

SHELLY HORTON JR
MAYOR



STEPHANIE SULLIVANT-COLLIER
CAO/ TOWN CLERK

TOWN OF BENTON LOUISIANA

WORK SESSION MINUTES TOWN OF BENTON MONDAY, JULY 22, 2024, 6:00 PM

The Town of Benton Council met in regular and legal session on the 22nd day of July 2024, at 6:00 p.m., in the Benton Council Chambers, Benton Town Hall, Benton, Louisiana. Mayor Shelly Horton called the Work Session meeting order. the roll was called, with all members as follows:

Alderman Jackie Carr – PRESENT
Alderman Tiffany Manning – PRESENT
Alderman Ron Jones – PRESENT
Alderman James Friday - PRESENT
Alderman Wayne Cathcart -ABSENT

Also present were Attorney Erwin, Travis Morehart CPA of Cook and Morehart and Ben Rauschenbach co-owner of the Waggoner Group.
No Motion was made to approve the agenda.

WORK SESSION:

Mayor Horton explained that we are currently under a compliance order from EPA/DEQ on the South Wastewater Treatment Plant. Ben Rauschenbach has been working with us on the written response to that compliance order. I have also asked Travis Morehart to come and speak with the council about the financials of that system. I am trying to give the council enough information on the different options concerning the south system.

Alderman Cathcart stated that he is looking at something Alderman Friday has that none of us seem to have a copy of.

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Mayor Horton discussed several options. One is working on the sewer plant and getting it back into compliance. Another option is to allow the Parish to treat our effluent and we have a price for that which is \$8.00 per thousand. There is a capital cost that would go with that option. The third option is to sell the system (customers only) to the Parish where they would become the operators of the system and we would no longer be involved with the south sewer system. (the Town would still own the Sewer Plant). One thing to keep in mind is that the parish already owns the right of way where our lines are located, and they own the roads. We currently provide water to those customers, and we obviously would retain the water system. The Parish currently has no interest in our water system. I have asked Travis to give us a snapshot of the revenues and profits should we not have that south sewer.

Travis Morehart: We took the numbers directly from the town's annual audit and removed the outside activities such as outside revenues and outside expenses and it shows you would have made a little money. If you look at the past three years showing what you charged your customers and your expenses for those three years. Shelly knows my opinion, that everything you buy is 50% more expensive and even sometimes double. **Alderman Friday**, you have 2021, 2022, and 2023 listed on here as the three years. **Alderman Friday** stated that there has been no rate increase in sewer in those three years. He also stated that we just passed a rate increase so these numbers will improve. **Mayor Horton** stated we just increased water, not sewer rates. **Travis Morehart** said it will help that number but not the outside sewer numbers. States, as you know the town is in good shape

Alderman Friday asked what is wrong with the plant right now.

Travis Morehart responded, "that is an engineering problem".

Alderman Friday asked is it full of sludge? Why is it out of compliance? Who is running the system?

Mayor Horton stated the operator is Mike Dunaway. **Alderman Friday** asked why Mr. Dunaway isn't here answering questions. **Mayor Horton** stated that we have enough analytical info on it and the Ben Rauschenbusch has mountains of information.

Alderman Friday mentioned that the three years Mr. Morehart has referenced in his presentation, two of the three years had "out of the normal" large repairs so yes, those numbers in the expenses would show to be high.

Alderman Cathcart has one question. If we get rid of the south sewer system, what kind of an impact is that going to have on the citizens that live inside the town of Benton? Is it going to create a situation for the people who live inside Benton. What would the net profit or loss to the town of Benton.

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Mr. Morehart stated that if you let go of the outside system then you could manage your inside system so much easier. When I say easier, I mean financially manage it easier because you have that sales tax that helps. I think in the long run not to worry about the outside because it will keep growing. You can focus on the inside sewer. You need to trickle those rates up from time to time and not wait three or five years.

Mayor Horton said he wants to revisit James' question from earlier. This sewer plant dumps into Flat River, and it has a strict permit. So, that permit is a challenge to meet. Basically, over the years we have added customers, and the plant is overloaded. Mayor Horton stated what will you do when Willis Knighton wants to build 100 houses at the old country club site.

Alderman Carr asked how much of a profit does the system makes now. And what kind of profit would we make if we got rid of it? Mr. Morehart: Look at the last few years, it shows a loss over the last three years.

Mr. Morehart referred to the past three years and the outside sewer shows a loss. Mayor Horton explained that last year was due to a large repair.

Mayor Horton and Alderman Cathcart stated that without significant cost to the town the outside sewer will never handle the current customers. With what we know is coming that system will never be able to handle the capacity.

Mayor Horton stated that we are permitted for 400,000 of discharge per day and Ben can tell you were we are today.

Ben Rauschenbach clarified what has been discussed thus far, stating that the current revenues and that the system age and he is considering the fact that the costs will increase.

Alderman Friday reminded council that it has been 20 years since we had any kind of an increase on the rates.

Mr. Rauschenbach stated that the gallons per day equals 2210,000 gpd. You are out of compliance and your current permit according to flow and quality. You are out of compliance on the quality side.

Mr. Rauschenbach has run sum numbers on the operations of the plant, and you have a large amount of inorganic buildup which will cost around 700k to remove the buildup.

Alderman Friday stated that here again this fall back on the person who is supposed to be operating this plant.

Mr. Rauschenbach states that regardless of the plant has built up so it is operating at 50%.

Mayor Horton stated that he believes that that plant will never get to the point it needs to be.

Alderman Cathcart states we must narrow this down to one question does the town want to be in the sewer business bad enough to continue to expand that system and spend money to provide sewer to people who do not live in this town. Do we want to be in the sewer business that bad that has no financial gain for the citizens in Benton.

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Alderman Manning stated that we should keep It and increase the revenues. Alderman Friday stated that those people outside depend on us to provide them with water and sewer. They consume the majority of the water which means however much water they use they equally are billed for usage of sewer. And there is a lot of things to consider and pray on not just about the citizens but all those who count on the Town for services.

Mayor Horton made one last push to ask the council what will you do when the Cantrell property has 500 homes and WK Hospital system puts another 500 house and this sewer system can't handle it. And the best operator in the world cannot bring this plant back into compliance.

After some discussion of applying for water sector money for funding to help the Town fund whatever project the council decides to go with.

Mayor Horton adjourned the meeting

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