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Parish utilities costing taxpayers

By Alice Dowty

LIVINGSTON - The Parish Council's Finance Committee questioned the viability of sewer and water projects Monday.

Parish Finance Director Andy Rowe told committee members that the utilities have been generating more revenue in recent years.

"I'd like a chance to analyze the final 2009 figures to see if that trend is continuing," Rowe said.

Finance Committee Chairman Thomas Watson said the Utility Fund is being subsidized by other funds.

Parish councilmen authorized a loan of up to \$350,000 on June 12, 2003, to finance improvements to parish water systems. The loan is being repaid monthly, including interest, according to the 2008 audit.

"Are we going down the right road?" Watson asked.

"No," said committee member Don Wheat.

Wheat said that investing more money in parish utilities was like putting money "into a sinking boat."

"If we decide we don't want to go down this road, we will need an exit strategy," Watson said.

Committee members did not discuss the possibility of raising utility rates to make the systems more profitable.

The Finance Committee challenged Parish President Mike Grimmer on April 23, 2009, to make the parish's utility systems more profitable, and then drastically lowered utility rates in August.

Department of Public Works Director Wayne Martin responded to the rate reductions by telling councilmen not to hold him accountable for losses.

Fees for taps and new connections generated about \$26,500 in 2008. If the August fees had been in effect, charges would have been about \$4,250 for the same work, Utilities Manager Robert Dugas said at the

time of the rate changes.

Customer user fees generate about \$15,000 a month, but the rates adopted in August would have reduced that income by 33 percent, Dugas said.

Councilman Ronnie Sharp, who chairs the Utility Committee and sits on the Finance Committee, requested the rate reductions. He asked that most, but not all, rates be raised a few weeks after the reductions were adopted.

Sharp asked Rowe Monday for profit and loss sheets on individual water and sewer systems.

The parish owns sewer systems in Acadian Trace, Greystone Golf and Country Club, Juban Parc, Shelly O'Neal Estates I, and Whispering Springs.

The parish owns water and sewer systems in Bruce's Harbor, Springfield Terrace and Haynes Settlement.

The parish has about 500 utility customers now, but with about 900 vacant lots in the areas served by those systems, Dugas said the customer base could double after the home building market rebounds.

Grimmer has been building the parish utility system through grants and donations of subdivision systems.

The Warsaw Landing and Blood River sewer system in southeastern Livingston Parish was built with a federal grant and a low interest loan from the U.S. Department of Agriculture in 2007.

Councilmen approved bids of \$2,508,900 for the sewage collection system and \$1,526,650 for the treatment plant.

The new sewer system, which serves a school and a public boat launch as well as homes, is taking the effluent from about 270 septic tanks out of a river, Grimmer has said.

Watson also asked Rowe on Monday to find out how many DPW workers are paid with the sales tax dedicated to roads, bridges and roadside drainage.

Total DPW personnel expenditures are budgeted at nearly \$4 million.

Health insurance alone for the 79 authorized DPW positions is budgeted at \$1,238,038.

Total non-personnel costs are budgeted at \$1.4 million.

The Road Fund receives about \$1.5 million from property taxes and about \$9 million from sales taxes.

The Parish Council agreed that it did not have enough money in the Road

Fund for an overlay program in 2009. Much of the revenue was needed to pay off debt.

The Road Fund owes \$60,850,488 to pay off bonds that were sold to finance road improvements, according to the 2008 audit.

Payments to retire this road debt are due in semi-annual installments of \$331,500 to \$4,653,500 from May 2007 through March 2021, according to the 2008 audit.