

**MINUTES OF THE
GRANT COUNTY SANITARY SEWER DISTRICT
OCTOBER 2021 MEETING**

The October 2021 Meeting of the Grant County Sanitary Sewer District was called to order on October 21, 2021, at 3:00 p.m. at the District Headquarters, One Farrell Drive, Crittenden, Kentucky. Present at the meeting were the following: Chairman Charles Givin, and Commissioners, Danny Northcutt, Leo Saylor, and Robert Worthington. Also present were HR Director Ashley Dyer, Dianne Cook, Mr. Christopher Stewart and Mr. Benton Hanson of HMB Professional Engineers, Counsel Thomas R. Nienaber, Paul Harp, and Brian Simpson. Commissioner Rodger Bingham was absent.

The first order of business was a review of the September 2021 Minutes as attached. After discussion, upon Motion of Danny Northcutt and second by Leo Saylor, it was unanimously,

“RESOLVED: that the September 2021 Minutes be and the same are hereby approved as attached.”

The next order of business was a review of the September 2021 Profit and Loss Statement and Warrants as attached. After discussion, upon motion of Robert Worthington and second by Danny Northcutt, it was unanimously,

“RESOLVED: that the September 2021 Profit and Loss Statement and Warrants, be and the same are hereby approved as attached.”

The next order of business was a report by Counsel Thomas R. Nienaber as follows:

1. Mr. Nienaber gave a status report on the Garrison litigation now pending in the Grant Circuit Court. Mr. Nienaber stated that he spoke with John Wagner, counsel appointed to represent Bullock Pen Water District in the subject litigation. Mr. Wagner reported that one of the other defense lawyers in the litigation contacted Mr. Wagner requesting the District to contact the City of Crittenden. Mr. Wagner reported that other defense counsel are of the opinion that the City of Crittenden should be a participant in this litigation. Other counsel wanted a representative from the Bullock Pen Water District or the District to contact a City of Crittenden representative to discuss bringing them into the litigation. Mr. Nienaber explained that this is not the responsibility of the District. Mr. Nienaber has stated all along that the City of Crittenden should be a party to this litigation and that it should be the primary responsibility of the Plaintiff’s lawyer to name them as a Defendant. Mr. Wagner was told that the reason Plaintiff’s counsel did not name the City of Crittenden is because Plaintiff’s counsel represented the City of Crittenden during some of the critical times relevant to this litigation. Mr. Nienaber stated that otherwise, there is nothing happening with the litigation.

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2. Mr. Nienaber requested a status report of the Equalization Tank Project (“EQT”). Mr. Hanson distributed copies of the bid tabulations to all Commissioners. Bids were opened on September 30, 2021. There were a total of 5 bids received. The apparent low bidder was Lokits Contracting, LLC, at \$1,649,000.00. The next lowest bidder was Jave, LLC at \$1,920,000.00. These bids are substantially over the estimated original project estimate of approximately \$1,000,000.00. Mr. Hanson gave a detailed report on the investigation he did regarding Lokits. He discovered the following:

Lokits Contracting, LLC, has never undertaken a construction project before. It is a new construction company organized on August 30, 2021, as a limited liability company. It only has one employee, Mr. Cody Lokits. Mr. Hanson contacted various individuals in the construction business who all had glowing reports for Mr. Lokits. A summary of Mr. Hanson’s recommendation is contained in his October 21, 2021, Award Recommendation (attached). Overall, HMB recommends that Lokits Contracting, LLC, receive the Contract award. After receiving copies of the Bid Tabulation, Chairman Givin, Brian Simpson, and Paul Harp met to decide whether or not to move forward with the EQT. Based upon the \$1,649,000.00 bid for the EQT Project, Chairman Givin suggested that the District step back and reevaluate whether or not the EQT Project is the right way to go. Mr. Hanson prepared two alternate construction projects which are materially different than the EQT Project. Those projects are as follows:

- 1) **200,000 Gallon WWTP Expansion (SVR):** This Project would include a total reorganization of the current WWTP. A copy of the Project Profile and drawing is attached. This Project would raise the WWTP Treatment capacity to 500,000 gallons per day. The current WWTP provides 300,000 gallons per day capacity. The total cost for this option would be \$4,154,000.00 (estimated).
- 2) **100,000 Gallon WWTP Expansion:** This Project Profile would include a 100,000 gallon expansion of the current Treatment Plant bringing the total capacity to 400,000 gallons per day. A much smaller reorganization of the current Treatment Plant would be needed. The projected cost of this option would be \$3,094,000.00 (estimated). A Project Profile is attached.

During the meeting, Brian Simpson reported that he heard from Mr. Jeff Bert at NKADD. Mr. Simpson reported that commitments have been made to the District by Grant County and the City of Crittenden as part of the stimulus funding program. He reported that Grant County has committed \$375,000.00 and the City of Crittenden \$582,459.00 for a total contribution of \$957,459.00. This money could be used for the Treatment Plant. Given the improvements projected by the EQT Project, Mr. Hanson and Mr. Stewart stated that the EQT Project for \$1,649,000.00 is not a good use of the District’s money. A much better scenario would be to improve the overall WWTP through option 1 or

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option 2 above. Mr. Nienaber inquired as to whether or not either of those two options would require additional employees, operating costs, or acreage for expansion. Mr. Hanson reported that both options of WWTP expansions would not require the District to incur additional employees; only minimal increases in operating costs; and no additional land. Chairman Givin stated that given the high bid for the EQT Project, he would much rather prefer to undergo a WWTP Expansion. Chairman Givin stated that it is a much more fiscally responsible project to revamp the entire Plant, rather than to put a “Band-Aid” on the old Plant. Mr. Nienaber stated that if the District were to borrow \$2,000,000.00 at 2% interest, the monthly charge on a 20 year amortization would be \$11,129.43; on a 25 year amortization \$9,324.80 per month; and amortized over 30 years \$8,138.63 per month. Dianne Cook reported that the current loan on the current WWTP will be paid off around January, 2023. That current payment is approximately \$9,500.00 per month. Commissioner Northcutt stated that he was concerned about supply chain problems. He opined as to whether or not the WWTP could continue to operate over the next couple of years if supply chain issues continue. Superintendent Simpson stated that supply chain issues have not created any serious problems for the District as yet, and he does not anticipate any in the foreseeable future.

Benton Hanson reported that before the District could submit plans for approval of a new WWTP, the District would have to undergo and prepare a Facilities Plan. A Facilities Plan would take approximately 4-6 months to complete. It is a state DOW requirement that a District have a Facilities Plan before they could submit plans for approval of a new WWTP. Mr. Nienaber inquired as to how much a Facilities Plan would cost. Mr. Hanson stated that the average cost is approximately \$100,000.00. Mr. Hanson stated that once a Facilities Plan is submitted to the state DOW, it usually takes 2-3 months to obtain approval. Once the Facilities Plan is approved, a District can then begin the process of designing a new WWTP. Mr. Hanson reported that under certain circumstances, a District can submit a Facilities Plan and WWTP Plan at the same time. Commissioner Northcutt commented that he would only support a new WWTP if the District could do so without a rate increase. In any event, Commissioner Northcutt stated that the District should begin the process of preparing plans for a WWTP. Commissioner Worthington inquired as to whether or not the District could get by with its current WWTP for the next 2 years or so. Superintendent Simpson stated that the District could manage the next 2 years with the existing WWTP. Commissioner Saylor inquired as to whether or not there were any less expensive alternatives to constructing a new Plant. For example, he inquired as to whether or not fiber glassing the existing tanks would be a viable option. Benton Hanson stated that this has been done before but that it is generally not cost effective. A considerable discussion followed. As to the Facilities Plan, Mr. Nienaber stated that the District could engage HMB Professional Engineers, Inc., for the purpose of preparing a Facilities Plan, or the District could advertise for a Request for

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Proposals (“RFP”). After discussion, upon motion of Leo Saylor and second by Danny Northcutt, it was unanimously,

“RESOLVED: that the District engage the services of HMB Professional Engineers, Inc., to begin the process of preparing a Facilities Plan at a price not to exceed \$100,000.00.”

Mr. Nienaber stated that the District should take formal action with respect to the EQT bids that were received. After discussion, upon motion of Danny Northcutt, and second by Robert Worthington, it was unanimously,

“RESOLVED: that the District reject all bids for the EQT Project and that all bidders be notified of this action. The EQT project shall be put on hold until further notice.”

The next order of business was a report by Superintendents Simpson and Harp as follows:

1. Paul Harp and Brian Simpson reviewed with the Commissioners their Supervisor’s Report as attached.
2. Brian Simpson reported that Mr. Dalton, owner of the car wash on U.S. 25 requested permission to remove the car wash bay drains from the sanitary sewer system to the storm drain system. Brian Simpson inquired as to whether or not this would be allowed by the District. Mr. Nienaber stated that he would research that issue and report to Brian Simpson.

The next order of business was a report by Dianne Cook as follows:

1. Dianne Cook reported that the next meeting is scheduled for November 18, 2021.

There being no further business to conduct, upon motion and second, the meeting was adjourned.

GRANT COUNTY SANITARY SEWER DISTRICT

BY: 
CHARLES GIVIN, CHAIRMAN

ATTEST:


DANNY NORTH CUTT, SECRETARY