

**MINUTES OF THE
GRANT COUNTY SANITARY SEWER DISTRICT
JUNE 2022 MEETING**

The June 2022 Meeting of the Grant County Sanitary Sewer District was called to order on June 16, 2022, 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, Rodger Bingham, and Robert Worthington. Also present were HR Director Ashley Dyer, Dianne Cook, Mr. Benton Hanson of HMB Professional Engineers, Counsel Thomas R. Nienaber, Paul Harp, and Brian Simpson.

The first order of business was a presentation by Mr. John R. Chamberlin of Chamberlin Owen Co., Inc., to present the District's Year End Audited Financial Statement for December 31, 2021. Mr. Chamberlin noted that the detailed financial statements are not attached to the presentation materials but will be distributed within the week. Mr. Chamberlin stated that the audited Financial Statement Summary as attached is only a preliminary draft and subject to change. Mr. Chamberlin reported that the audit is an unmodified opinion and is of the highest level of assurance given. He reported that the attached Financial Statement Summary presents fairly and in all material respects the financial position of the Grant County Sanitary Sewer District as of December 31, 2021. Overall, the District's financial condition is very good. He reported that there are no matters involving internal control over financial reporting and operations which would be considered to be significant deficiencies or material weaknesses in accordance with government auditing standards. He further stated that the District has no items of non-compliance with debt agreements, Kentucky Revised Statutes, and/or regulations. Mr. Chamberlin reviewed with the Commissioners the attached Financial Statement Summary. He stated that the cash comparison, capital asset comparison, and analysis of liabilities is financially sound. He did mention that the gap between revenues and expenses (currently \$72,929.00) is narrowing and should be watched closely. Overall, Mr. Chamberlin stated that the District is in sound financial condition. Chairman Givin stated that the Commissioners should review the attached Financial Statement Summary and be prepared to take final action at the next meeting. Mr. Chamberlin stated that as soon as the detailed financial statements are complete, he will forward them to all of the Commissioners for review. If anyone has any questions regarding the audited financial statements, they should feel free to contact Mr. Chamberlin.

The next order of business was a review of the May 2022 Minutes. After discussion, upon motion of Robert Worthington and second by Leo Saylor, it was unanimously,

"RESOLVED: that the May 2022 Minutes be approved as attached."

The next order of business was a review of the May 2022 Profit and Loss Statement and Warrants as attached. After discussion, upon motion of Danny Northcutt and second by Rodger Bingham, it was unanimously,

Grant Co. Sanitary Sewer District
Minutes
June 16, 2022

“RESOLVED: that the May 2022 Profit and Loss Statement and Warrants be and the same are hereby approved as attached.”

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

1. Mr. Nienaber reviewed with the Commissioners the revenue requirement calculation prepared by Debra Dedden, Morris & Bressler, PSC, as attached. Mr. Nienaber reported that the analysis prepared by Ms. Dedden would reflect that a 10.1% rate increase would be sufficient to meet the District’s current expenses and debt service. This rate increase is based upon 2021 year end revenues and expenses which have increased since December 31, 2021. Mr. Nienaber reported that given the escalating cost of fuel, chemicals, operating expenses and the like, the District should consider seeking a higher rate increase. Chairman Givin suggested that the District request a 12% rate increase. Commissioner Northcutt stated that the District should use caution in asking for any rate increase. Commissioner Bingham stated that he believes a 12% rate increase would be in order. He reviewed the year-end financial audit as of December 31, 2021, and noted that the revenue and expense analysis submitted by Chamberlin & Owen would indicate that the gap is narrowing between expenses and revenue. Commissioner Bingham also noted that the year-end financial statement does not reflect significant increases in fuel, supplies, and particularly chemicals. A considerable discussion followed. Thereafter, upon motion of Rodger Bingham and second by Robert Worthington, it was,

“RESOLVED: 4 for and 1 against that the District apply for a rate increase of 12%. Morris & Bressler, PSC, and Counsel Thomas R. Nienaber are hereby authorized to begin the process of filing for a rate increase with the Public Service Commission.”

Commissioner Northcutt voted against the request for a 12% rate increase. He wanted the record to reflect that he fully supports a rate increase, however, he believes that the 10.1% is more appropriate.

2. Mr. Nienaber reviewed the status of his meetings with Mr. Gerald Wuetcher. Chairman Givin indicated that the District is more than willing to move forward to discuss the Public Service Commission authority issue. Chairman Givin suggested that counsel attempt to schedule a meeting with counsel, Chairman Givin, County Attorney Stephen Bates, Grant County Judge Executive Dills, and Mr. Wuetcher. The meeting should be scheduled for after July 1, 2022. It would be best if Gerald Wuetcher could attend via Zoom as his office is in Louisville. Mr. Nienaber stated that he would contact all parties to discuss scheduling a meeting.

Grant Co. Sanitary Sewer District
Minutes
June 16, 2022

3. Mr. Nienaber reviewed a request from Ziegler & Schneider, PSC, Mr. Matt Smith relating to a proposed residential development on a 65 ± acre tract of real estate located in Sherman, Kentucky. The proposed development is in its very preliminary stages. According to counsel Matt Smith, the development could include as many as 260 detached single family residential units. The potential developer is seeking authorization from the District that sufficient capacity exists for such a development in the District's current wastewater treatment plant. Mr. Harp reported that the WWTP is currently at approximately 80% capacity. Such a development of 260 residential units could move that capacity to 85%. Mr. Harp did indicate that existing infrastructure, including transmission lines and manholes are adequate to provide sanitary sewer service in that area at this time. Commissioner Northcutt stated that the District should certify that there is sufficient capacity. However, that certification should be limited to "**at this time**". Chairman Givin stated that he would like to see more information including plats and a construction schedule. Mr. Nienaber stated that he would contact counsel Matt Smith for any additional information.
4. Mr. Nienaber inquired as to whether or not *The Grant County News* is ceasing publication effective July, 2022. Mr. Nienaber reported that other community newspapers including *Kenton County Recorder*, *Cambell County Recorder*, and the like are ceasing operations. Given that fact, Kentucky Revised Statutes are being amended to provide governmental entities direction on which news outlet to use for publication purposes. Mr. Nienaber reported that it is his opinion that *The Kentucky Enquirer* would probably be the publication of choice. Mr. Nienaber did state that he has discussed this issue with colleagues in the Northern Kentucky area and there is no uniform consensus as to how the new Statute will be interpreted.
5. Mr. Nienaber reported that following last month's meeting, he was contacted by Mr. Jeremy Arrasmith, Vice President of Old Kentucky Insurance, Inc., concerning the District's purchase of insurance through Kentucky League Cities (KLC). After last month's meeting, Mr. Nienaber received from Mr. Arrasmith a Trust Participation Agreement for the Kentucky League of Cities Insurance Services General Insurance Trust ("TPA"); Resolution; and Interlocal Cooperation Agreement to establish the Kentucky League of Cities Insurance Services ("ICA"). Mr. Nienaber explained that in order to participate in insurance coverage through KLC, a governmental entity such as the District is required to enter into an Interlocal Cooperation arrangement with KLC. As KLC is a type of self-insurance fund, the governmental entity is also required to enter into a TPA. Mr. Nienaber explained that by way of example, when the District entered into a financing agreement several years ago with KaCo, the District had to enter into an Interlocal Cooperation Agreement. Mr. Nienaber also explained that purchasing insurance through KLC is an "assessment" insurance arrangement. That is to say, if

Grant Co. Sanitary Sewer District
Minutes
June 16, 2022

premiums collected by KLC through its participating members are insufficient to cover claims throughout that particular year, KLC may assess the participants additional premiums to cover additional claims. Likewise, if claims fall under the amount collected from premiums, a participating member may be entitled to a rebate. When informed of that situation, Mr. Nienaber inquired of Mr. Arrasmith for various information. A response to Mr. Nienaber's request is attached. Mr. Nienaber reported that KLC has never assessed its participating members for additional premiums. Likewise, rebates have never been given by KLC. Rather, KLC will offer reduced rates or various coverages at no cost. For example, the District is getting a full cyber protection policy through KLC at no charge. Mr. Nienaber reported that the Bullock Pen Water District authorized the purchase of insurance through KLC with this information in hand. Mr. Nienaber stated that if the District wants to continue its purchase of insurance through KLC, it is required to execute the TPA, Interlocal Cooperation Agreement, and the attached Resolution. After considerable discussion, upon motion of Danny Northcutt and second by Rodger Bingham, it was unanimously,

“RESOLVED: that Chairman Givin be and he is hereby authorized to execute the attached TPA, Interlocal Cooperation Agreement and Resolution for the purchase of insurance through KLC.

BE IT FURTHER RESOLVED: that the District shall review insurance coverage through KLC on an annual basis.”

The next order of business was a report by HMB Professional Engineers, Inc., Mr. Benton Hanson, as follows:

1. Mr. Hanson reported that the Wastewater Facility Plan is currently being prepared. He requested needs and future plans for growth and development from the City of Crittenden. Unfortunately, the City does not have such a plan. Mr. Hanson reported that one element of the Facilities Plan is to include future development and growth requirements of the District. Chairman Givin and Paul Harp reported that the only development plans within the District at this time are the Hedger Property, Country Living Mobile Home Park, and Kyle Lane Apartments. Mr. Hanson stated that he would include those potential developments in his future needs section of the Facility Plan. Mr. Hanson reported that the first draft of the Facility Plan should be complete within the next 60 days or so.

The next order of business was a Superintendent's Report as follows:

1. Mr. Harp reviewed with the Commissioners his Superintendent's Report as attached.

Grant Co. Sanitary Sewer District
Minutes
June 16, 2022

2. Mr. Harp reported that Ernie has completed repairs to the fine screen system at the WWTP.
3. Mr. Harp reported that blower pump at the WWTP needs to be repaired at a cost of approximately \$12,000.00.

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


1. Ms. Dyer reported that Brian Simpson's retirement lunch is scheduled for June 30, 2022, at 12:00 noon. Anyone wishing to attend should RSVP as soon as possible.
2. Ashley Dyer reported on the hiring of Mr. Hunter Plunkett by the Bullock Pen Water District. Ms. Dyer reported that the hiring committee met and interviewed three finalists for the position. Ms. Dyer reported that Hunter Plunkett was by far and away the most qualified for the position. She reported that the Bullock Pen Water District hired Mr. Plunkett at a rate of \$17.00 per hour, with full benefits beginning July 1, 2022.
3. Ms. Dyer reported that the next meeting is scheduled for July 21, 2022.

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 NORTHCUTT, SECRETARY