original Amount
8/12/2022	Payment	19476	V00013	Alliance Water Resources, Inc	00	CHECK	63,456.62
7/14/2022	Payment	19459	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
6/9/2022	Payment	19425	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
5/12/2022	Payment	19402	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
4/14/2022	Payment	19380	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
3/10/2022	Payment	19355	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
2/10/2022	Payment	19334	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
1/20/2022	Payment	19308	V00013	Alliance Water Resources, Inc	00	CHECK	50,002.68
12/9/2021	Payment	19284	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
11/11/2021	Payment	19265	V00013	Alliance Water Resources, Inc	00	CHECK	50,464.59
10/21/2021	Payment	19229	V00013	Alliance Water Resources, Inc	00	CHECK	67,238.00
9/9/2021	Payment	19201	V00013	Alliance Water Resources, Inc	00	CHECK	49,048.00
8/12/2021	Payment	19170	V00013	Alliance Water Resources, Inc	00	CHECK	54,164.00
7/8/2021	Payment	19143	V00013	Alliance Water Resources, Inc	00	CHECK	43,932.00

Checks Printed 7/1/2021 to 9/7/2022 since move to Business Central Software

721,641.89

For the Board insurance premiums each board member is paid the net of \$350 each month which breaks down to the following amounts for the year.

Barbara Darby	Gross \$401.74	FICA (30.74)	Addl Fed Tax W/H (\$21)	Annual Gross
Amount \$4,820.88	Annual FICA (\$368.88)	Annual Addl Fed Tax (\$252.00)		Annual
Net \$4,200.00				
Roy Ivey	Gross \$401.74	FICA (30.74)	Addl Fed Tax W/H (\$21)	Annual Gross
Amount \$4,820.88	Annual FICA (\$368.88)	Annual Addl Fed Tax (\$252.00)		Annual
Net \$4,200.00				
Janice Brooks-Headrick	Gross \$378.99	FICA (28.99)		Annual
Gross Amount \$4,547.88	Annual FICA			
(\$347.88)		Annual Net	\$4,200.00	

EXHIBIT 4

## PROFESSIONAL OPERATING SERVICES AND MANAGEMENT AGREEMENT

THIS AGREEMENT made and entered into as of this 12 day of Sept 2017 by and between East Sevier County Utility District (hereinafter referred to as "Utility") and ALLIANCE WATER RESOURCES, INC., a Missouri corporation (hereinafter referred to as "Alliance"). To begin Oct 9<sup>th</sup> of 2017 ym R.M.D.

WITNESSETH:

WHEREAS, Alliance is engaged in the business of providing management, operation and maintenance services for public water supply, treatment plant and distribution systems and wastewater collection and treatment systems; and

WHEREAS, Utility owns a public utility system and is engaged in providing water and sewer service in certain areas in Sevier County, Tennessee; and

WHEREAS, Utility is desirous of retaining Alliance to perform management, operation and maintenance services in accordance with the terms and conditions of this Agreement;

NOW, THEREFORE, for and in consideration of the mutual promises herein contained and for other good and valuable consideration, the receipt of which hereby is acknowledged, Utility and Alliance hereby agree as follows:

### 1. INTRODUCTION

- 1.1 The foregoing recitals are adopted as part of this Agreement.
- 1.2 This Agreement shall supersede and nullify, as of the effective date hereof, any and all prior agreements, amendments to agreements offers, service fees, quotations, and estimates between the parties with respect to the management, operation and maintenance of Utility's System (as that term is defined herein).
- 1.3 This Agreement, including any and all Appendices, Addenda, and Amendments hereto, constitute the entire Agreement between Utility and Alliance with respect to the management, operation and maintenance of Utility's System.

### 2. DEFINITIONS

- 2.1 "Benefit Plans" shall mean employee benefit programs such as health insurance, group life insurance, and paid vacation periods normally included as part of Alliance's employees' overall compensation package.
- 2.2 "Duly Authorized Representative" shall mean such person, designated by either party by written notice to the other, as specific representative of the designating party in connection with performance of this Agreement.
- 2.3 "Certified Operators" shall mean water and/or wastewater systems operation personnel who have met the applicable licensing requirements of the State of Tennessee.
- 2.4 "Capital Expenditures" shall mean any expenditure for plant or equipment items, the installation of which materially extends service life, or for replacements, or which are considered capital expenditures in accordance with generally accepted accounting principles, or which are non-routine types of expenditures on an annual basis, or expenditures which the Utility has planned or budgeted as capital expenditures.
- 2.5 "Operating Expenses" shall mean costs of every kind and nature that Alliance shall determine necessary to pay or to become obligated to pay because of, or in connection with, the management, operation and maintenance of the Utility System.
- 2.6 "Maintenance Expenditures" shall mean those Operating Expenditures incurred by Alliance to perform routine or repetitive activities required or recommended by the equipment or plant item manufacturer, or Alliance, to maximize the service life of the equipment or plant item.
- 2.7 "Equipment, Vehicle or Facility Repair Expenditures" shall mean those Operating Expenditures for labor, materials and subcontractors incurred by Alliance to perform those non-routine or non-repetitive activities required for operational continuity, safety and performance and which generally arise upon failure of equipment, a vehicle, or the facility, or some component thereof.

- 2.8 "Base Fee" shall mean direct cost plus administrative overhead expense where direct cost shall include labor, materials, supplies, equipment, subcontractor expense or operating expense of any kind necessary to operate and maintain the Utility System in accordance with the Scope of Services as defined in this Agreement.
- 2.9 "Repair Limit" is defined as the total dollar amount that Alliance will be responsible for in a twelve month period relating to Maintenance Expenditures and Equipment, Vehicle or Facility Repair Expenditures. Utility is responsible for all such expenditures that exceed the Repair Limit. If repair costs are less than the annual Repair Limit, Alliance will refund to the Utility the difference.
- 2.10 "Chemical Limit" is defined as the total dollar amount that Alliance will be responsible for in a twelve month period relating to Chemical Expenditures. Utility is responsible for all such expenditures that exceed the Chemical Limit. If chemical costs are less than the annual Chemical Limit, Alliance will refund to the Utility the difference.
- 2.11 "Utility System" shall mean the facilities owned by Utility including additions, replacements and improvements to such systems as described in Section 3 Utility System of this Agreement.
- 2.12 "Customer" is defined as any person, persons, firm, corporation or partnership using or allowing the use of water and/or sewer service(s) provided by Utility.
- 2.13 "Utility Services" means the provision by Utility of water and/or sewer services to its customers.

### 3. UTILITY SYSTEM

- 3.1 The Utility System to be managed, operated and maintained by Alliance shall consist of the water treatment, wastewater treatment, sewer collection, and water distribution facilities owned by the Utility including but not limited to water treatment wells, wastewater treatment plant(s), water distribution lines, collection system and lift stations. It shall include additions, replacements and improvements to such systems.

- 3.2 Utility System shall include all physical property, whether real, personal or mixed, comprising such systems, the land thereunder owned or leased by Utility or other city or municipal owned water or wastewater system contracting with Utility for services and easements and rights of way.

4. OWNERSHIP

- 4.1 Utility System shall remain the property of Utility.
- 4.2 All additions, replacements and improvements to Utility System, and extensions thereof, shall be and remain the property of Utility as installed.

5. SCOPE OF SERVICES

- 5.1 Subject to the terms and conditions of this Agreement, Alliance shall provide all management, operation and maintenance services and shall bear the cost of such operating services as necessary to enable Utility to provide adequate Utility Services to its customers, to bill and collect its charges for such service, to provide for general bookkeeping, record maintenance and reporting, to operate the Utility System, conduct meter testing, to tap water mains and connect water services lines, to perform line and utility locations in accordance with Tennessee One Call requests, to perform engineering review services and related inspections and to conduct the general business of Utility.
- 5.2 Within the design capacity and capability of the Utility System, Alliance shall operate and maintain the Utility System to meet the requirements of the Tennessee Department of Environment & Conservation., and any other governmental entity or agency having regulatory control over the Utility System.
- 5.3 All services hereunder shall be in accordance with sound management, accounting and engineering principles and the law.
- 5.4 Alliance shall not be responsible for payment of extraordinary utility system and equipment maintenance, repair or replacement expenses.

Extraordinary expenses shall be defined as costs in excess of the maximum annual Repair Limit and Chemical limit as specified herein. In addition, any individual project repair costs in excess of \$700 shall be considered extraordinary.

In the event that any extraordinary expenses should occur, Utility shall be promptly notified and shall be provided with an accounting of such expenses. Any extraordinary expenses must be approved by Utility in advance and payment thereof shall be the responsibility of Utility.

- 5.5 Alliance shall maintain documentation of routine maintenance to how that such maintenance was performed in accordance with manufacturer's specifications. A duly authorized representative of Utility shall have the right to inspect these records during regular business hours. Maintenance shall not include repair resulting from flood, fire or other extraordinary occurrences customarily not encountered in the operation and maintenance of the Utility System.
- 5.6 Except as stated in Section 5.7, Capital Expenditures are not included in the scope of Alliance's services under this Agreement. All capital expenditures shall be the responsibility of Utility, and if to be performed by Alliance, shall be the subject of a separate agreement and paid for by Utility.
- 5.7 Notwithstanding Section 5.6, Alliance shall make emergency Capital Expenditures if such expenditures are necessary to continue operation of the Utility System so as to provide adequate service, and prior approval of Utility reasonably cannot be obtained. Utility shall reimburse Alliance for such emergency Capital Expenditures in accordance with Section 7.
- 5.8 Alliance shall not be responsible for payment of any commissioners or directors' compensation.
- 5.9 The following expenditures are specifically excluded from Alliance's scope of work and payment obligations:
  - a. Capital Expenditures, except those described in Section 5.7



- b. Changes in scope of work which would have the effect of increasing Alliance's payment obligations, except as otherwise mutually agreed upon by Alliance and Utility.
- c. Flood and fire damages.
- d. Property damage, liability and commissioner or directors liability insurance.
- e. Utility expenses including electric, gas, telephone, water and sewer, SCADA, circuit communications and alarm expenses. (Cell phone and internet expenses excluding those related to SCADA are included in Alliance's Base Fee.)
- f. Excavations and repairs made by contractors for extraordinary or routine maintenance of mains and appurtenances.
- g. Professional services including but not limited to legal, accounting and design engineering services.
- h. Extraordinary maintenance and repair services necessary to restore newly acquired facilities to reasonable operating condition.
- i. Personal property or other taxes.
- j. Extraordinary maintenance repair or equipment replacement expense as specified in Section 5.4 or as otherwise provided for in the annual utility budget.
- k. Wholesale wastewater treatment charges or water purchase expenses.
- l. All office and field services building expense including but not limited to rent, utilities and maintenance expense.

5.10 Alliance shall provide all customer meter reading, billing, bookkeeping and collection services required by Utility in the ordinary course of the Utility's business.

- 5.11 Alliance will staff Utility System with sufficient numbers of State water and wastewater Certified Operators experienced in Utility System operation and maintenance to meet regulatory requirements.
- 5.12 Alliance has the right to use subcontractors and consultants to satisfy its obligations under this Agreement, subject to Utility's approval except in the case of an emergency.
- 5.13 Utility at any time may request Alliance to perform additional services which are outside the Scope of Services under this Agreement. Alliance shall invoice such services to Utility at actual cost plus 10%. Utility shall pay such invoices in accordance with Section 7.
- 5.14 Alliance shall prepare and provide financial and record keeping reports to Utility's auditors, meet and discuss reports with the Utility's Auditors for the purposes of streamlining and cooperating with the Auditor's work.
- 5.15 Alliance shall prepare and provide reports to the Utility's Financial Advisor and/or Bond Counsel as needed or desired by the Utility and develop special customer information and other reports as needed or requested during each fiscal year.
- 5.16 Alliance shall develop, prepare, print, mail and distribute Consumer Confidence Reports to customers in accordance with regulations, provide other Utility info and/or publications to customers as needed.
- 5.17 Alliance shall work cooperatively with and provide records and all other necessary pertinent information to Utility' Legal Counsel.
- 5.18 Alliance shall direct the work of any of the Utility's real estate and easement acquisition agents, work cooperatively with the Utility's engineers and Legal Counsel for the purposes of obtaining water and sewer easements, property acquisitions and other real estate needs as determined necessary by Utility.
- 5.19 Alliance shall develop and prepare annual budgetary proposals and recommendations for Utility's consideration and perform other financial work as directed by Utility.

- 5.20 Alliance shall prepare or assist in the preparation of governmental, official and customer correspondence including monthly, quarterly or annual reports, develop and prepare press releases, provide other information and educational materials as deemed necessary or appropriate to help perform Utility's public purpose.

## 6. COMPENSATION

- 6.1 Utility shall pay Alliance a Base Fee of \$ 454,589.00 (\$ 37,882.41 per month) for services rendered as described in the Agreement for the first year of service.

This monthly base fee is a fixed monthly base fee for the first year of service and includes a \$ 29,000.00 Repair Limit and a \$ 12,200.00 Chemical Limit as described in this agreement.

- 6.2 The Base Fee, Repair Limit, and Chemical Limit shall be subject to renegotiation at the end of the first year of service and annually thereafter and thus may be revised with the written consent of both parties. In the event that the parties fail to agree, the Base Fee, Repair Limit, and Chemical Limit shall be adjusted in proportion to the change in the Consumer Price Index for all urban consumers (U.S. City Average) in the most recent twelve (12) month period prior to the time of renegotiation as published by the U.S. Department of Labor. Such increase shall not be less than 3% and not more than 8% unless otherwise agreed upon.
- 6.3 The Base Fee, Repair Limit, and Chemical Limit shall be subject to renegotiation due to any substantial change in the costs of Utility System operation and maintenance, including but not limited to changes in flow, customer accounts, monitoring or reporting requirements, personnel or staffing requirements, or increased costs due to Force Majeure occurrences.
- 6.4 In the event that a change in the Scope of Service provided by Alliance occurs, and is mutually agreed upon with Utility, Alliance and Utility will negotiate a commensurate adjustment in compensation. All compensation adjustments resulting from changes in the Scope

of Services provided by Alliance shall be retroactive to the date the new or increased level of service is first provided.

## 7. PAYMENT OF COMPENSATION

- 7.1 The compensation described in Section 6 shall be payable monthly and shall be due and payable on the first of the month for which services were rendered.
- 7.2 All other compensation due Alliance from Utility shall be due upon receipt of Alliance's invoice and payable within thirty (30) days.
- 7.3 Utility shall pay interest at the rate of nine percent (9%) per annum on compensation not paid when due, or payments of invoices not paid within thirty (30) calendar days. Interest shall commence on the due date.

## 8. INDEMNITY, LIABILITY AND INSURANCE

- 8.1 Alliance shall indemnify, save harmless and defend Utility from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorneys' fees, which Utility may incur, pay in settlement, or become responsible for as result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Alliance's material breach of any term of this Agreement, or any negligent or willful act or omission of Alliance, its employees, or subcontractors in the performance of this Agreement.

Utility shall indemnify, save harmless and defend Alliance from any and all claims, liabilities, penalties, fines, forfeitures, suits and costs and expenses incident thereto, including reasonable attorney's fees, which Alliance may incur, pay in settlement, or becoming responsible for as a result of death or bodily injury to any person, damage to any property, adverse effects on the environment, or violation of any law arising out of or relating to Utility's material breach of any term of this Agreement, or any negligent or willful act or omission of Utility, its employees, or subcontractors in the performance of this Agreement.

Utility and Alliance shall each provide the other with prompt and timely written notice of any event or proceeding of which either acquires knowledge and for which indemnification may be sought so that each shall have any opportunity which exists to take such actions as may be desirable to contain or minimize the consequences of any such event or proceeding and to defend or settle at such party's expense any such proceeding.

- 8.2 Alliance shall be liable for fines or civil penalties imposed by regulatory agencies for violation of the Utility's NPDES permits or rules or regulations of the Tennessee Department of Environment & Conservation or the United States Environmental Protection Agency which occur during the term of this Agreement and which were caused by Alliance negligence or willful conduct. Alliance shall be given full authority to contest such violations and Utility shall assist Alliance in such proceedings. Except to the extent caused by Alliance's negligence, willful conduct, or breach of its obligations under this Agreement, Alliance shall not be responsible for fines or penalties or any other liability if influent characteristics exceed Facility design parameters, influent contains biologically toxic substances, source water contains non-treatable substances or the Facility is inoperable due to circumstances beyond Alliance's control (See Exhibit B).
- 8.3 Alliance's liability under this Agreement specifically excludes any and all indirect or consequential damages arising from the operation, maintenance, and management of the Facility. Alliance shall not be responsible for damages caused by any defects or flaws inherent in the Utility System as it exists prior to Alliance beginning operations. Additionally, Alliance shall not be responsible for such damages in the event that Alliance has notified Utility of any defects and Utility fails to authorize appropriate corrective action. Alliance and the Utility agree that throughout the life of this Agreement any and all damage claims related to the Utility System shall continue to be processed and resolved in accord with current Utility practice.
- 8.4 Each party shall obtain and maintain insurance coverage of a type and in amounts described in Exhibit A. Each party, to the extent permitted by law, shall name the other party as an additional insured on all insurance policies covering the Facility and shall provide the other party with satisfactory proof of insurance upon written request.

## 9. TERM AND TERMINATION

- 9.1 This Agreement shall become effective on the 9<sup>th</sup> day of Oct 2017 and shall remain in effect through the thirtieth (30) day of Sept, 2018, subject to annual appropriation of funds by Utility. If Utility appropriates funds for operation and/or maintenance of the Utility System this Agreement shall remain in force and effect.
- 9.2 This Agreement shall be automatically renewed for successive terms of Three (3) years each unless notice of cancellation is given by either party no less than ninety (90) days prior to date of expiration
- 9.3 This Agreement may be terminated by either party for breach of contract terms by the other. Such right of termination shall be in addition to any other claims or remedies either party may have against the other at law or in equity.
- 9.4 Such termination shall be effected as follows: The party declaring a breach shall give the other written notice of the breach and sixty (60) days from the date of notice to cure. In the event the other party fails to cure within that period, the party serving notice may elect to terminate and shall give written notice of its election to terminate effective not more than ninety (90) days after the date of the notice of election to terminate.
- 9.4 If a breach is claimed by Alliance over a disputed invoice or payment, Alliance will, at Utility's option, continue to perform under the Agreement subject to resolution of the dispute by a court or agency of competent jurisdiction, provided either party initiates such action within the sixty (60) day cure period.

## 10. LABOR DISPUTES

- 10.1 In the event labor stoppages by employee groups or unions (i.e., picketing) cause a disruption in Alliance's employees entering and working on the Utility System, Alliance, at its own option, may seek appropriate injunctive court orders or temporary, additional, qualified personnel. During the labor dispute, Alliance shall operate the Utility System on a best efforts basis until labor relations are normalized.



## 11. EXTRAORDINARY CIRCUMSTANCES

- 11.1 Neither party shall be liable for its failure to perform its obligations under this Agreement if performance is made extraordinarily difficult, or costly, due to any unforeseeable occurrences beyond its reasonable control, including, but not limited to, fire, abnormal flooding, riot, war, sabotage, governmental laws, ordinances, rules or regulations, except that Alliance will be responsible for failure to perform as a result of governmental action based on Alliance's failure to comply with rules, regulations and laws pertaining to the Utility System; inability to obtain electricity or other type of power, cessation of transportation, and other similar contingencies.
- 11.2 The party claiming inability to perform hereunder shall notify the other party immediately by verbal communication and in writing by certified mail, return receipt requested, of the nature and extent of the contingency within fourteen (14) days after its occurrence.
- 11.3 A declaration of inability to perform under this contract by either party does not relieve the parties from obligations not affected by the conditions claiming inability under this provision of the Agreement.

## 12. FUTURE CONSTRUCTION

- 12.1 Alliance, along with Utility and Utility's designated Consulting Engineering firm, will work together to maintain accessibility and minimize disruption and outages to the existing Utility System when future improvements are under construction.
- 12.2 Alliance will work with Utility and Utility's consulting engineer(s) and contractor(s) to coordinate activities. In the event a critical piece of equipment or plant must be taken out of service, a plan shall be developed and approved by all parties ten (10) working days prior to the scheduled outage, and addressing the impact on plant operations, length of outage, and methods of removing and reactivating the equipment to full service. Utility shall pay all extra costs associated with said equipment outage. Alliance shall not be responsible for regulatory violations due to such interruptions.

12.3 In the event Utility's contractor or subcontractor causes damage to the Utility System, Alliance shall immediately notify Utility's duly authorized representative and shall take all actions necessary to minimize further damage.

12.4 Utility, or Alliance on behalf of Utility, shall direct the contractor to complete all repairs within a reasonable time. In the event that contractor does not make the repairs in a timely and reasonable manner, Alliance shall notify contractor and Utility of such failure to repair, and if work is not initiated immediately to effectuate such repair, within forty-eight (48) hours of such notice, Alliance shall, with Utility's consent, make said repairs, and recover costs of the repairs from Utility.

13. AMENDMENTS

13.1 This Agreement may be modified only by written amendment signed by both parties.

14. WAIVER

14.1 A waiver on the part of either party of any term, provision, or condition of this Agreement shall not constitute precedent, nor bind either party to a waiver of any succeeding breach of the same or any other term, provision, or condition of this Agreement.

15. APPLICABLE LAW

15.1 This Agreement shall be governed by and interpreted in accordance with the laws of the State of Tennessee.

16. ASSIGNMENT

16.1 This Agreement shall be binding upon and enure to the benefit of the respective successors and assigns of each of the parties hereof.

17. HEADINGS

17.1 Section headings used in this Agreement are inserted for convenience of reference only and shall not affect the content of its various provisions.

18. NOTICE

18.1 All notices shall be in writing and delivered in person or transmitted by certified mail, return receipt requested, postage prepaid, as follows:

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

On Alliance: Alliance Water Resources, Inc.  
206 South Keene Street  
Columbia, MO 65201

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed by their respective officers thereunto duly authorized and their respective corporate seals to be herewith affixed and attested by their respective officers having custody thereof the day and year first above written.

UTILITY:

*Janice Brooks Hendricks*  
Commissioner

*Barbara Darby*  
Commissioner

BY: *Roy Inez*

TITLE: *president*  
(SEAL)

ATTEST:

\_\_\_\_\_  
Clerk

ALLIANCE WATER RESOURCES, INC.

BY: *Dale Wagner*

TITLE: *President*

(SEAL)

ATTEST:

\_\_\_\_\_  
Secretary

*Mary Ann Parker*

## EXHIBIT A

### Alliance shall maintain:

1. Statutory Worker's Compensation Insurance for all Alliance employees at the Utility as required by law.
2. Comprehensive or commercial general liability insurance for bodily injury and/or property damage as follows:

General Aggregate	\$3,000,000
Each Occurrence Limit	\$1,000,000
Umbrella Aggregate	\$4,000,000

### Each Party:

1. Shall maintain adequate property insurance for its equipment and real and personal property, including but not limited to extended coverage.
2. Shall provide, with respect to its owned vehicles, Commercial Automobile Liability Insurance for bodily injury and/or property damage with \$1,000,000 per occurrence.

### Utility agrees:

1. to file sewer backup claims with their insurance carrier.
2. Alliance will assist the Utility to provide information and documentation to support or deny the settlement of claims by the Utility's insurance carrier.

## **EXHIBIT B**

### **FACILITY CHARACTERISTICS**

#### **WATER TREATMENT FACILITY**

- A.1 Alliance shall not be responsible for fines or penalties or any other liability if there are limitations with the water treatment facility which limit adequate treatment, or the Utility System is inoperable due to circumstances beyond Alliance's control.
- A.2 In the event that water quality requirements are revised in the future, Alliance shall have the right to renegotiate the terms of Sections 5 and 6 in the Agreement by giving notice to the Utility of the revised water quality requirements.

#### **WASTEWATER TREATMENT FACILITY**

- A.3 Alliance shall not be responsible for fines or penalties or any other liability if there are limitations in the collection system design or plant design which limit adequate collection or treatment, or if the wastewater influent exceeds facility design parameters including maximum daily and instantaneous flow, does not contain adequate nutrients, contains biologically toxic substances, or the Facility is inoperable due to circumstances beyond Alliance's control.
- A.4 Alliance liability regarding payment of fines, penalties or any other related liability is restricted to effluent limitations. In the event that effluent limitations are revised in subsequent NPDES permits, Alliance shall have the right to renegotiate the terms of Sections 5 and 6 in the Agreement by giving notice to the Utility within forty-five (45) days after the effective date of the revised permit.



## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement has been entered into this 14<sup>th</sup> day of June, 2018 by and between the East Sevier County Utility District, (hereinafter referred to as "Utility"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify a Certain Professional Operating Services Agreement dated 12 September, 2017 between the East Sevier County Utility District and Alliance.

Pursuant to Section 13.1, the Service Agreement is modified under the following sections:

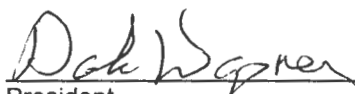
6.1 Utility shall pay Alliance a Base Fee of \$463,680.00 (\$38,640/month) for services rendered as described on the agreement.

The monthly base fee is a fixed monthly base fee and includes a \$29,900.00 Repair Limit and a \$12,200 Chemical Limit as described in the agreement.

9.1 This Agreement shall become effective on 1<sup>st</sup> day of July, 2018 and shall remain in effect through the 30<sup>th</sup> day of June, 2021, subject to annual appropriation of funds by Utility. If Utility appropriates funds for operation and/or maintenance of the Utility System this Agreement shall remain in force and effect.

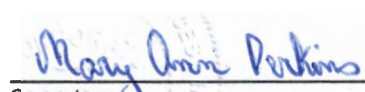
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above. Both parties indicate their approval of this Agreement by their signatures below.

Authorized Signature

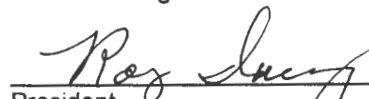
  
 President  
 Alliance Water Resources

6-25-18  
 Date

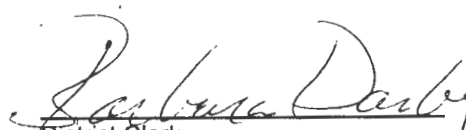
ATTEST:

  
 Secretary

Authorized Signature

  
 President  
 East Sevier County Utility District

June 14, 2018  
 Date

  
 District Clerk

# MEMORANDUM OF AGREEMENT

This Memorandum of Agreement has been entered into this 13<sup>th</sup> day of June, 2019 by and between the East Sevier County Utility District, (hereinafter referred to as "Utility"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify a Certain Professional Operating Services Agreement dated 12 September 2017 between the East Sevier County Utility District and Alliance.

Pursuant to Section 13.1, the Service Agreement is modified under the following sections:

5.4 In addition, any individual project repair costs in excess of \$1,500 shall be considered extraordinary.

6.1 Utility shall pay Alliance a Base Fee of \$487,824.00 (\$40,652/month) for services rendered as described on the agreement.

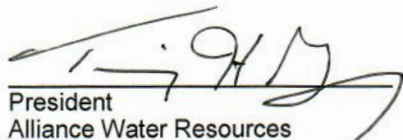
The monthly base fee is a fixed monthly base fee and includes a \$39,900.00 Repair Limit and a \$12,200 Chemical Limit as described in the agreement.

9.1 This Agreement shall become effective on 1<sup>st</sup> day of July, 2019 and shall remain in effect through the 30<sup>th</sup> day of June 2026, subject to annual appropriation of funds by Utility. If Utility appropriates funds for operation and/or maintenance of the Utility System this Agreement shall remain in force and effect.


IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above. Both parties indicate their approval of this Agreement by their signatures below.

Authorized Signature

Authorized Signature

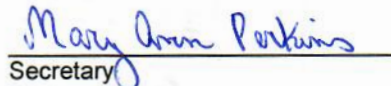
  
President  
Alliance Water Resources

7/22/2019  
Date

  
President  
East Sevier County Utility District

6-13-19  
Date

ATTEST:

  
Secretary

  
District Clerk

## MEMORANDUM OF AGREEMENT

This Memorandum of Agreement has been entered into this 11th day of June, 2020 by and between the East Sevier County Utility District, (hereinafter referred to as "Utility"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify a Certain Professional Operating Services Agreement dated 12 September 2017 between the East Sevier County Utility District and Alliance.

Pursuant to Section 13.1, the Service Agreement is modified under the following sections:

6.1 Utility shall pay Alliance a Base Fee of \$527,184.00 (\$43,932/month) for services rendered as described on the agreement.

The monthly base fee is a fixed monthly base fee and includes a \$39,900.00 Repair Limit and a \$12,200 Chemical Limit as described in the agreement.

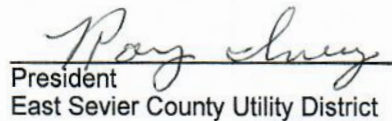
IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above. Both parties indicate their approval of this Agreement by their signatures below.

Authorized Signature

Authorized Signature

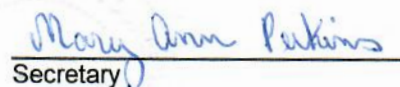
  
\_\_\_\_\_  
President  
Alliance Water Resources

6/24/2020  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
President  
East Sevier County Utility District

6/11/2020  
\_\_\_\_\_  
Date

ATTEST:

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
District Clerk

**MEMORANDUM OF AGREEMENT**

This Memorandum of Agreement has been entered into this 10th day of June, 2021 by and between the East Sevier County Utility District, (hereinafter referred to as "Utility"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify a Certain Professional Operating Services Agreement dated 12 September 2017 between the East Sevier County Utility District and Alliance.

Pursuant to Section 13.1, the Service Agreement is modified under the following sections:


6.1 Utility shall pay Alliance a Base Fee of \$588,576.00 (\$49,048/month) for services rendered as described on the agreement.

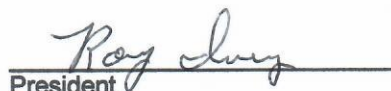
The monthly base fee is a fixed monthly base fee and includes a \$55,400.00 Repair Limit and a \$12,200 Chemical Limit as described in the agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above. Both parties indicate their approval of this Agreement by their signatures below.

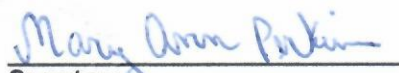
Authorized Signature

Authorized Signature

  
\_\_\_\_\_  
President  
Alliance Water Resources  
  
6/23/2021  
\_\_\_\_\_  
Date

  
\_\_\_\_\_  
President  
East Sevier County Utility District  
  
6/10/21  
\_\_\_\_\_  
Date

ATTEST:

  
\_\_\_\_\_  
Secretary

  
\_\_\_\_\_  
District Clerk



# MEMORANDUM OF AGREEMENT

This Memorandum of Agreement has been entered into this 9th day of June, 2022 by and between the East Sevier County Utility District, (hereinafter referred to as "Utility"), and Alliance Water Resources, Inc., (hereinafter referred to as "Alliance").

This Memorandum of Agreement has as its purpose to modify a Certain Professional Operating Services Agreement dated 12 September 2017 between the East Sevier County Utility District and Alliance.

Pursuant to Section 13.1, the Service Agreement is modified under the following sections:


6.1 Utility shall pay Alliance a Base Fee of \$652,740.00 (\$54,395.00 month) for services rendered as described on the agreement.

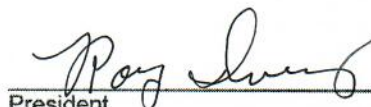
The monthly base fee is a fixed monthly base fee and includes a \$59,750.00 Repair Limit and a \$12,200 Chemical Limit as described in the agreement.

IN WITNESS WHEREOF, the parties have caused this Agreement to be executed as of the first date written above. Both parties indicate their approval of this Agreement by their signatures below.


Authorized Signature

Authorized Signature

  
 President  
 Alliance Water Resources  
 6/16/2022  
 Date

  
 President  
 East Sevier County Utility District  
 6-9-22  
 Date

ATTEST:

  
 Secretary

  
 District Clerk

**ESCU**  
**depreciation schedule**  
**6/30/2022**

		<b><u>COST</u></b>	<b><u>A/D</u></b>	<b><u>Jun-22</u></b>	<b><u>TOTAL A/C</u></b>	<b><u>BOOK VALUE</u></b>	
<b>Building</b>		<b>69,235.68</b>	<b>25,105.03</b>	<b>2,377.88</b>	<b>27,482.91</b>	<b>41,752.77</b>	<b>1.00</b>
<b>Door Well C Booster Station</b>		<b>1,548.92</b>		<b>38.72</b>	<b>38.72</b>	<b>1,510.20</b>	<b>20.00</b>
<b>G/L #1320</b>	<b>12/31/2021</b>	<b>70,784.60</b>		<b>2,416.60</b>	<b>27,521.63</b>	<b>43,262.97</b>	
<b><u>2022</u></b>							
<b>DISTRIBUTION SYSTEM</b>							
PLANT	7/1/1994	104,000.00	82,225.00	2,925.00	85,150.00	18,850.00	
PLANT LINES	8/1/1995	14,532.19	7,014.86	261.58	7,276.44	7,255.75	
PUMP HOUSE	6/30/1997	3,613.33	1,645.68	65.04	1,710.72	1,902.61	
WELLS, PUMPS	6/30/1998	29,755.94	28,009.17	1,339.01	29,348.18	407.76	
PUMPS AND OTHER	6/30/1999	26,886.67	24,198.00		24,198.00	2,688.67	
PUMPS AND OTHER	6/30/2000	19,985.52	19,779.11	896.07	20,675.18	(689.66)	
PUMPS AND OTHER	6/30/2001	11,589.00	10,888.67	521.51	11,410.18	178.82	
PUMPS AND OTHER	6/30/2002	32,008.00	28,486.12	1,440.36	29,926.48	2,081.52	
PLANT LINES	6/30/2003	11,286.68	3,792.72	203.16	3,995.88	7,290.80	
PLANT	7/1/1994	90,000.00	71,161.25	2,531.25	73,692.50	16,307.50	
SEWER LINE	6/30/1997	12,521.65	5,706.63	225.39	5,932.02	6,589.63	
SEWER LINE	6/30/2000	46,812.74	18,068.71	842.63	18,911.34	27,901.40	
SEWER LINE	6/30/2001	44,474.00	16,745.01	800.53	17,545.54	26,928.46	
SEWER LINE	6/30/2002	82,718.00	29,446.64	1,488.92	30,935.56	51,782.44	
PUMP	1/1/2004	1,346.00	1,177.45	67.30	1,244.75	101.25	
PLANT ADDITIONS	1/1/2004	26,941.00	9,429.35	538.82	9,968.17	16,972.83	
2 HOMA PUMPS	8/16/2004	1,778.86	1,497.16	88.94	1,586.10	192.76	
GOULDS AQUAVAR PUMP	10/25/2004	2,635.00	2,195.83	131.75	2,327.58	307.42	
PIPE	11/15/2004	3,800.60	1,266.83	76.01	1,342.84	2,457.76	
CONSULTING	6/30/2005	2,500.00	2,500.00	-	2,500.00	-	
PIPE	6/30/2005	2,389.71	764.64	47.79	812.43	1,577.28	
WATER INSTALLATION	6/30/2005	6,150.00	1,968.00	123.00	2,091.00	4,059.00	
FLOW MONITORING	8/17/2005	5,853.00	4,633.63	292.65	4,926.28	926.72	
WATER LINE	9/26/2005	6,407.83	2,018.52	128.16	2,146.68	4,261.15	
WATER LINE	9/30/2005	5,076.11	1,598.94	101.52	1,700.46	3,375.65	
BUILDING	10/21/2005	1,599.00	1,599.00	-	1,599.00	-	
WATER PUMP	10/31/2005	4,854.15	3,802.45	242.71	4,045.16	808.99	
WELL CASING	11/7/2005	11,120.00	8,710.67	556.00	9,266.67	1,853.33	
WATER PUMP	12/30/2005	5,420.00	4,200.50	271.00	4,471.50	948.50	
WATER LINE	6/30/2006	7,965.00	2,389.50	159.30	2,548.80	5,416.20	
WATER PUMP	6/30/2006	6,200.00	4,650.00	310.00	4,960.00	1,240.00	
WATER LINE	7/18/2006	8,943.45	2,668.14	178.87	2,847.01	6,096.44	
EONE STATION	9/25/2006	2,150.00	634.25	43.00	677.25	1,472.75	
PLANT DOOR	12/11/2006	1,175.00	856.77	58.75	915.52	259.48	
4 HOMA PUMPS	4/18/2007	3,964.39	2,808.12	198.22	3,006.34	958.05	
PUMP	4/18/2004	730.10	517.22	36.51	553.73	176.37	
2 PUMPS	5/12/2007	4,845.77	3,432.44	242.29	3,674.73	1,171.04	
2 HOMA PUMPS	6/30/2007	1,978.84	1,385.16	98.94	1,484.10	494.74	

**ESCU**  
**depreciation schedule**  
**6/30/2022**

		<b><u>COST</u></b>	<b><u>A/D</u></b>	<b><u>Jun-22</u></b>	<b><u>TOTAL A/C</u></b>	<b>BOOK VALUE</b>
					-	
2 1/2 HP 10GPM SIMPLE	7/3/2007	3,600.00	2,520.00	180.00	2,700.00	<b>900.00</b>
2 UASSEMBLE PUMPS	7/5/2007	4,810.25	3,367.14	240.51	3,607.65	<b>1,202.60</b>
<b>2 ULTRAVIOLET LAMPS</b>	<b>7/27/2007</b>		-		-	
24X10 PLANEL ROOF	7/27/2007	805.72	249.11	17.90	267.01	<b>538.71</b>
3 ORENCO SYST PUMP	8/1/2007	882.98	614.42	44.15	658.57	<b>224.41</b>
BIOSYSTEMS	9/26/2007	695.00	695.00	-	695.00	-
150 SINGLE PORT METER	11/2/2007	16,900.00	11,548.33	845.00	12,393.33	<b>4,506.67</b>
VANTAGE 2210 ULTRA	11/9/2007	1,804.75	1,233.28	90.24	1,323.52	<b>481.23</b>
75 METERS	11/19/2007	6,150.00	4,176.88	307.50	4,484.38	<b>1,665.62</b>
2 SIGMA 900 REFRIG	11/26/2007	8,038.00	5,459.14	401.90	5,861.04	<b>2,176.96</b>
6" FLUME WITH PIPE	12/5/2007	1,070.00	726.71	53.50	780.21	<b>289.79</b>
75 METERS 5/8	12/6/2007	4,500.00	3,056.25	225.00	3,281.25	<b>1,218.75</b>
ORENCO SY PUMP	12/6/2007	441.00	299.51	22.05	321.56	<b>119.44</b>
4 REGULATORS	1/10/2008	272.00	183.60	13.60	197.20	<b>74.80</b>
54 SINGLE PORT METER	1/22/2008	5,940.00	3,984.75	297.00	4,281.75	<b>1,658.25</b>
ION2 METER	1/25/2008	590.60	396.19	29.53	425.72	<b>164.88</b>
50 METERS	2/6/2008	3,000.00	2,012.50	150.00	2,162.50	<b>837.50</b>
HOUSING ONLY CARTI	3/11/2008	1,499.95	1,000.00	75.00	1,075.00	<b>424.95</b>
50 METERS	4/10/2008	3,000.00	1,987.50	150.00	2,137.50	<b>862.50</b>
MICRO TOL	4/16/2008	1,927.79	1,269.43	96.69	1,366.12	<b>561.67</b>
54 SINGLE PORT METER	5/6/2008	6,102.00	4,017.15	305.10	4,322.25	<b>1,779.75</b>
FLOWMETER	7/21/2008	1,908.34	1,232.51	95.42	1,327.93	<b>580.41</b>
2010 061 ONE STATION	9/10/2008	2,290.00	1,469.42	114.50	1,583.92	<b>706.08</b>
EFFLUENT PUMP	9/22/2008	680.00	433.50	34.00	467.50	<b>212.50</b>
METERS	11/30/2008	1,474.13	927.52	73.71	1,001.23	<b>472.90</b>
70 FT THREADED PIPE	11/30/2008	1,560.00	981.50	78.00	1,059.50	<b>500.50</b>
MOTOR	8/25/2009	1,376.00	814.13	68.80	882.93	<b>493.07</b>
SUTORBUILT BLOWER	9/30/2009	1,549.55	910.39	77.48	987.87	<b>561.68</b>
PLANT FENCE	10/2/2009	4,360.00	1,707.63	145.33	1,852.96	<b>2,507.04</b>
WELL BUILDING	11/18/2009	1,259.00	729.17	62.95	792.12	<b>466.88</b>
MOTORS, MONIITORS	1/31/2010	2,970.97	1,695.95	148.55	1,844.50	<b>1,126.47</b>
PRESSURE REDUCING	8/30/2010	4,295.95	4,654.00	(358.05)	4,295.95	-
2 SO IIII PUMPS	9/1/2010	4,946.02	5,358.17	(412.15)	4,946.02	-
ORENCO SY PUMP	9/1/2010	2,800.00	3,033.33	(233.33)	2,800.00	-
WELL F PAD	3/18/2011	1,257.15	1,288.63	(31.48)	1,257.15	-
PUMP F80	6/30/2011	4,590.00	4,590.00		4,590.00	-
GPM	6/30/2011	2,739.00	2,739.00		2,739.00	-
PRESSURE REDUCER	2/24/2012	5,419.75	5,058.48	361.27	5,419.75	-
1.5 HP 10 GPM	7/31/2012	2,621.00	2,621.00	-	2,621.00	-
2 GRINDER PUMPS	8/28/2012	2,781.28	2,781.28	-	2,781.28	-
HYDRANT METER	12/31/2012	1,135.64	1,135.64	-	1,135.64	-
4 PUMPS	4/11/2013	4,171.88	4,171.88	-	4,171.88	-

**ESCUD**  
**depreciation schedule**  
**6/30/2022**

		<b><u>COST</u></b>	<b><u>A/D</u></b>	<b><u>Jun-22</u></b>	<b><u>TOTAL A/C</u></b>	<b><u>BOOK VALUE</u></b>	
PUMP	4/25/2013	2,508.00	2,508.00	-	2,508.00	-	
PUMP CAPACITOR	6/30/2013	1,375.05	1,375.05	-	1,375.05	-	
<b>WELL A REHAB</b>	<b>6/25/2014</b>		-		-		disposed in 2021
3 PUMPS	5/8/2014	5,161.63	5,161.63		5,161.63	-	
3 PUMPS TELEMTRY	2/14/2014	6,001.25	6,001.25		6,001.25	-	
HYDROMATIC PUMP	7/15/2013	1,199.33	1,199.33	-	1,199.33	-	
2 8" VALVE SEATS	7/29/2013	1,378.16	1,091.07	137.82	1,228.89	149.27	
3 6" VALVE SEATS	7/29/2013	1,297.92	1,297.92		1,297.92	-	
4.5" 3 WAY FIRE HYDRANT	7/29/2013	1,306.05	689.30	87.07	776.37	529.68	
ABB DRIVE WELL	8/27/2013	1,529.89	798.92	101.99	900.91	628.98	
PRESSURE REDUCING	9/30/2013	1,830.16	1,418.40	183.02	1,601.42	228.74	
FIRE HYDRANT	10/18/2013	1,356.00	693.07	90.40	783.47	572.53	
HPG200 PUMP	2/14/2014	1,303.75	1,607.95	(304.20)	1,303.75	-	
PRESSURE REDUCING	5/12/2014	1,789.30	1,282.43	178.93	1,461.36	327.94	
FIELD KIT WITH PROBE	7/22/2014	850.00	293.96	42.50	336.46	513.54	
10HP 3 PHASE PUMP	8/28/2014	4,800.00	1,640.00	240.00	1,880.00	2,920.00	
2"OMINI METER	9/11/2014	823.33	281.33	41.17	322.50	500.83	
WELL D BOOSTER PUMP	11/30/2014	2,440.14	803.23	122.01	925.24	1,514.90	
WATER METER	10/30/2014	642.00	211.33	32.10	243.43	398.57	
<b>SHP WELL D PUMP</b>	<b>12/4/2014</b>	-		-	-	-	disposed in 2021
A B CARPORT	2/26/2015	1,851.78	586.40	92.59	678.99	1,172.79	
SUPERVISORY CONTROL	3/19/2015	9,366.87	2,927.13	468.34	3,395.47	5,971.40	
WATER METER	4/8/2015	684.87	214.00	34.24	248.24	436.63	
SEWER PUMPS	6/23/2015	1,980.83	594.24	99.04	693.28	1,287.55	
SEWER PUMPS	7/31/2015	1,980.39	585.87	99.02	684.89	1,295.50	
BOOSER PUMPS	11/25/2015	1,286.42	359.12	64.32	423.44	862.98	
EFFLUENT PUMP	12/22/2015	3,242.43	891.66	162.12	1,053.78	2,188.65	
WELL PUMP	1/12/2016	4,200.00	1,155.00	210.00	1,365.00	2,835.00	
WELL ROOF	4/5/2016	15,150.75	3,977.08	757.54	4,734.62	10,416.13	
SHORING PACKAGE	6/8/2016	4,663.31	1,185.28	233.17	1,418.45	3,244.86	
WELL D FILTER SYSTEM	8/10/2016	29,178.00	7,172.93	1,458.90	8,631.83	20,546.17	
WELL B REHAB	8/16/2016	13,950.00	13,485.00	465.00	13,950.00	-	
CONDO LIFT PUMP	8/25/2016	-	6,216.63	(1,286.20)	4,930.43		Removed in 2020 but \$:
2 HP 25 GGPM PUMP	3/9/2017	3,900.00	3,380.00	520.00	3,900.00	-	
WELL C	6/9/2017	27,500.00	5,500.00	1,375.00	6,875.00	20,625.00	
EFFLUENT PUMP SHP	6/30/2018	5,507.72	1,652.31	550.77	2,203.08	3,304.64	
EFFLUENT PUMP	6/30/2018	1,338.06	401.43	133.81	535.24	802.82	
AB STACK KITS	6/30/2018	3,100.00	930.00	310.00	1,240.00	1,860.00	
GOULD PUMP	6/30/2018	972.53	291.75	97.25	389.00	583.53	
EFFLUENT PUMP 2HP	6/30/2018	2,440.80	732.24	244.08	976.32	1,464.48	
EFFLUENT PUMP 75 HP	6/30/2018	714.96	214.50	71.50	286.00	428.96	
2 SEWER PUMPS	6/30/2018	1,000.00	300.00	100.00	400.00	600.00	
EFFLUENT PUMP	6/30/2018	727.30	218.19	72.73	290.92	436.38	



**ESCU**  
**depreciation schedule**  
**6/30/2022**

		<b>COST</b>	<b>A/D</b>	<b>Jun-22</b>	<b>TOTAL A/C</b>	<b>BOOK VALUE</b>
GOULD PUMP	6/30/2018	1,577.00	473.10	157.70	630.80	946.20
GOULD PUMP	6/30/2018	953.00	285.90	95.30	381.20	571.80
SEWER KIT	6/30/2018	3,540.00	1,062.00	354.00	1,416.00	2,124.00
SEWER PUMPS	6/30/2018	1,500.00	450.00	150.00	600.00	900.00
4 OMNI 20 LONG METER	6/30/2018	6,697.72	2,009.31	669.77	2,679.08	4,018.64
EFFLUENT PUMP	6/30/2018	7,267.21	2,180.16	726.72	2,906.88	4,360.33
EFFLUENT PUMP	6/30/2018	18,257.03	5,477.10	1,825.70	7,302.80	10,954.23
PRO A20 PUMP PACKAGE	6/30/2018	4,404.26	1,321.29	440.43	1,761.72	2,642.54
PRO A20 PUMP PACKAGE	6/30/2018	4,404.26	1,321.29	440.43	1,761.72	2,642.54
PRO A20 PUMP PACKAGE	6/30/2018	4,404.26	1,321.29	440.43	1,761.72	2,642.54
PROSTEP A20 PUMP	6/30/2018	3,351.63	1,005.48	335.16	1,340.64	2,010.99
PROSTEP A20 PUMP	6/30/2018	3,351.63	1,005.48	335.16	1,340.64	2,010.99
PROSTEP A20 PUMP	6/30/2018	3,351.63	1,005.48	335.16	1,340.64	2,010.99
PROSTEP A20 PUMP	6/30/2018	3,351.63	1,005.48	335.16	1,340.64	2,010.99
PROSTEP A20 PUMP	6/30/2018	3,351.63	1,005.48	335.16	1,340.64	2,010.99
PROSTEP A20 PUMP	6/30/2018	3,351.63	1,005.48	335.16	1,340.64	2,010.99
DUPLEX SEWER PUMP	6/30/2018	4,403.00	1,320.90	440.30	1,761.20	2,641.80
SEWER LATERALS	6/30/2018	1,200.00	360.00	120.00	480.00	720.00
WELL C	8/6/2017	162,450.00	63,626.25	16,245.00	79,871.25	82,578.75
			<b>PYA</b>			-
<b>PYA</b>		<b>1,197,719.73</b>	<b>679,568.56</b>	<b>52,704.42</b>	<b>732,272.98</b>	<b>465,446.75</b>

**ADDITIONS 2020**

Hibernation Station Lot 9 install duplex sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Lashbrook 3831 River Vista Way install new sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Hibernation Station Lot 17 install new duplex sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Hibernation Station Lot 15 new install duplex system Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Smokey Mountain Ridge Lot 37 install new sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Lashbrook 3633 Waterside Way install new sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Smokey Mountain Ridge Lot 99 install new sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Smokey Mountain Ridge Lot 80 install new sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Smokey Mountain Ridge Lot 99 install new sewer pumps Inv 2013	7/31/2019	500.00	100.00	50.00	150.00	350.00	10
Lashbrook 3629 Lashbrook Way install new sewer pumps Inv 2029	7/31/2019	500.00	95.83	50.00	145.83	354.17	10
Smokey Mtn Ridge Lot 88 install new sewer pumps Inv 2029	7/31/2019	500.00	95.83	50.00	145.83	354.17	10
Sherwood Forest Lot 167 install new sewer pumps Inv 2029	7/31/2019	600.00	115.00	60.00	175.00	425.00	10
Pump Kits Inv #357942	8/31/2019	11,042.71	2,116.52	1,104.27	3,220.79	7,821.92	10
Order #10149485-00 Pumps	8/31/2019	1,167.87	214.11	116.79	330.90	836.97	10
Smokey Mtn Ridget Lot 102 new sewer pump Inv 2029	8/31/2019	500.00	91.67	50.00	141.67	358.33	10
Sherwood Forest Lot 132 new sewer pump Inv 2029	8/31/2019	500.00	91.67	50.00	141.67	358.33	10
Smokey Mtn Ridge Lot 37 new install Inv 2013	9/1/2019	500.00	91.67	50.00	141.67	358.33	10
Order# 10156193-00 dated 09/03/19, pumps	9/1/2019	450.49	82.59	45.05	127.64	322.85	10
Pumps, Inv# 10165479 dated 10/02/19	10/1/2019	368.30	55.25	36.83	92.08	276.23	10
Inv# 2029 installs, Jun19, \$1,500; Jul19, \$2,100; Aug19, \$1,000	10/1/2019	4,600.00	805.00	460.00	1,265.00	3,335.00	10

ESCU  
depreciation schedule  
6/30/2022

		<b>COST</b>	<b>A/D</b>	<b>Jun-22</b>	<b>TOTAL A/C</b>	<b>BOOK VALUE</b>	
Inv#361408, dated 11/11/19, 4 Pump packages-\$574.63 S&H	11/30/2019	9,102.27	1,517.05	910.23	2,427.27	6,675.00	10
	11/30/2019	4,000.00	666.67	400.00	1,066.67	2,933.33	10
Inv# 362724 dated 12/19/19, S&H \$562.20	12/1/2019	7,889.84	920.48	788.98	1,709.47	6,180.37	10
Order# 10182871-00 4 Cistern Pumps	12/31/2019	1,251.16	145.97	125.12	271.08	980.08	10
Installation Inv #2052	1/31/2020	1,000.00	100.00	100.00	200.00	800.00	10
Pump Kits Inv #363029	1/31/2020	6,833.61	683.36	683.36	1,366.72	5,466.89	10
Installation	1/31/2020	1,600.00	160.00	160.00	320.00	1,280.00	10
Site Work Inv #2064	2/29/2020	1,140.00	95.00	114.00	209.00	931.00	10
Control Panel Inv #364643	3/31/2020	6,741.61	449.44	674.16	1,123.60	5,618.01	10
Pumps Inv #57810	3/31/2020	3,240.68	216.05	324.07	540.11	2,700.57	10
Inv #2071 New installs	3/31/2020	2,500.00	166.67	250.00	416.67	2,083.33	10
Inv 363759 & 364126 Pump Kits & Hoses	3/31/2020	9,304.03	620.27	930.40	1,550.67	7,753.36	10
Inv #2079 New installs	4/30/2020	2,500.00	125.00	250.00	375.00	2,125.00	10
Inv 57810 Pumps	4/30/2020	3,239.66	161.98	323.97	485.95	2,753.71	10
Inv 366041 Pump Packages	5/31/2020	10,238.82	341.29	1,023.88	1,365.18	8,873.64	10
Inv 366546 Pump Packages	5/31/2020	9,320.73	155.35	932.07	1,087.42	8,233.31	10
New installs	6/30/2020	1,000.00	16.67	100.00	116.67	883.33	10
Inv 466698 Pump Kits partial used, partial still in inventory	6/30/2020	3,855.83	64.26	385.58	449.85	3,405.98	10
Alpine WL	8/31/2019	318,869.91	10,629.00	6,377.40	17,006.40	301,863.51	50
Water System Improvement-Well C	2/29/2020	238,278.56	9,928.27	11,913.93	21,842.20	216,436.36	20
Treatment Building	1/31/2020	135,648.32	6,782.42	6,782.42	13,564.83	122,083.49	20
Inv #2094 Lashbrook Lot 74R - install new sewer pump	6/30/2020	500.00	8.33	50.00	58.33	441.67	10
Inv #2094 Smokey Mt Ridge Lot 47 - install new sewer pump	6/30/2020	500.00	8.33	50.00	58.33	441.67	10
Inv #2094 Smokey Mt Ridge Lot 48 - install new sewer pump	6/30/2020	500.00	8.33	50.00	58.33	441.67	10
Inv #2066 February Installs	6/30/2020	1,100.00	18.33	110.00	128.33	971.67	10
<b>Difference to auditor 2021 depreciation amount</b>			<b>0.37</b>		0.37	<b>(0.37)</b>	
ITEMS NOT ACC FROM PA		911,859.83	418,363.62	34,078.71	452,442.33	459,417.50	
TOTAL DIST 2020		2,914,963.96	1,136,676.20	123,115.63	1,259,791.83	1,655,172.13	

		<b>COST</b>			<b>TOTAL A/C</b>	<b>BOOK VALUE</b>	
<b>2021 ADDITIONS</b>					-		Life
Pumps Order #10256121-00	7/31/2020	1,563.95	156.40	156.40	312.79	1,251.16	10
Install July	7/31/2020	500.00	50.00	50.00	100.00	400.00	10
Inv # 2108 Install New Duplex Pump Kits	9/30/2020	1,200.00	100.00	120.00	220.00	980.00	10
Inv #2124 Install New Duplex Pump Kit	10/31/2020	600.00	45.00	60.00	105.00	495.00	10
Inv #2137 New Install	11/30/2020	500.00	33.33	50.00	83.33	416.67	10
Change out Pump Well D	12/31/2020	4,600.00	383.33	657.14	1,040.48	3,559.52	7
Inv #2139 Pump kit installs, one sewer tap install	12/31/2020	3,195.00	186.38	319.50	505.88	2,689.13	10
Inv #3461 Well A pump install, parts and labor	1/31/2021	11,681.03	834.36	1,668.72	2,503.08	9,177.95	7
Inv #3462 Well B pump install, parts and labor	1/31/2021	9,152.13	653.72	1,307.45	1,961.17	7,190.96	7
Inv #2154 New installs	1/31/2021	2,100.00	105.00	210.00	315.00	1,785.00	10
Inv #418218 4M Blower	2/28/2021	2,496.15	104.01	249.62	353.62	2,142.53	10
Inv #2161 New Installs	3/31/2021	1,000.00	33.33	100.00	133.33	866.67	10
Inv #2170 New Installs	4/30/2021	1,600.00	40.00	160.00	200.00	1,400.00	10

ESCU  
depreciation schedule  
6/30/2022

		<u>COST</u>	<u>A/D</u>	<u>Jun-22</u>	<u>TOTAL A/C</u>	<u>BOOK VALUE</u>	
Inv #2182 New Installs	5/31/2021	3,200.00	53.33	320.00	373.33	2,826.67	10
Inv #2151041595 Pumps, Well D	6/30/2021	3,819.85	45.47	545.69	591.17	3,228.68	7
Inv #2192 New Installs	6/30/2021	1,200.00	10.00	120.00	130.00	1,070.00	10
Tank Replacement	2/28/2021	10,990.00	228.96	549.50	778.46	10,211.54	20
Well C	3/31/2021	6,101.00	290.52	871.57	1,162.10	4,938.90	7
Well C Booster	6/30/2021	10,416.88	124.01	1,488.13	1,612.14	8,804.74	7
Pump Kits	7/31/2020	13,871.20	1,981.60	1,981.60	3,963.20	9,908.00	7
Pump Kits	9/30/2020	9,248.53	1,101.02	1,321.22	2,422.23	6,826.30	7
Pumpmaster 15"	10/31/2020	263.10	28.19	37.59	65.78	197.33	7
3 Single, 1 Duplex Pump Kit	10/31/2020	10,631.82	1,139.12	1,518.83	2,657.96	7,973.87	7
4 pumps	12/31/2020	452.23	37.69	64.60	102.29	349.94	7
6 Pump Packages	12/31/2020	16,373.61	1,364.47	2,339.09	3,703.55	12,670.06	7
Pump Packages	1/31/2021	23,599.00	1,685.64	3,371.29	5,056.93	18,542.07	7
Pump Packages	4/30/2021	18,585.15	663.76	2,655.02	3,318.78	15,266.37	7
Pumps	4/30/2021	669.34	23.91	95.62	119.53	549.82	7
Pumps	6/30/2021	1,854.32	22.08	264.90	286.98	1,567.34	7
<b>Difference to auditor 2021 depreciation amount</b>			<b>(2.01)</b>		<b>(2.01)</b>	<b>2.01</b>	
PUMP & PANEL (SPEC OPER SERV #11108)	7/31/2021	3,070.00		402.02	402.02	2,667.98	7
WELL D PUMP (B & R #3827)	8/31/2021	5,134.00		611.19	611.19	4,522.81	7
PUMPS (SPEC OPER SERV #11144 & 11145)	9/30/2021	31,955.00		3,423.75	3,423.75	28,531.25	7
PUMP/RINGS (SPEC OPER SERV #11152)	9/30/2021	3,507.00		375.75	375.75	3,131.25	7
PUMP (BRANN & WHITEMORE #2161041669)	9/30/2021	1,431.00		153.32	153.32	1,277.68	7
NEW INSTALLS (BIG ORANGE #2210)	9/30/2021	2,300.00		172.50	172.50	2,127.50	10
NEW INSTALLS (BIG ORANGE #2213)	10/31/2021	4,800.00		320.00	320.00	4,480.00	10
PUMPS (DRILLERS SVC #1080040099-00)	10/31/2021	1,373.07		130.77	130.77	1,242.30	7
NEW INSTALLS (BIG ORANGE #2232)	12/31/2021	1,200.00		60.00	60.00	1,140.00	10
NEW INSTALLS (BIG ORANGE #2239)	1/31/2022	3,100.00		129.17	129.17	2,970.83	10
NEW INSTALLS (BIG ORANGE #2249)	2/28/2022	1,800.00		60.00	60.00	1,740.00	10
NEW INSTALLS (BIG ORANGE #2250)	2/28/2022	5,140.00		171.33	171.33	4,968.67	10
NEW INSTALLS (BIG ORANGE #2255)	3/31/2022	4,300.00		107.50	107.50	4,192.50	10
NEW INSTALLS (BIG ORANGE #2257)	4/30/2022	2,000.00		33.33	33.33	1,966.67	10
NEW INSTALLS (BIG ORANGE #2265 & 2266)	5/31/2022	2,800.00		23.33	23.33	2,776.67	10
GENERATOR FOR WELL (STOWERS POWER SYSTEMS INV K5526601)	6/30/2022	41,600.00		-	-	41,600.00	20
<b>TOTAL DISTRIBUTION 21 G/L #1310</b>		<b>3,201,938.32</b>	<b>1,148,198.81</b>	<b>151,943.06</b>	<b>1,300,141.87</b>	<b>1,901,796.45</b>	
		G/L					
			<u>A/D</u>				
		<u>COST</u>		<u>Jun-22</u>	<u>TOTAL A/C</u>		
LAND	6/30/2003	3,325.00				3,325.00	
LAND OFFICE	9/30/2010	11,200.00				11,200.00	

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		<u>COST</u>	<u>A/D</u>	<u>Jun-22</u>	<u>TOTAL A/C</u>	<u>BOOK VALUE</u>
WELLS A AND B	6/23/2015	10,000.00				10,000.00
WELL F 1 ACRE	2/19/2016	7,132.80				7,132.80
1025 lin creek purchase	5/21/2021	45,000.00				45,000.00
						-
<b>LAND G/L #1300</b>		<b>76,657.80</b>				<b>76,657.80</b>
EQUIPMENT	7/1/1994	6,000.00	6,000.00		6,000.00	-
BACKHOE	1/31/2002	56,241.00	50,616.90		50,616.90	5,624.10
TRIPOID AND WINCH ASSE	9/26/2007	1,808.55	1,808.55		1,808.55	-
MSTER CHARGING ST	11/8/2007	3,000.00	3,000.00		3,000.00	-
VEHICLE TRANSCEIVER	11/27/2007	18,300.00	18,300.00		18,300.00	-
BACKFLOW PREVENTER	8/1/2008	1,303.93	1,303.93		1,303.93	-
CHART RECORDER	9/30/2009	629.00	629.00		629.00	-
FLOOR SAFE	8/21/2012	649.99	331.26	30.85	362.11	287.88
2 2 HP PUMPS	8/23/2013	1,710.00	1,710.00		1,710.00	-
550 GALLONSSKID GAS	1/13/2016	1,087.99	589.33	108.80	698.13	389.86
CONCRETE SAW	5/24/2016	974.00	495.12	97.40	592.52	381.48
RIDING LAWN MOWER	5/2/2017	4,893.00	2,038.75	489.30	2,528.05	2,364.95
110 HP FREESTANDING ICE	6/30/2018	-		-	-	-
7.5K BTU WINDOW	6/30/2018	399.00	239.40	79.80	319.20	79.80

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		<u>COST</u>	<u>A/D</u>	<u>Jun-22</u>	<u>TOTAL A/C</u>	<u>BOOK VALUE</u>
AIR COMPRESSOR	6/30/2018	329.35	197.61	65.87	263.48	65.87
7.5 BTU WINDOW	6/30/2018	459.00	275.40	91.80	367.20	91.80
ice maker	8/1/2019	73.00	28.14	14.60	42.74	30.26
ice maker	9/1/2019	877.99	321.93	175.60	497.53	380.46
remote software inst	10/1/2019	4,233.72	1,481.80	846.74	2,328.54	1,905.18
line locator	6/20/2020	1,465.00	317.42	293.00	610.42	854.58
prior audit 2019 out		878.17				878.17

disposals (removed actual asset above ice machine)

**EQUIPMENT G/L #1330**

**105,312.69      89,684.54      2,293.76      91,978.30      13,334.39**

3.00

		<u>COST</u>	<u>A/D</u>	<u>Jun-22</u>	<u>TOTAL A/C</u>	
OFFICE EQUIPMENT	6/30/1997	649.99	584.99	65.00	649.99	-
OFFICE EQUIPMENT	6/30/2003	2,044.00	1,839.60	204.40	2,044.00	-
OFFICE EQUIPMENT	6/30/2003	730.00	594.45	32.85	627.30	102.70
OPTIPLEX	1/10/2008	-	-		-	-
COMPUTER	3/14/2008	9,366.00	9,366.00		9,366.00	-
COPY MACHINE	10/28/2010	1,495.00	1,495.00		1,495.00	-
disposals-(Removed actual asset above Optiplex)					-	-
detector electronics	6/21/2021	1,614.00	322.80	322.80	645.60	968.40
DATTO BACKUP APPLIANCE (AWR 9/1 INVOICE)	8/2/2021	1,750.00		320.83	320.83	1,429.17
MONITOR (AWR 10/1 INVOICE)	9/22/2021	289.79		43.47	43.47	246.32
COMPUTER (AWR 10/1 INVOICE)	9/22/2021	1,126.80		169.02	169.02	957.78
					-	-
					-	-

**EQUIPMENT G/L #1330**

**19,065.58      14,202.84      1,158.37      15,361.21      3,704.37**

3

1999 350 4 WD	6/30/2013	12,800.00	12,800.00		12,800.00	-
prior years		11,525.42	1,506.78		1,506.78	10,018.64
2003 FORD RANGER	9/12/2013					-
2004 FORD RANGER-disposed 2020	4/8/2014					-
NEW ENGINE-disposed 2020	10/8/2014					-
2000 FORD RANGER-disposed 2020	7/16/2015					-
2008 CHEVY-disposed 2020	1/28/2016					-
1999 MAZDA	5/12/2016	4,500.00	1,875.00	450.00	2,325.00	2,175.00
TRENCH TRAILER	6/7/2016	1,300.00	530.83	130.00	660.83	639.17
5X8 TRAILER W GATE (disposal)	6/30/2018	539.99	216.00	80.99	296.99	243.00
		(539.99)	(404.99)		(404.99)	(135.00)
		30,125.42	16,523.62	660.99	17,184.61	12,940.81
changes for 2020-took out above						-
total 2020		30,125.42	16,523.62	660.99	17,184.61	12,940.81

2019  
2020

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additions for 2021

FORD RANGER	8/20/2021	25,192.00	5,038.40	5,038.40	10,076.80	15,115.20
FORD RANGER	8/20/2021	25,192.00	5,038.40	5,038.40	10,076.80	15,115.20
5X10 FLATBED TRAILER (AWR LOWES 9/1 INV)	8/26/2021	1,599.00		266.50	266.50	1,332.50

TOTAL VEHICLES 21 G/L #1340

		82,108.42	26,600.42	11,004.29	37,604.71	44,503.71
		gl				
Total		3,555,867.41	1,303,791.64	168,816.08	1,472,607.72	2,083,259.69

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6/30/2022

	<u>COST</u>	<u>A/D</u>	<u>Jun-22</u>	<u>TOTAL A/C</u>	<u>BOOK VALUE</u>
per g/l corrections		16,604.69			
		s/h/b addl for new additions 2020 for 6/30/21 tried to get amount for 2021 to as close as I could to her ba			
			CORRECTION 2020		
			see summary see summary		

WATER INFRASTRUCTURE SUMMARY					
Name of Entity:	East Sevier County Utility District				
Office Address:	1529 Alpine Drive				
City:	Sevierville	State:	TN	Zip Code:	37876
County:	Sevier				
Primary Community Served:	Sevierville	Population:	2,478		
ATPI:	80				
Utility Type:	Utility District				
Number of Water Connections:	251		Total Connections:		991
Number of Wastewater Connections:	991				
Number of Employees:	5 Full-time		1 Part-Time		
	<div>PWSID</div> <div>0000618</div>		<div>NPDES</div> <div>0060569</div>		
UTILITY CONTACT LIST					
	Name	Title	Phone	Email	
	Craig Miller	Division Manager	606-548-2250	cmiller@alliancewater.com	
	Evan Romo	Regional Operations Manager	636-358-1648	eromo@alliancewater.com	
REPORTING REQUIREMENTS					
Entity Fiscal Year:				June	
Date of Last Audit:				June 30, 2021	
Adverse Audit Findings:				Yes	
Notes:	1. Auditor states that ESCUD did not hold retainage on a wastewater plant replacement project. Response: The funding source was USDA RD. They held all retainage until ESCUD requested funds. 2. Auditor recommended a policy regarding the sale of surplus property. Response: The utility adopted a policy regarding the sale of surplus property.				
REGIONALIZATION					
Has the system considered any regional cooperative efforts?				Yes	
Does the system have written or verbal agreements with neighboring utilities?				No	
ASSET MANAGEMENT			WATER LOSS		
Asset Mangement Plan	Unsure		Unaccounted Water Loss	64%	
GIS Mapping	25-50%		Millions of Gallons/year	24.59	
Inventory and Condition Assessment	>50%		Production Cost/year	\$304,916.00	
Planned O&M and Work Order System	No		INFLOW and INFILTRATION		
Meter Testing & Changeouts	Yes		Inflow and Infiltration	56%	
Capitital Improvement Plan & Budget	Yes		Millions of Gallons/year	8.40	
IT Infrastructure	Yes		Treatment Cost/year	\$28,392.00	
MODERNIZATION					
Drinking Water Plant >80% Capacity	Yes		Wastewater Plant >80% Capacity	Yes	
Age of Drinking Water Plant	50+ years		Age of Wastewater Treatment Plant	0-10 years	
Percentage of lines older than 50 years	>50%		Percentage of lines older than 50 years	25-50%	
COMPLIANCE					
Drinking Water Violations	Yes		Meeting Wastewater Permit Requirements	Yes	
State Mandated Compliance Order (Water)	No		State Mandated Compliance Order (WW)	Yes	
Meeting Order Requirements (Water)	NA		Meeting Order Requirements (WW)	Yes	
STORMWATER					
Stormwater Management Plan				N/A	
System-Wide Map				N/A	



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**Rule #1. General Water and Sewer**

- A.** The rules and regulations of the District shall govern and be enforced by the District and its agents. The rules have been adopted to govern the services provided in the best interest of the District and the District's customer base. The rules and regulations apply to all persons, firms, corporations, partnerships, etc. using or intending to use water and/or sewer services provided or to be provided by the District.
- B.** All persons, firms, corporations, partnerships, etc. desiring to obtain water and/or sewer services from the District shall first make application to obtain such services. The District may require the application requesting water and/or sewer service to be in writing. Applications are to be fully completed using the standard District form. All applicants shall meet and follow all requirements set forth in these rules and regulations. Failure to fully complete the application, providing false information on the application, or failure to meet and follow the requirements set forth in these rules and regulations may result in disconnection of service or other penalties as defined herein.
- C.** All connections to District water and/or sewer systems shall be requested in advance, all connections fees shall be paid in full, and all services be properly installed and properly metered prior to the turn on of service.
- D.** The water and sewer services made available under these rules are for the sole use of the person, persons and customer at his/her premise and he/she shall not resell in any manner any water or sewer service without the specific written consent and permission of the District.
- E.** Additionally, water and/or sewer service for the sole use of service as described above and also prohibits any extension of pipes, hoses, etc. to transfer water and/or sewer services from one property to any other property, person, persons, or customer and also prohibits any person, persons, customer from sharing, reselling, submetering to another person, persons or customer. No more than one premise shall be served by a water service connection. No more than one premise may be served by a single sewer lateral or grinder lift station. A farm containing a residence and outbuildings for use in farming operations shall be considered as one residence and that customer may use water and/or sewer service from a single connection/meter for all such buildings. Farms containing more than one residence shall be treated in a similar manner but require that each residence be connected and metered separately.
- F.** The District has the right to inspect meters, pumps, backflow prevention devices and all other water fixtures, lines and appliances as well as all sewer appurtenances for the use of water or sewer whenever deemed necessary by the District for the purpose of regulating such use, keeping accurate account, preventing waste, leakage or other violations of these rules and regulations. For such purpose it shall be the duty of the water customer to allow District access to their premises at reasonable times and intervals; should any person, persons or customer refuse to allow such access, upon order of the District, water and/or sewer service may be cutoff and withheld from any customer so refusing.

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Approved: *Roy Ivey, President* Effective Date: 07/01/2021

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**Rule #1. General Water and Sewer (continued)**

- G.** The District reserves the right, at any time, without notice, to shut off water and/or sewer service in their distribution and collection lines for the purpose of making extensions, repairs or for any other purpose they deem to be in the best interest of the District's systems and customers. The District reserves the right to shut off water and/or sewer from any customer, at any time, so long as the service pipe through which such user may be supplied, or any meter, or any pump, or any part of any such pipe of system may be out of order or in disrepair for the proper supply of water or sewer service through same. When reasonably possible the District will attempt to notify in advance of service interruptions when water and/or sewer service will be limited, restricted or temporarily shut off.
- H.** In accordance with the above, all persons and customers are hereby advised and cautioned that risk of damage is hereby assumed by the customer. All persons and customers are advised to take measures to prevent water tanks from draining, boilers from collapsing, follow standard backflow prevention practices, prevent sewer back-ups and any and all other damages that could be incurred in the event water and/or sewer service was shut off or interrupted for any reason. The District shall not be liable for damages resulting to customer or third persons, unless due to the negligence of the District and in absence of any contributory negligence on the part of the customer or third party. The District is not liable for damages caused by defective piping or appliances on the customer's premises or for any defect in customer's water or sewer piping. It is expressly understood and agreed by and between the District and the customer/user that no claim shall be made against the District by reason of breaks, leaks, bursting of, repairs to, or maintenance of any water or sewer facilities owned by the District or for any failure to supply service of any reason. As a condition of furnishing sewer service, the District shall not be liable or responsible for damages of any kind for any failure to remove sewage from customer/user premises or property or for any backup of sewage into customer/user premises or property or for any interruption of sewage service for any reason.
- I.** No water or sewer pipe of any kind, including water service lines and sewer laterals or force mains shall be installed within any right of way or easement of the District or be connected to the District's water or sewer system unless specific approval is given by the District and connection fees are paid. All water and sewer service shall be billed as set forth in these rules and regulations.
- J.** Line extensions and connections to the District water and sewer system shall be at the sole cost of the customer or user and all extensions and connections shall be subject to the District's approved inspection.
- K.** The District's water and sewer systems shall be separated into a waterworks system and a sewerage system and all said waterworks system, all future improvements and extensions thereto and said sewerage system, all future improvements and extensions thereto shall be operated and maintained as separate and distinct systems from one another. The user/service

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Approved: *Roy Ivey, President* Effective Date: 07/01/2021

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**Rule #1.      General Water and Sewer (continued)**

charges for water and sewer services shall generate adequate annual revenues to pay costs of annual operations and maintenance of the water and sewer systems including replacement costs associated with debt retirement related to financing of the water and sewer and/or any capital costs related with said systems which the District may designate be paid from revenue collected by the user/service charges. The District shall bill customers for any and all miscellaneous charges, set forth by State, Local and Federal Law, examples of which include, but are not limited to primacy fees, taxes, laboratory testing fees, etc.

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Approved:     *Roy Ivey, President*     Effective Date:   07/01/2021

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**Rule #2. Definitions**

Definitions shall be as follows:

Applicant - Any person, persons, firm, corporation, partnership, etc. desiring or applying for either water or sewer service of both.

Agents - Any person, persons, firms, corporations or partnerships engaged in work, and serving as representatives of East Sevier County Utility District, including but not limited to it's employees, engineers, operations, maintenance and management personnel and any and all such designates as the District may have from time to time as deemed necessary.

Auxiliary water system - Any water source, supply or system, other than the East Sevier County Utility District system, that may be available in the building, establishment, residence, premises or property.

AWWA - American Water Works Association.

Board of Commissioners - Persons duly elected or appointed by the District with general powers pertaining to the management of the business affairs of the District.

BOD - Biochemical Oxygen Demand, as determined by laboratory testing as set forth in the latest edition of Standard Methods for the Examination of Water and Wastewater with the results expressed in milligrams per liter.

Customer - Any person, persons, firm, corporation or partnership using or allowing the use of water and/or sewer service(s) provided by the District.

Commercial Customer - Customers that are non-residential or whose general purpose and use is of a business nature. Includes commercial, business and industrial establishments, with or without dwelling units in the premises or on the property.

Clerk - The person duly appointed annually by the Board of Commissioners serving in the capacity as Clerk.

Cross Connections - Any physical link between a potable water supply and any other substance, fluid, or source, which makes contamination of the potable water supply possible due to, or if the reversal of the flow of water in the potable water piping or distribution system were to occur.

Certified Backflow Prevention Tester - A person who has successfully completed training, holds and is recognized by the State of Missouri to be a competent person in the testing, checking and rebuilding of backflow prevention devices.

Consumptive - (use of water) - Indicates the use of water by a commercial, business or industrial customer(s) that is not returned to the sewer system. Examples of such customers would be beverage, food and ice manufacturing, water used for cooling purposes and discharged under NPDES permits, etc.

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**Rule #2. Definitions (Continued)**

District - (Water District) - The East Sevier County Utility District, Sevierville, Tennessee.

Farm - A parcel of ground used at one time or being used for livestock or planting purposes.

Lateral - The entire length of sewer line or pipe including fittings connecting the customer's premises to the District's main sewer line.

Multi-Unit Building - Anyone building or any one structure containing more than a single residential dwelling unit or more than a single commercial or business entity (such as a strip shopping center).

Premise - Any building or structure used as a dwelling unit or used for any commercial, business or industrial use or purpose.

Plus Cost - Any and all costs over and above the cost of a standard connection that is needed to purchase and install the sewer lateral, sewer pump chamber or container, electrical control box and other necessary appurtenances needed to provide sewer service to the customer's premises in an orderly fashion.

Tamper - To meddle or tinker with so as to alter or interfere with intended results of District policies or District personnel. Specifically, tampering may involve the following: attempting to unlock, turn on, or alter the meter setting in any way or attempting to alter or manipulating the pumps or wire leads in any way.

TSS - Total Suspended Solids as determined by laboratory testing as set forth in the latest edition of Standard Methods for the examination of Water and Wastewater with the results expressed in units of milligrams per liter.

User - Any person, persons, firm, business, governmental entity, industry, corporation or partnership using any District water or sewer services.

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Approved: *Roy Ivey, President* Effective Date: 07/01/2021

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**Rule #3.      Application, Supply and Taking of Service**

- A.**      Applicant shall be responsible for requesting service from the District and in doing so requests and becomes a customer. Before the District begins rendering water and/or sewer service, the applicant/customer shall supply such necessary information as designated by the District including but not limited to customer name, address, telephone number and requested date for start of service. Any customer who has taken service from the District without requesting such service from the District shall be considered to have expressed consent to the District's rules and regulations and shall be responsible for any and all appropriate water and sewer charges/payments as specified in the District's rules and regulations beginning on the first day of taking such service. The District reserves the right to make reasonable estimation of service usage if an exact determination cannot be made.
- B.**      Applications, applicants and customers for water and/or sewer service shall conform to all rules and regulations as approved and as those rules and regulations may be modified, revised or amended from time to time.
- C.**      Commercial applicants and customers shall, upon request, present in writing a list of water devices which are or are proposed to be attached to the water lines servicing the building and/or property, giving location, types, size of devices and estimated daily water flow. The District will then advise of any improvements that must be constructed or any special conditions of use that must be followed by that commercial applicant or customer. The District reserves the right to advise and require any special sewer waste discharge conditions, prohibitions, restrictions up to and including any special pretreatment requirements or facilities before accepting sewer waste discharges.
- D.**      No substantial increases or additions to water and/or sewer use, water use equipment or appliances may be connected to the District water and/or sewer system except upon prior written notice to the District, followed by the written consent of the District.
- E.**      All applicants and customers are required to pay security deposits prior to the initiation of service. Failure to pay security deposits may result in refusal or termination of service.
- F.**      The District reserves the right to reject any application, applicant, customer request for service that does not comply with any District rules and regulations. Rejection may include, but not be limited to refusal and disconnection of water and/or sewer service, in which the District may notify any appropriate local authorities if the District deems a public health detriment exists, or could exist.
- G.**      At any time that the District has a water line in place on any public right of way and a landowner whose land abuts that right of way requests of the District a meter setting(s), the District may, as a condition for authorizing and permitting the setting(s), require the landowner requesting same to execute in favor of the District a blanket easement on the landowner's property so that the water line now on public right of way may be removed and placed on easement.

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**Rule #4. Connection Fees and Procedures**

**Section 1. General, Water and Sewer**

- A.** All new connections to the District's water and/or sewer system shall be subject to payment of a connection fee(s) for the right to connect to the District's water and/or sewer system.
- B.** Connection fees to the District's water and/or sewer system shall be due and payable prior to any connection. The District reserves the right to provide incentives and participate in water and/or sewer line extensions if, in the District's sole discretion and judgment, a particular line extension or upgrade is deemed to be beneficial to the District. Generally, the District's participation will be limited to developer built off-site water and/or sewer extensions only (those developer built extensions not within a development, unless it is the District's option to upgrade internal line sizes so that they may be utilized as a transmission main) and will not exceed the amount of current water or sewer connection fees due or the actual construction cost of said off-site extension, whichever is less.
- C.** No water service line, sewer service lateral or sewer pump system shall be connected to any line owned by the District or any private line that may be connected to the District's system until all connection fees are paid. If any such lines, laterals or pump systems are connected, the District may disconnect any such line, lateral or pump system and charge the owner, developer, contractor, plumber or any other person, persons or parties, jointly or severally liable, all costs incurred for the disconnection, including but not limited to, attorney fees, court costs and interest earnings from the date of connection.
- D.** Each motel, hotel, hospital, nursing home, assisted living facility, campground, park or other similar structure and/or development (approved specifically by the District) shall have each unit or pad capable of separate overnight occupancy counted a one-third (1/3) of a unit for the computation of connection fees due. Each separate residential dwelling unit or each separate office, commercial, business unit shall count as one (1) full unit, i.e.: single family house equals one unit, duplex equals 2 units, 4 unit shopping center equals 4 units. Other Industrial, Commercial and Business developments shall have connection fees based on acreage of the developed or platted area.
- E.** All water and/or sewer connections, as well as the materials and workmanship used in those connections shall be subject to inspection and approval prior to the initiation of service. Connections, materials and/or workmanship not meeting inspection approval shall be corrected so as to meet the inspection approval prior to the initiation of service or those connections are subject to disconnection. Furthermore, the District will not be required to provide water and/or sewer service until connections to District's water and/or sewer system is approved by the District.

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**Rule #4. Connection Fees and Procedures (continued)**

**Section 1. General, Water and Sewer (continued)**

- F.** Locations of connections to the District's system will generally be given and directed by the District. Any deviation to prescribed location will need prior approval by the District. Connections to the District's system shall be installed and at the expense of the customer or owner of the property/premise receiving service by bonded and/or licensed plumbers authorized to perform work in Lincoln County, Missouri. Connections, service lines, sewer lateral and force mains, etc. will not be extended along public streets or roadways or through property of others to the point of connection without the written prior approval of the District. Connections to the District's system that must be excavated for inspection shall have that excavation performed at the customer's expense.
- G.** Absolutely no meters will be installed or water services restored to locations without a properly installed shut-off valve on the customer side of the meter.
- H.** No person, other than authorized District staff or its representatives or authorized agents shall be permitted access to the interior of the meter pits. Unauthorized access shall be considered tampering and shall be subject to a tampering charge of up to \$500 per occurrence. All charges and any outstanding penalties and balances are to be paid in full prior to restoring services. Each day shall count as a separate occurrence.
- I.** Upon completion of installation of service lines, the Water District shall retain ownership of the service line from the main to the shutoff valve or meter pit at the customer's property line, whichever is the first point of shutoff, and the customer shall retain ownership of the service line from and including the curb valve or the meter pit, whichever is the first point of shutoff.

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**Rule #4. Connection Fees and Procedures (continued)**

**Section 2. Water Connection Fees and Procedures**

- A. Connection fees for the right to connect to the District's water system, are effective January 1<sup>st</sup> of each specified year below for residential, commercial, business and industrial customers are as follows:

**All Residential Dwelling Units (¾ inch meter and setting or any farm/shop ¾ inch meter/setting)**

<u>Year</u>	<u>Water Connection Fee per Unit</u>
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2018	\$ 1,250 per unit
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**Commercial, Business, Governmental and Industrial Structures**

<u>Year</u>	<u>Water Connection Fees (per acre under roof or portion thereof)</u>
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2018	\$ 2,650 per acre or \$ 1,250 per unit whichever is greater
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- B. All connection fees above shall be paid at least 48 hours prior to the scheduling of a connection or request for inspection of connection.
- C. A minimum of 48 hours' notice is required for the scheduling of a connection or request for inspection of connection.
- D. All water connections up to and including ¾ inch in size shall be made by the District. The District shall provide the water meter, the saddle (up to 10 inch in size), the corporation fitting, and the labor and equipment to tap and connect the service line to the water main. All other material and supplies, including but not limited to meter setters, meter pits, lids and frames, service line piping extending 2 feet past the water main shall be provided by and installed by the customer, developer, builder, plumber by the scheduled time of connection and/or inspection.
- E. Water connections over ¾ inch in size shall be made only with the District's prior approval and at the sole expense of the customer, developer, builder or plumber. Connections over ¾ inch in size require the customer, developer, builder, plumber to pay District in advance, monies required to purchase the specified water meter, the required saddle, the required corporation fitting, and the labor and equipment to tap and connect the service line to the water main. All customers are advised that connections over ¾ inch in size generally require additional time and coordination of work.
- F. Water connections and service lines shall be installed in accordance with the procedures, specifications and standards established by the District and amended from time to time and on file with the Clerk. These procedures, specifications and standards will be provided upon request.

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**Rule #4. Connection Fees and Procedures (continued)**

**Section 2. Water Connection Fees and Procedures (continued)**

- G.** All scheduled water taps and/or inspections must be ready for the District's Customer Service Representative within twenty (20) minutes of their scheduled arrival. If after that amount of time the site is still not ready, the desired activity must be rescheduled and an additional \$50 trip charge fee will be charged and collected before any services will be provided. These fees are necessary due to the number of contractors and homeowners who call for taps and/or inspections and do not have necessary plumbing ready. Before calling for taps or inspections, the customer must have the plumbing both inside and outside completed and a working shut-off valve installed.
- H.** Water tap fees may be prepaid for existing lots and for planned lots in Board-approved subdivisions. Tap fees shall be applied and tied to individual lots and are not transferable. No refunds shall be granted for prepaid water taps, regardless of extenuating circumstances, even if lots are combined or merged through the build-out process.
- I.** No person, other than authorized District staff or its representatives or authorized agents shall be permitted access to the interior of the meter pits. Unauthorized access shall be considered tampering and shall be subject to a tampering charge of up to \$500 per occurrence. All charges and any outstanding penalties and balances are to be paid in full prior to restoring services. Each day shall count as a separate occurrence. Authorized contractors may enter the pit on an emergency basis, provided they notify the District office within 24 hours of entry to plan for applicable follow-up and inspections.
- J.** Contractors shall not expose any water (or sewer) mains prior to four (4) hours of the scheduled tap or leave any unexposed main, uncovered or unprotected for more than four (4) hours.
- K.** In accordance with the Safe Drinking Water Act, the use of lead based material in the construction or modification of the District's drinking water system or private plumbing connected to the District's system is hereby prohibited.

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**Rule #4. Connection Fees and Procedures (continued)**

**Section 3. Sewer Connection Fees, Hook Up Fees and Procedures (continued)**

- A. Connection fees for the right to connect to the District's sewer system are effective January 1<sup>st</sup> of each specified year below for residential, commercial, business and industrial customers and the cost of required grinder pump appurtenances and components are as follows:

**All Single Family Residential Dwelling Units and all other customers having structure of less than 20,000 square feet under roof shall be charged the following sewer connection fees.**

**Year   Sewer Connection Fee (right to connect)   Plus the Required Grinder Pump Fee**

2018 and after   \$ 1,250 per each unit

see current price list

Customers with structures over 20,000 square feet under roof will be charged \$1,250 for each 20,000 square feet under roof or portion thereof.

The sewer connection fee includes only the right to connect and service availability. The grinder pump component fee includes one standard sewer pump, the sewer pump chamber, pump floats and the electrical control box. The sewer lateral between the house and the pump chamber is not included. The sewer line between the pump chamber and the District's main sewer line is not included. Any other necessary appurtenances needed to provide sewer service to the customers' premises in a proper and orderly fashion are not included. These laterals, lines and other appurtenances not included as well as all installation costs, including the grinder pump, sewer pump chamber, pump floats and the electrical control box, is the sole responsibility and expense of the customer.

Multi-Family Residential Dwelling, Commercial and Business Units shall be treated as individual units and charged accordingly as outlined above or, depending on the specific situation, may be required to install a central lift station with appropriate wet well sizes, pump sizes, and number of pumps, as engineered and/or specified by an Engineer at the developer's expense.

- B. The customer (or the customers' contractor) is required to pick up the sewer pump, the sewer pump chamber, the floats and the electrical control box at and from the District office. The District is not responsible for any damage that may occur during transport of the sewer pump, sewer pump chamber, floats and/or electrical control box by the customer or the customers' contractor(s). The electrical lines that connect the control panel to the canister shall be laid underground and shall be encased in conduit. All installations are to be in accordance with

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**Rule #4. Connection Fees and Procedures (continued)**

**Section 3. Sewer Connection Fees, Hook Up Fees and Procedures (continued)**

- procedures, specifications and standards approved and amended by the District from time to time and shall be at the customer's or the customer's contractor's sole cost.
- C.** All connection fees shall be paid at least 48 hours prior to the scheduling of a connection or at the time of request for inspection of connection. A minimum of 48 hours' notice is required for the scheduling of a connection or request for inspection of connection. Contractors shall not expose any sewer (or water) mains prior to four (4) hours of the scheduled tap.
- D.** Connections to the District's sewer systems shall be made at the sole cost of the customer, builder, developer, or property owner including all labor, material, supplies not provided, included or purchased in or with the sewer connection fee shown above. Additional costs for non-standard or upgrade pumps, chamber, control boxes, etc. is the sole responsibility of the customer.
- E.** All scheduled sewer taps and/or inspections must be ready for the District's Customer Service Representative within twenty (20) minutes of their scheduled arrival. If after that amount of time the site is still not ready, the desired activity must be rescheduled and an additional \$50 trip charge fee will be charged and collected before any services will be provided. These fees are necessary due to the number of contractors and homeowners who call for taps and/or inspections and do not have necessary plumbing and/or electrical work ready. Before calling for taps or inspections, the customer must have the canister influent and effluent plumbing completed, drain lines must be installed to fill the sewer canister and electric to both the canister pump and the main disconnect in the home must be operational.
- F.** Sewer tap fees may be prepaid for existing lots and for planned lots in Board-approved subdivisions. Tap fees shall be applied and tied to individual lots and are not transferable. No refunds shall be granted for prepaid sewer taps, regardless of extenuating circumstances, even if lots are combined or merged through the build-out process.
- G.** No person, other than authorized District staff or its representatives or authorized agents shall be permitted access to the interior of the canisters and control panels. Unauthorized access shall be considered tampering and shall be subject to a tampering charge of up to \$500 per occurrence. All charges and any outstanding penalties and balances are to be paid in full prior to restoring services. Each day shall count as a separate occurrence. Authorized contractors may enter the stations on an emergency basis, but must notify the District office within 24 hours of entry to plan for applicable inspections.

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**Rule #5. Security Deposits**

- A.** Individuals renting property will pay a \$200 security deposit for water and/or sewer service.  
**B.** New property owners will pay a \$50 Transfer of Ownership Fee.

Commercial, Business, Governmental and/or Industrial customers, each metered water connection is based on size of meter and is considered the minimum deposit amount. Additional deposits may apply for higher use customers and will be evaluated on a case by case basis.

Minimum deposit amounts:

3/4 inch meter	\$ 100.00
1 inch meter	\$ 125.00
1 1/2 inch meter	\$ 225.00
2 inch meter	\$ 325.00
2 1/2 inch meter	\$ 425.00
3 inch meter	\$ 525.00
4 inch meter	\$ 725.00

- C.** Security deposits shall be paid prior to the initiation and start of service. Security Deposits, at the request of the customer and upon subsequent approval by the District, may be transferred from a customer's previous account to that customer's new account. Customers in good standing whose security deposits are transferred are not required to pay additional security deposit amounts. Security Deposits shall be held without interest and applied to the customer's final bill.
- D.** The owner of any multi-unit building (residential or commercial) containing two or more units, shall be considered the user of water furnished to the building and is liable for payment of security deposit and service bills, unless the owner installs or causes to be installed separate water meters for each and every unit. Only if separate water meters are installed are the tenants allowed to be the customers for water and/or sewer service, in all other cases the owner shall be deemed the customer by the District.

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**Rule #6. Water Rates and Charges**

- A. A charge for water service shall be made based on water meter readings and computed at the rates herein set out, whether single metered or master metered. The District, through its authorized employees and agents, may read water meters monthly, bi-monthly or quarterly as deemed in the District's best interest and statement (bills) shall be rendered accordingly.
- B. Failure to submit a bill and/or (delinquent) notice of non-payment or payment not received shall not excuse the customer from their obligation to pay for water service when a bill is submitted.
- C. Whenever, for any cause, a water meter fails to operate correctly, or for some reason the District is unable to read the water meter, the District shall make a reasonable estimate of the amount of water supplied by the District during the specified period and the customer shall be liable for payment based on the estimate of water supplied.
- D. Multi-Unit buildings that are master metered shall have minimum water bills computed based on the number of units served by the minimum rate shown below. The balance of the bill shall be computed on the remaining gallons of water used or sewer discharged. Each motel, hotel, hospital, nursing home, campground, park or other similar structure and/or development (approved specifically by the District) shall have each unit or pad capable of separate overnight occupancy counted as one-third (1/3) of a unit for the computation of minimum water bill due.
- E. Each customer, user, or owner of the premises connected to the District's water system shall pay for water drawn from the system each month according to the readings of the water meters (or estimates thereof) for each particular connection for all bills issued on or after January 1, 2018 as follows:

<u>Water Used Monthly</u>	<u>Cost or Rate +tax</u>
Service Availability Charge	\$ 48 Minimum per Month (3,000 gallons incl.)
Commodity Charge	\$ 3.00 per 1,000 additional gallons (prorated)
Unmetered	\$ 48

**For bills issued on or after January 1, 2018, those bills shall be computed based on the rates and fees listed in Appendix A.**

- F. From time to time, and in amounts determined by the State and Local Authorities, the District will bill and collect for primacy fees, taxes, user fees, laboratory fees and after doing so, will forward and pass those fees onto those appropriate State or Local Authorities.

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**Rule #6. Water Rates and Charges (continued)**

- G.** Water meters will be owned and maintained by the District. The District will keep meters in proper operating condition. Meter damaged or destroyed through tampering or abuse will be repaired or replaced at the customers' expense. Meters that fail or are replaced due to routine use and wear will be repaired or replaced at the District's expense.
- H.** Meter tests will be performed from time to time to determine accuracy and meters may be replaced from time to time to ensure accuracy. Meter tests will be performed as deemed necessary by the District at no charge to the customer. Meter tests requested by the customer that are deemed unnecessary in advance by the District will result in a \$50.00 testing charge to the customer, unless the meter registers outside of the 98 to 102 percent accuracy level in which no charge will incur.
- I.** The District reserves the option, at the District's sole discretion, to grant a customer a one-time leak adjustment in any 12 month period, provided the customer can prove by providing written documentation and justification that a leak occurred and was promptly repaired at time of discovery and after considering staff's recommendation. Leak adjustments will be based on average water usage over the previous three (3), six (6) or twelve (12) month period or as however deemed appropriate by the District. Leak adjustments will not be granted to customers who do not promptly repair leaks after notification by District personnel. Any leak adjustment will be calculated at the rate of 50% of the excess water billed to the customer over and above the average usage. The customer will not be charged any additional sewage fee if the water leak did not enter the sewer system. Any leak adjustment under this policy, which exceeds \$250, requires specific Board approval.
- J.** The District expressly prohibits all non-district and unauthorized personnel from accessing or entering district-owned facilities, including meter pits and grinder stations, for any reason. No person, other than authorized District staff or its representatives or authorized agents shall be permitted access to the interior of the meter pits. Unauthorized access shall be considered tampering and shall be subject to a tampering charge of up to \$500 per occurrence. All charges and any outstanding penalties and balances are to be paid in full prior to restoring services. Each day shall count as a separate occurrence.

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**Rule #7. Sewer Rates, Charges and Conditions of Service**

- A.** A charge for sewer service shall be made based on water meter readings or monthly charges and computed at rates herein set out, whether single metered or master metered. Each customer connected to the District's sewer system shall pay for sewer service monthly.
- B.** Residential customers shall be billed for sewer service based on actual or estimated water usage based on water meter readings. Residential customers that have no water meters will be billed on a flat rate as set forth in the rate codes as listed in Appendix A of these District Rules and Regulations.
- C.** Commercial, Business, Governmental and/or Industrial customers shall be billed based on actual or estimated usage based on monthly water meter readings or sewer flow metered.
- D.** If a Commercial, Business, Governmental, Industrial, Farming or Agriculture customer has a consumptive use of water, or in some other manner uses water that is not returned to the sewer system, or has a water source other than or in addition to the District's system, the sewer service charge for that customer shall be based on a sewer meter or separate water meters installed and maintained at that customers expense and in a manner acceptable and approved by the District.
- E.** Failure to submit a bill and/or (delinquent) notice of non-payment or payment not received shall not excuse the customer from their obligation to pay for sewer service when submitted.
- F.** Multi-Unit structures, buildings and developments that are master metered shall have minimum sewer bills computed based of the number of units served at the minimum rate shown below. The balance of the bill shall be based on the remaining gallons of water used or sewer discharged. Each motel, hotel, hospital, nursing home, campground, park or other similar structure and/or development (specifically approved by the District) shall have each unit or pad capable of separate overnight occupancy counted a one-third (1/3) of a unit for the computation of minimum sewer bill due.
- G.** All new structures which plan to connect or be connected to the District sewer system shall have a District approved water meter on the incoming water line to that structure for the purpose of computing sewer service charges. The District reserves the right to inspect the installation before connection to the District's sewer system.
- H.** The District reserves the right to approve or disapprove any new services as the District deems to be in their best interest. No storm water drains, roof runoffs, foundation drains, pond overflows, cisterns, etc. of any type shall be connected to the District's sewer system. Any person found to have a prohibited connection to the District's sewer system will be given written notice stating the nature of the violation and providing a reasonable time limit not to exceed ninety (90) days for the satisfactory correction thereof. The offender shall, within the period of time stated in such notice, permanently cease all violations. Any person who shall continue any violation beyond the time limit provided for by the District shall be subject to a charge of \$500 per

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**Rule #7. Sewer Rates, Charges and Conditions of Service (Continued)**

occurrence. Each twenty-four (24) hour period in which any such violation shall continue shall be deemed a separate offense.

- I. The District will maintain and be responsible for the sewer pump and force main lateral (not responsible for any gravity laterals) from the District's main sewer line up to and including the sewer pump wet well and sewer pump. Customers who have their own well or who are not connected to the Water Districts' potable water system are required to install, at their own expense, an isolation valve with the appropriate valve box, adjacent to the sewer pump wet well, on the sewer force main lateral line between the District's sewer main and the sewer pump wet well.

The District will own and maintain the isolation valve and valve box and all systems downstream of the isolation valve including the sewer pump wet well, sewer pump and all control systems. The customer will maintain and be responsible for the sewer force main lateral from the sewer pump isolation valve/wet well to the house and all inside lines and fixtures including the electrical costs needed to operate the sewer pump and the electrical systems connected to the sewer pump. Customer agrees to maintain electric to the pump in a manner wherein the sewer pump is operational unless electric is cutoff due to maintenance or power outages.

Customers are responsible for any gravity lateral serving their premise(s). Customers who require a sewer pump replacement due to abuse, discharge of conditional and/or prohibited discharges as described in these rules and regulations will be charged for the cost of a new replacement pump, the labor to install and any repairs to the control system that may be required to restore the sewer pump and force main to good operating condition.

- J. Each customer, user, or owner of the premises connected to the District's sewer system shall pay for sewer service each month according to readings of water meters as indicated above (or by reasonable estimates as computed by the District) for each particular connection for all bills issued for their respective service area(s) or location(s) shown for the Rate Code, customer class and type listed herein on Appendix B of the District's Rules and Regulations and subject to change or adjustment from time to time.
- K. Customers who request initiation or disconnection of sewer service for a portion of the monthly billing period may receive a prorated bill for that portion of the billing period service is received.
- L. It is expressly understood and agreed to by and between the District and the customer/user that no claim shall be made against the District and the District has no liability of any kind to the customer or third persons for equipment failures, power outages, sewer backups, blocked sewers or any other failures of any kind, unless due to negligence of the District and in absence of any contributory negligence on the part of the customer or third party.

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**Rule #7. Sewer Rates, Charges and Conditions of Service (Continued)**

- M.** Any customer discharging sewer flows in excess of 300 mg/l BOD and/or TSS shall be subject to surcharge in accordance with District policy and/or as governed by the State. Any customer discharging sewer flows in excess of 1,000 mg/l BOD and/or TSS shall be in violation of District, State or Federal regulations unless approved by prior agreement(s). Any customer which discharges sewer flows which cause and increase the cost of managing the effluent or sludge or biosolids from the District's sewer system, or any user which discharges any substance which singly or by interaction with other substances causes identifiable increases in the cost of operation, maintenance or replacement of the sewer system shall pay for such increased costs. The charge for each such user discharging sewer flows under the above conditions shall be determined by the District and subsequently approved by the Board of Commissioners.
- N.** Prohibited Discharges includes all connections and flows identified in Section H. above as well as the following types of waters or wastes:
- Any waters or wastes, in quantities or concentrations, which have the potential for, or cause pass through or interference to the treatment system or quality of effluent.
  - The discharge of pollutants which may create a fire or explosion hazard in the wastewater system, including but not limited to waste streams with a closed cup flashpoint of less than one hundred and forty degrees (140) Fahrenheit or sixty (60) degrees Celsius using the test methods specified in 40 CFR 261.21, Ref. 40 CFR 403.5(b)(1).
  - Any waters or wastes containing toxic or poisonous solids, liquids or gases, in sufficient quantity, either singly or by interaction with other wastes, to cause harm, damage, or which interfere with or cause other detriment to any sewage treatment process, or which constitute a hazard to humans or animals, or create a public nuisance, or create any hazard in the sewage treatment system, or pass through to receiving waters.
  - Any waters or wastes having a pH lower than 6.0 or having any other corrosive property capable of causing damage or hazard to structures, equipment or personnel of the sewage treatment system.
  - Any solid or viscous material which could cause any obstruction to the treatment process or cause interference or pass through. Examples of such materials include, but are not limited to, ashes, wax, paraffin, cinders, sand, mud, straw, shavings, wood and sawdust, paunch manure, hair and fleshing, entrails, lime slurries, brewery and distillery wastes, grain processing wastes, grinding compounds, acetylene generation sludges, chemical residues, acid residues and food processing bulk solids.
  - Any liquids or vapor having a temperature higher than one hundred four (104) degrees Fahrenheit or forty (40) degrees Celsius.
  - Any petroleum oils, non-biodegradable cutting oils or products of mineral oil origin in amounts that will cause pass through or interference.
- O.** Conditional Discharges - No customer shall cause to be discharged to the sewer system the following described substance, materials, waters or wastes if it appears likely, in the opinion of the District, that such wastes may cause pass through or interference or cause harm to either the sewer, the sewage treatment process or otherwise endanger life, limb, public property or

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**Rule #7. Sewer Rates, Charges and Conditions of Service (Continued)**

constitute a nuisance. In forming its opinion as to the acceptability of these wastes, the District will give consideration to such factors as materials used in the construction of the sewers, the nature of the sewage treatment process, the capacity of the sewage treatment system and other pertinent factors:

- Any waters or wastes containing fats, waxes, greases or oils, whether emulsified or not, in excess of one hundred (100) milligrams per liter, or containing substances which may solidify or become viscous at temperatures between thirty-two (32) and one hundred and fifty (150) degrees Fahrenheit (0 and 65 degrees Celsius).
- Any garbage that has not been properly shredded.
- Any waters or wastes containing strong acid iron pickling wastes or concentrated plating solutions, whether neutralized or not, which are capable of causing damage or corrosion in the sewers or the sewage treatment plant, or which otherwise interferes with the sewage treatment process.
- Any waters or wastes having a pH in excess of ten (10).
- Materials which exert or cause excessive coloration or discoloration such as dyes, wastes and vegetable tanning solutions, concentrations of inert suspended solids such as Fuller's earth, lime slurries or dissolved solids such as sodium and calcium chlorides.
- Septic tank sludge and septic tank pumpings.
- Slug loads and/or flows that would exceed fifteen (15) minutes that are more than five (5) times the average twenty-four (24) hour concentration, flow or quantities for normal operation.
- Any waters or wastes containing any radioactive wastes or isotopes of such half-life or concentration that would exceed the limits established by applicable State or Federal regulations.
- Any waters or wastes which would cause a hazard to human life or create a public nuisance.

**P.** Any conditional waters or wastes listed in Section O. which are discharged or proposed to be discharged, the District may:

1. Reject the wastes or
2. Require pretreatment of the wastes or
3. Require control over the quantities and rates of discharge.

If the District requires pretreatment or equalized or controlled waste flows, the design and installation of the plants or equipment used shall be subject to review and approval prior to the connection and/or discharge of such wastes.

**Q.** Grease, oil and/or sand interceptors shall be provided at the sole cost and expense of the customer, if in the District's opinion, such grease, oil and/or sand interceptor is necessary for the proper handling of waters or wastes containing grease, oil, sand or other matter that may be harmful to the sewer system. Interceptors shall be located in a readily and easily accessible location for cleaning and inspection. The interceptor type and capacity shall be approved by the

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**Rule #7. Sewer Rates, Charges and Conditions of Service (Continued)**

- District prior to installation and the District shall inspect and approve the installation of the interceptor prior to the initiation of service.
- R.** Additionally, the District will require inspection, monitoring and sampling manholes or ports together with all meters and/or appurtenances deemed necessary by the District wherever industrial waste exists. Such manholes or ports shall be located in locations approved by the District, shall be constructed in accordance with plans approved by the District, shall be installed and maintained by the customer at the customers sole expense. Manholes and ports are to be safe and accessible at all times.
- S.** The District's authorized employees, representatives and agents bearing proper credentials and identification shall be permitted to enter all properties connected or suspected of being connected to the District sewer system for the purpose of inspection, observation, sampling and testing of waters or wastes in accordance with the provisions of this resolution. These persons shall have the right to inquire about any industrial or customer processes that have a direct bearing on type, amount, kind and source of discharge to the District sewer system, but no authority to inquire into any processes beyond the point of those that have a direct bearing on the type, amount, kind and source of discharge to the District sewer system.
- T.** Paper products other than toilet tissue, shall not be put in the sewer system. Examples of this type of prohibited waste includes (but are not limited to) Handi-wipes, baby wipes, diapers, sanitary napkins, tampons, newspapers, and coffee filters. Additionally, no plastic or latex rubber products should be put into the sewer system. Examples of this type of prohibited waste includes (but are not limited to) condoms, tampon applicators, balloons, ribbons, rope, and toys. Additionally, no animal parts or products should be put into the sewer system. This includes fats and grease, bones, and skin.
- U.** The first (1<sup>st</sup>) service trip to correct any of the problems caused by the items in Section U will be at the District's expense. Additional service trips to correct problems caused by the above items will be billed to the customer at the prevailing time and material rate on needed manpower and equipment used to correct and/or repair problems caused by prohibited wastes or other abuses of the sewer system. If, after the District has replaced one sewer grinder pump due to prohibited items, a new replacement sewer grinder pump is required to replace a damaged or abused pump and to restore service to the customer, the cost of the replacement pump will be borne by the customer.

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**Rule #8. Billing, Payment of Bills and Collections**

- A.** For water customers, sewer customers and combined water and sewer customers the District will bill for services rendered monthly, bi-monthly or quarterly as deemed to be in the best interest of the District. Bills are due and payable upon receipt.
- B.** Bills not paid by the due date on the bill are considered delinquent. Delinquent bills will be subject to a ten (10) percent late payment charge of the current water and/or sewer service charges due which shall be added to the amount due.
- C.** Bills not paid upon receipt within 5 days from date of delinquency notice creation are subject to immediate disconnection of service without further notice of any kind.
- D.** Customers of accounts that are subject to disconnection or have been disconnected are required to pay all past due and current amounts for service rendered by the District to the District. Additionally, any and all administrative, disconnection, reconnection charges and any and all other outstanding charges due to the District shall be paid in full prior to the restoration of water and/or sewer services.
- E.** Administrative, Disconnection and Reconnection charges are as shown below:

Services subject to disconnection, unless previously agreed on by the District, are subject to the following administrative, disconnection and reconnection charges:

- Per calendar year: 1<sup>st</sup> occurrence - \$50, 2<sup>nd</sup> occurrence - \$75, all subsequent - \$100
  - Reconnections made from 10:00 am to 3:00 PM Monday through Friday, excluding Holidays. No payment from customers to service personnel will be accepted at the time of disconnection to avoid loss of service. This administrative, disconnect/reconnect fee will be applied to the past due account at the time the customer service personnel leaves the office and is in route to perform disconnection of service on accounts that are more than 40 days past due.
  - No reconnection or restoration of service will be made after 3:00 PM Monday through Friday, and all day Saturday, Sunday, or Holidays unless an emergency or life threatening situation exists. Services which have been disconnected for nonpayment and requested to be restored after hours or on Holidays will be subject to an additional \$150.00 administrative reconnection fee.
- F.** Returned checks due to insufficient funds, closed accounts or other reasons will be considered seriously past due and delinquent accounts. Customers of such accounts will be given notice to make immediate restitution and pay a \$20.00 returned check charge and in doing so may avoid service disconnection. Customers who do not make restitution within 24 hours and pay the

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\$20.00 returned check charge are subject to water and/or sewer service disconnection without further notice and are subject to the charges outlined in section F. above.

**Rule #8. Billing, Payment of Bills and Collections (continued)**

- G.** In all cases involving returned checks, only cash, money orders and cashiers checks will be acceptable for payment of services rendered for that particular restitution of payment. Future incidents involving returned checks may require all future payments for services rendered to be cash, money order or cashier's checks.
- H.** For sewer only users, all billing, payment and collection procedures apply as listed above and the District reserves the option of disconnecting the sewer lateral from the main sewer line or removing any sewer pump serving the customer or disconnecting water and/or sewer service as provided under State Law. Should the charge for sewer service remain unpaid after the disconnection date and/or the customer has not made other suitable arrangements approved by the District, the District's option is to proceed with disconnection of service and give final notice to the customer and/or property owner. Final notice shall be in writing and delivered to the customer/property owner or be posted on the entry doorway of the premises served or may be sent to the customer/property owner by certified mail. Prior to physical disconnection of the sewer service the District shall notify the appropriate building official or Health Department who may elect to notify the customer/property owner that the subject property is subject to condemnation for lack of appropriate sewer service. The District reserves the right to charge and collect any and all additional expenses associated with any such disconnection and/or removal of laterals, pumps and administration fees and the customer shall pay any such amounts in addition to service charges due prior to the restoration of sewer service.
- I.** For any water and/or sewer customer's account delinquency, the customer is responsible and liable for all costs incurred to collect this debt, including collection fees, attorney fees and court costs. The District may direct the attorney for the District to file suit against any customer whose account is considered delinquent for one hundred eighty (180) days or more or is delinquent in amounts exceeding two hundred fifty dollars (\$250). The District may otherwise choose to file a lien against the property.
- J.** Customers who request initiation or discontinuance of water and/or sewer service for a portion of the monthly billing period may receive a prorated bill for that portion of the billing period that the service is received in accordance with the District's current or existing procedures for prorating bills.

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**Rule #9. Water Conservation Plan**

- A.** All connections to the District's water system shall be subject to the District's Water Conservation Plan as identified below and for which plan is to provide for public health and to regulate use of the District's water system:
- B.** The District or its agents shall give notice to customers of any voluntary requests or mandatory measures the District places into effect by means of radio, television, newspapers and any other news media. In cases of extraordinary measures or disasters the District may utilize all of the above as well as any emergency warning system including local law enforcement agencies.
- C.** If a disaster occurs, severe conditions exist and/or voluntary water curtailment or restrictions are requested by the District or if demands on the water system continue to indicate that the threat of a water shortage will occur or continues to occur, the District or its agents shall immediately implement any parts of the below conservation plan as the District deems necessary:
1. Mandatory Restriction of Lawn Watering. Even numbered addresses water on even numbered days of the month, odd numbered addresses water on odd numbered days of the month.
  2. Mandatory Ban of Lawn Watering. All lawn watering, watering of gardens, crops, plants, trees and bushes is prohibited except from a handheld container.
  3. Mandatory Ban on Washing Paved Areas. All washing of sidewalks, driveways, parking areas, patios and any other paved or concrete surfaced area is prohibited.
  4. Mandatory Ban on Filling and Washing. All filling or refilling of any kind or type of swimming pools and/or washing of cars, trucks or other motor vehicles and/or any washing of trailers or boats is prohibited.
  5. Mandatory Ban of Water Uses From Hydrants. All water uses from fire hydrants except for fighting fires and/or flushing mains to alleviate specific complaints and/or sampling and/or testing of water is prohibited.
  6. Commercial and Industrial Uses. All commercial and industrial customers shall reduce water usage by twenty-five (25) percent of average use like time period.
- D.** Any customer or person(s) violating the provisions of this rule shall be subject to disconnection of water service and the District and/or its agents shall have the authority to disconnect or terminate said service in the event of violation of mandatory water use restrictions. Any customer or person(s) violating the provisions of this rule shall be subject to a charge not to exceed five hundred (500) dollars per occurrence. Each day shall count as a separate occurrence. The District shall authorize any law enforcement agency to diligently enforce the provisions of this rule in connection with his/her duties imposed by law.

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**Rule #10. Backflow Prevention**

- A.** Each water customer and/or user shall install an approved backflow prevention device on each service line to the water system serving the premises where, in the judgment of the District or the Tennessee Department of Environment and Conservation, actual or potential hazards to the public (District) potable water system exist. The type and degree of protection required shall be commensurate with the degree of hazard. Each water customer required by the District or the Tennessee Department of Environment and Conservation shall follow the rules, regulations and requirements set forth in this backflow prevention rule and all other regulations that may be adopted from time to time by the United States Environmental Protection Agency, the Tennessee Department of Environment and Conservation or by East Sevier County Utility District.
- B.** Cross connections are prohibited and no water service connection shall be installed or maintained to any premises where actual or potential cross connections to the District's potable or customers water system may exist unless such actual or potential cross connection(s) are abated or controlled to the satisfaction of the District and as required by the laws and regulations of the Tennessee Department of Environment and Conservation.
- C.** No water service connection shall be installed or maintained whereby an auxiliary water supply may enter the District's potable or customers water system unless the connection of such an auxiliary water supply and the method of connection and the use of such a supply shall have been approved by the District and the Tennessee Department of Environment and Conservation.
- D.** No water service connection shall be installed or maintained to any premises in which the plumbing systems, facilities, point of use devices and water fixtures have not been constructed or installed using acceptable plumbing practices considered by the District necessary for the protection of the District water supply and for the protection of the health and safety of the District's customers.
- E.** On request by the District or its authorized representative(s), the customer or user shall furnish information regarding water use practices within his/her premises. The customers or users premises shall be open at all reasonable times to the District or its authorized representative(s), for the conduction of surveys and investigations of water use practices within the premises to determine whether there are actual or potential cross connections to the District's water system or the customers water system through which contaminants or pollutants could backflow into the customers water system or the District's water system.
- F.** The type of backflow protection required shall depend on the degree of hazard which exists and shall be as follows:

  - 1. An approved air-gap separation shall be installed where the District potable water system may be contaminated with substances that could cause a system or health hazard.

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**Rule #10. Backflow Prevention (Continued)**

2. An approved air-gap separation or an approved reduced pressure principle backflow prevention device shall be installed where a public potable water system may be contaminated with a substance that could cause a system or health hazard.
  3. An approved air-gap separation or an approved reduced pressure principle backflow prevention device or an approved double check valve assembly shall be installed where the public potable water system may be polluted with substances that could cause a pollution hazard not dangerous to health.
- G.** An approved air-gap separation or reduced pressure principle backflow prevention device shall be installed after the metered flow of any service connection or within any premises where, in the judgment of the District or the Tennessee Department of Environment and Conservation, the nature and extent of activities on or in the premises, or the materials used in connection with the activities, or materials stored on or in the premises, would represent an immediate and dangerous hazard to health should a cross connection occur, even though such a cross connection may not exist at the time the backflow prevention device is required to be installed. This includes but is not limited to the following situations:
1. Premises having auxiliary water supply, unless the quality of the auxiliary water supply is acceptable to the District and the Tennessee Department of Environment and Conservation.
  2. Premises having internal cross connections that are not correctable or intricate plumbing arrangements which make it impractical to ascertain whether or not cross connections exist.
  3. Premises where entry is restricted so that inspection for cross connection cannot be made with sufficient frequency or at sufficiently short notice to assure that cross connections do not exist.
  4. Premises having a repeated history of cross connections being established or re-established.
  5. Premises, which due to the nature of the enterprise therein, are subject to recurring modification or expansion.
  6. Premises on which any substance is handled under pressure so as to permit entry into the District's or customers water supply system, or where a cross connection could reasonably be expected to occur. This shall include handling of process waters and cooling waters.
  7. Premises where materials of a toxic or hazardous nature are handled such that if back siphonage or backpressure should occur, a serious health hazard may result.

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**Rule #10. Backflow Prevention (Continued)**

- H. The following types of facilities fall into one (1) or more categories of premises where an approved air-gap separation or reduced pressure principle backflow prevention device is required by the District and/or the Tennessee Department of Environment and Conservation to protect the public water supply and must be installed at these facilities unless all hazardous or potentially hazardous conditions have been eliminated or corrected by other methods to the satisfaction of the water supplier and the Tennessee Department of Environment and Conservation:
1. Aircraft and missile plants
  2. Automotive plants
  3. Auxiliary water systems and water loading stations
  4. Beverage bottling plants
  5. Canneries, packing houses, reduction plants, stockyards
  6. Car washing facilities
  7. Chemical manufacturing, processing, compounding or treatment plants
  8. Dairies, animal and veterinary clinics
  9. Film laboratories
  10. Fire protective systems
  11. Hazardous waste and disposal sites
  12. Hospitals, mortuaries, clinics and medical buildings
  13. Industries using toxic substances
  14. Irrigation and sprinkler systems, residential or commercial, any size
  15. Laundries and dye works
  16. Metal manufacturing, cleaning, processing and fabrication plants
  17. Nursing and convalescent homes
  18. Oil and gas production, storage and transmission facilities or properties
  19. Paper and paper products plants
  20. Plant nurseries, tree farms and fertilizer facilities
  21. Plating plants of any kind
  22. Power plants; printing and publishing facilities
  23. Radioactive material processing plants or nuclear reactors
  24. Research and analytical laboratories
  25. Rubber plants, natural and synthetic
  26. Sewage and storm drainage facilities
  27. Pumping stations and treatment plants
  28. Waterfront facilities and industries
  29. Any customer using any type of booster pressure pump(s) for any purpose or reason.
- I. The District may, at the District's discretion and in the District's sole opinion, require a backflow prevention device(s) at facilities and premises other than those above that the District deems may have a hazardous or potentially hazardous condition.

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**Rule #10. Backflow Prevention (Continued)**

- J.** Any backflow prevention device required under this rule shall be of a type, model and construction approved by the District and the Tennessee Department of Environment and Conservation as follows:
1. Air-gap separation shall be at least twice the diameter of the supply pipe or supply line as measured vertically above the top rim of the vessel, but in no case less than three (3) inches.
  2. Double check valve assemblies or reduced pressure principle backflow prevention devices shall be of Watts manufacture series No. 709 or 909 or an approved equivalent.
- K.** Existing backflow prevention devices previously approved by the District at the time of installation and properly maintained shall, except for inspection and maintenance requirements, be excluded from the requirements of this rule so long as the District, in the District's sole opinion, is assured that said backflow prevention devices will satisfactorily protect the water system. Whenever the existing device is moved from its present location, or requires more than minimum maintenance or when the District finds that the maintenance or lack of maintenance constitutes a hazard to health, the device shall be replaced by a backflow prevention device meeting the requirements of this rule and shall be subject to all requirements under this rule.
- L.** Backflow prevention devices required under this rule shall be installed at a location and in a manner approved by the District and shall be installed and maintained at the expense of the water customer or user.
- M.** Periodic inspection and testing schedules are hereby established by the District for all backflow prevention devices at the following intervals:
1. Air-gap separations shall be inspected at the time of service connection or installation and every (12) months thereafter.
  2. Double check valve assemblies shall be inspected and tested for tightness at the time of installation and at least every twelve (12) months thereafter. They shall be dismantled, inspected internally, cleaned and repaired whenever needed and at least every thirty (30) months.
  3. Reduced pressure principle backflow prevention devices shall be inspected and tested for tightness at the time of installation and at least every twelve (12) months thereafter. They shall be dismantled, inspected internally, cleaned and repaired whenever needed and at least every five (5) years.

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**Rule #10. Backflow Prevention (Continued)**

- N.** All costs associated with inspections, cleaning, testing, repairing, overhaul or replacement of backflow prevention devices shall be the responsibility of the water customer or user. All inspections, cleaning, testing, repairing and overhaul of backflow prevention devices shall be performed by a State of Tennessee certified backflow prevention service tester. It shall be the responsibility of the customer/user to provide the District with written inspection or repair documentation upon receipt.
- O.** Backflow prevention devices found to be defective shall be repaired or replaced at the expense of the water customer or user without delay and in no event no later than thirty (30) days from the discovery of the defect. Backflow prevention devices shall not be bypassed, made inoperative, removed or otherwise made ineffective without specific written authorization from the District. Bypass piping around a backflow prevention assembly is allowed only if the bypass is equipped with an identical or better backflow prevention assembly.
- P.** The District shall maintain a complete record of each backflow prevention device. Records will include comprehensive listing of installation, testing, inspections, cleanings, repairs and overhauls and will generally be a complete history of each backflow prevention device from installation to retirement. It shall be the customers and/or users responsibility to provide the District with complete records of installations, testing, inspections, cleanings, repairs and overhauls upon receipt or upon request, whichever occurs first.
- Q.** The District shall deny or discontinue, after reasonable notice to the customer/user thereof, the water service to any premises or facilities wherein any backflow prevention device required by this rule is not installed, tested or maintained in a manner acceptable to the District or if it is found that a backflow prevention device has been removed or by-passed or if an unprotected cross connection exists on the premises. Water service to such facilities or premises shall not be restored until the customer/user has corrected or eliminated such conditions or defects in conformance with this rule to the satisfaction of the District.

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**Rule #11. Fire Hydrants, Regulations for Use**

- A.** Hydrants and flushing assemblies shall only be operated District personnel, Fire Protection Districts, persons carrying written authorization or permit to operate hydrants and flushing assemblies or those persons or companies granted temporary permit to operate hydrants and flushing assemblies in accordance with the regulations of the District. The operation of any hydrant or flushing assembly by any unauthorized person(s) or company shall result in the impoundment of any hose(s), wrenches, nozzles, backflow preventors, meters or other items used in the hydrant operation with charges and penalties defined in Rule #16 levied and those persons shall be subject to prosecution by the District.
- B.** Persons or companies authorized to use and operate hydrants shall provide at least the minimum security deposit and pay for all water used. The authorized hydrant user shall provide all equipment necessary for hydrant use including hoses, control valves, approved backflow prevention device, plus any other equipment deemed necessary by the District for the safe and proper operation of the hydrant and/or flushing assembly.
- C.** The District reserves the right to deny any person, persons, company, companies or any other entity any request for hydrant or flushing assembly use for any reason the District believes necessary to protect the property and/or best interests of the District.
- D.** The District reserves the right to develop and implement detailed regulations for hydrant use, permits, fees and charges, and procedures for hydrant operation at a later date. The District reserves the right to waive or reduce hydrant deposits and water use charges for improvements or for construction projects and extensions to the District's system directly awarded and paid for by the District.

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**Rule #12.    Sprinkler System Uses**

- A.**     Fire protection, irrigation systems and similar types of sprinkler systems shall be subject to all backflow requirements set forth by the District and the State of Tennessee. Those systems not complying with the requirements shall be subject to disconnection, with no liability incurred to the District, or by any other entity, company or person serving as the District's agent. All liability is assumed by the customer, user or owner of the residence or establishment receiving the service.
- B.**     All water mains laid on private property for the sole purpose of providing fire protection through fire hydrants or sprinkler systems are subject to the installation of a detector check valve with bypass compound water meter, sized as approved by the District. The detector check valve design and installation shall be approved by the District. All costs for the furnishing and installation of the fire protection service shall be borne by the customer, user or owner and not the District. The detector check valve and meter will be checked periodically by the District and water use through the meter shall be added to other water usage for billing to the customer, user or owner.
- C.**     The customer and/or water user shall promptly report to the District any situation or fires that occur that resulted in water use through the fire protection line and the District or other authorized persons will reset the detector check valve. In the event a periodic check shows that the valve was opened and no situation or fire was reported, the customer, user or owner shall be subject to a charge as identified within the Rule addressing the charges for tampering and penalties for violation. Furthermore, the District reserves the right to require that all water lines be fully metered with all costs of metering to be borne by the customer, user or owner.
- D.**     All fire protection systems are also subject to the approval of the Fire Protection District having authority in the area the premises are located and the customer or user shall follow all requirements set forth by the Fire Protection District as they pertain to fire protection regulations.

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**Rule #13. Private Systems**

**Private Sources of Water and Private Water Systems**

1. All owners of land or customers receiving District service(s) for buildings or premises connected to the District sewer system and who derive their water in whole or in part from sources independent of the District shall register with the District, the location, building or premises, all wells or other private sources of water supply used or consumed thereon, and furnish such information as may be reasonably requested, including location, size, depth, capacity or wells or other sources of water drawn.
2. No cross connection between any private water supply system and the District water system shall be permitted unless the District is protected against backflow by an approved reduced pressure backflow prevention device or an air-gap in accordance with the District's rule pertaining to backflow prevention.
3. Private water supply systems serving building or premises which discharge into the District's sewer system shall be required to be metered. Meters shall be of a type and size approved by the District. Meters shall be read by the District or at the District's option, readings and usage be made available to the District.

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**Rule #14. Governmental Agreements and Tank Sales**

- A. The District may make specific water and/or sewer service contracts and agreements with the United States of America and its agencies, the State of Missouri and its agencies, school districts, municipal and political corporations differing from the stipulations set out in the rules, regulations and rate schedules set forth herein.
- B. The District has the option and authority to authorize tank sales and sales of water in bulk by any method at any such rate as the District may designate. Sales of this nature may be restricted whenever and however as deemed necessary or desirable by the District. The District reserves the right to develop or modify bulk sales requirements or restrictions at will.

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Approved: *Roy Ivey, President* Effective Date: 07/01/2021



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**Rule #15. Penalties for Violation**

- A.** Any user, person, firm, customer, corporation, partnership, etc. found to be in violation of any provision of these rules and regulations or who fails to comply with any of the requirements stated herein shall be subject to an administrative charge not to exceed five hundred (\$500) dollars per occurrence and/or imprisonment as the State and/or County law provides. Each day shall count as a separate occurrence.
- B.** The District shall have the option and authority, in lieu of, or in addition to the above penalties, to discontinue water and/or sewer service to the buildings and/or premises in violation of the requirements, rules and regulations herein. The District absolves itself of any claims of liability for damages incurred as a result of discontinuance of service. Any such liability or damages resulting from the discontinuance of water and/or sewer service is the responsibility of the customer, user, owner, etc.
- C.** Water and/or sewer service shall not be restored until the violations have been corrected and eliminated to the satisfaction of the District and once service has been disconnected, all charges, fines, court costs and permit fees must be paid prior to the restoration of service.
- D.** Nothing contained herein shall prevent the District from taking other lawful actions as necessary to protect the health and safety of the public and/or to prevent damage to the District's water and/or sewer systems and facilities, including obtaining court orders in law or equity. Should the District go to court in law or equity against any one or more customers, users owner or owners, then such customer, user or owner, owners or customers shall pay for all costs thereof, including attorney's fees.

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Approved: *Roy Ivey, President* Effective Date: 07/01/2021

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**Rule #16. Severability and Effective Date**

- A. This resolution provides that the rules and regulations covered herein supersede previous rules and regulations pertaining to the items herein addressed. Should any provision or portion of this resolution, rules and regulations be found to be unlawful or invalid by any court of competent jurisdiction, the remaining portions and provisions of this resolution, rules and regulations shall continue to be in full force and effect.
- B. That this resolution be in full force and effect upon the adoption by the Board of Commissioners for East Sevier County Utility District of Sevierville, Tennessee and the effective date noted herein.

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Roy Ivey - President

ATTEST:

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Barbara Darby - Secretary

On motion duly made, seconded and carried, this resolution is hereby adopted by the Board of Commissioners of East Sevier County Utility District, Sevierville, Tennessee on this 8<sup>th</sup> day of February 2018.

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Approved: *Roy Ivey, President* Effective Date: 07/01/2021

**APPENDIX A**

**Water Rate, Charges and Fees  
for all water customers, types and classes; for all billings after  
January 1, 2016**

<b>Month/Year</b>	<b>Availability</b>	<b>Commodity Rate (per each 1,000 gals or portion</b>
July 2021 thru June 2022	\$53.00	Includes 3,000 gallons of usage
After 3,000 gallons		\$3.00 per each 1,000 gallons or portion thereof
After 7,200 gallons	\$12.60 fee	\$8.00 per additional 1,000 gallons or portion thereof

The Availability Charge listed above includes the right to take water from the District's system, 3,000 gallons is included. All water taken from the system and all water use is per the Commodity Rates listed above. Unmetered residential use will be billed a flat rate of \$53/month.

<b>*Commercial Customers Water and Sewer</b>	<b>Flat Monthly Rate</b>
English Mountain Condos	\$8,148.77 (\$4,253.43-W, \$3,895.34-S)
EMR Stables	\$65.59 (\$61.30-W, \$4.29-S)
EMR Amenities	\$829.09 (\$542.59-W, \$256.50-S)
EMR Suites	\$2,306.58 (\$1,119.90-W, \$1,186.68-S)

\*These customers are now metered. Rates may be adjusted to commercial metered rates if/when standard usage has been determined.

**Billing:**

Bills will be distributed at monthly intervals and will be due for payment at the net rate by the date listed on the bill. Any account remaining unpaid after the due date shall be considered delinquent and the District may take any such action as specified in its Rules and Regulations. The charges as hereby amended above shall become effective with all water service billings dated on or after July 1, 2021.

Approved: Roy Ivey, President Effective Date: 07/01/2021

**APPENDIX B  
East Sevier County Utility  
District Rules and  
Regulations**

**Tariff Sheet – Rate Code A –  
Wastewater**

**Service Areas:** Any area or location from which wastewater is collected, flows or is pumped to and treated at the District's Wastewater Treatment Plant.

**Month/Year    Availability Charge    Usage Charge    Flat Rate Charge**

July 2021 thru June 2022	\$49.50		\$49.50
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After first 3,000 gallons		\$3.10 per additional 1,000 gallons or portion thereof	
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After 7,200 gallons	\$13.86 fee	\$8.80 per additional 1,000 gallons or portion thereof	
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The above rate and fee schedule applies to all Residential customers.

The Availability Charge shown above includes up to 3,000 gallons of usage per month.

The Usage Charges shown above is for each additional 1,000 gallons per month or portion thereof.

After 7,200 gallons total, there is an additional flat fee and the usage charge increases for additional gallons.

The Flat Rate Charge shown is for residential customers only who are without water meters.

(All other types and classes of customers must have a water meter installed from which accurate water use information can be obtained).

**Billing:**

Bills will be distributed at monthly intervals and will be due for payment by the due date listed on the bill. Any account remaining unpaid after the due date shall be considered delinquent and the District may take any such action as specified in its Rules and Regulations. The charges as hereby amended above shall become effective with all sewer service billings dated on or after July 1, 2021.

Approved: Roy Ivey, President Effective Date: 07/01/2021

2. The restrictions herein set out shall be referred to, adopted and made a part of each and every contract and deed executed by and on behalf of Developer conveying said property, or any part thereof, for all intents and purposes as though incorporated in full therein.

3. All of the restrictions, covenants, reservations appearing herein, as well as those appearing in any contract, deed or other conveyance to or covering any part of this property, shall be construed together, but if any one of the same shall be held to be invalid, or for any reason is not enforceable, none of the others shall be affected or impaired thereby, but shall remain in full force and effect.

VIII. Provisions with Respect to Disposal of Sanitary Sewage. No outside toilet shall be permitted. All sanitary installations must conform with the recommendations of the Developer, its successors and assigns, and the County and State Board of Health. Lot Owners who desire to build before sewers are provided to their lots may use septic tanks and cess pools until sewers have been provided to their lots. Upon completion of the sewer system to a lot, use of the septic tanks and the cess pools must be discontinued and connection made to the sewer system.

IX. Utility District Services, Charges and Lien.

A. Public Water System and Public Sewage Disposal System. Both the public water system and the public sewage disposal system constructed or to be constructed in the Development will be owned and operated by the East Sevier County Utility District. Said systems may be extended, altered and improved from time to time, and they shall be the sole water and sewage disposal system for the Development. No Lot Owner or other person shall install or use any alternative system or method of water supply or sewage disposal after installation of lines of said public systems up to or fronting on his or its lot. All of the lots in the Development and the Lot Owners thereof shall be subject to and bound by the rules and regulations of the Utility District in respect to such water and sewage disposal services, as adopted and amended from time to time in the manner provided by law. Nothing contained herein shall be construed as a limitation upon the Utility District to expand its boundaries or operations outside the Development or to transfer its assets to any lawful public or private utility or agency in the future.

B. Utility District Charges a Lien. The Utility District has, by ordinance, adopted rules and regulations to govern its operations. Included are provisions authorizing tap-on fees and monthly service charges to be assessed, commencing as to each lot with the month following installation of water lines and/or sewage disposal lines up to or fronting on that lot, penalties for late payment, and procedures for collection of delinquencies by foreclosure or otherwise as permitted by law. Lot Owners will bear the cost of labor and materials required to connect to the public water systems and/or the public sewage disposal system.

Developer hereby expressly declares and reserves a lien against each lot in the Development to secure the payment of any and all charges, penalties, and fees and costs for collection of delinquencies assessed or to be assessed by the Utility District against any such lot. All persons acquiring any right, title or interest in any lot or portion of said real property shall acquire subject to said lien.

C. Foreclosure of Lien. In the event that monthly charges remain unpaid for 30 days beyond their due date, the District or its successor or receiver, if any, may at any time thereafter advertise the lot in question for sale. The sale shall be conducted by an authorized agent of the District pursuant to published, recorded and mailed notice. The content and manner of giving notice shall be more fully specified by ordinance of the District and shall be reasonably designed to put the owner or owners on notice of the pending sale.

In the event the sale is held, the property will be sold without right of redemption to the person, if any, making the highest cash bid in excess of the amounts then payable to the District for unpaid charges, penalties, and fees and costs of sale. If there are no bidders, the property will be sold to the District. The title conveyed by the agent will be subject to prior or superior liens, if any, and subject to the continued application of this Declaration of Protective Covenants, including these provisions respecting Utility District Services, Charges and Lien.

D. Alternative Remedies. None of the foregoing shall be construed to prevent the District or the Developer from pursuing alternative remedies available to either under the law, including judicial foreclosure or collection suit in a court of competent jurisdiction. In the event of judicial foreclosure or collection suit, the District or the Developer, as the case may be, shall be entitled to a reasonable attorney's fee to be fixed by the court.