

**Special Called Meeting
Benton City Council
February 8, 2019**

A special called meeting of the Benton City Council was called to order on Friday, February 8, 2019 at 3:00 P.M. by Mayor Rita Dotson with opening Pledge of Allegiance and prayer by Kevin Farley.

Council Members Present: Butch Holland, Charles Edmonds, Ann Riley, Rita Murray and Kevin Farley

Absent: Sherra Riley

Other Staff Present: Bethany Cooper, City Clerk/Treas.; Zach Brien, City Attorney; Todd Riley, Gas Manager; Chad Warren, Water Dept.; Tony Seavers, Water Dept.

City Attorney Brien read the second reading of an ordinance amending the charges assessed to Benton Gas customers for extensions of mains and service lines. A motion was made by Edmonds, seconded by A. Riley to approve. All agreed. Motion carried.

Mayor Dotson led the discussion on our water rates. Charles McCann, RiverCrest Engineering, was present to also give his opinion and recommendation. In 2007, Florence & Hutcheson did a rate study for Benton Water & Sewer and he worked for them at that time. From an engineer's standpoint, water pipes should last 50 years and most of Benton's water lines are over 50 years old. McCann commented that he feels our rate structure of a flat rate is sufficient for our needs since we do not have large industries in our area. He said to make sure that the minimum bill covers our yearly fixed cost. McCann also mentioned that Paducah has added a line item on their water bills to cover capital improvements so that was an option if we decided on that.

The following were also covered during the water rate discussion:

- Current charges and rates
- Comparison to other utility companies
- Age of our infrastructure
- The change in net position for the fiscal year for Benton Water & Sewer from the recent audit.
- Possibility of capital replacement line item on bills.
- Need of an infrastructure plan to help customers understand why rates are increasing
- Water loss of 9-10 million gallons per month mostly from city buildings that are not metered, leaks, flushing hydrants, water in the tanks

Bethany Cooper, City Clerk/Treasurer went over the cost of operations spreadsheet and the revenue that will generate for each \$0.25 the rate is increased.

Mayor Dotson asked the Council to look over their packets to discuss a plan at a future meeting.

Chad McCann gave an update on the Main Street/Poplar Street Utility Relocation project.

- City will be responsible for the water line replacement from 9th Street to 15th Street along Main Street. Probable cost is \$953,354.00 and contingencies are built into this price already. McCann feels like this is a good estimate based on historical data.
- Water line replacement needs to be completed before State begins their portion which is hoped to be in November 2019. Water lines will be moved to the far West side of Main Street from 6th to 10th and as far to the side of the road as possible from 10th to 15th Streets. The existing water lines will be abandoned, capped and left in place.
- Poplar Street will not impact water, only gas utilities will have to be moved.

Mayor Dotson informed Council that she and Cooper visited CFSB and Heritage Bank to check interest rates for borrowing the money for the water line relocation. Heritage Bank had an interest rate of 4.5% and CFSB had a 5.25% rate for 10 years on \$1 million. Mayor Dotson also mentioned that General Fund and Benton Gas had reserves and could each pay \$500,000 to be reimbursed by Benton Water & Sewer.

Council were all in agreement to borrow funds internally and will appropriate in the 2019-2020 budget.

A motion was made by Holland, seconded by Murray to authorize RiverCrest's engineering services and to begin the design proposal for Main Street Utility Relocation. All agreed. Motion carried.

A motion was made by Edmonds, seconded by A. Riley to approve the State contract between State and City of Benton for the Main Street/Poplar Street Projects. The City will not be out any funds for moving utilities from 5th Street to 9th Street on Main Street.

There being no further discussion, meeting adjourned at 4:07 P.M.

Rita Dotson, Mayor

ATTEST:

Bethany Cooper, City Clerk/Treasurer