

**BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD**  
**MEETING MINUTES**  
**Wednesday, May 18, 2016**

**Voting members present:** Austin Abraham, Chairperson; Terry Davis (B); Eric Kitchen (B-alternate); Barry Levey (K); Matt Hull (K-alternate)

**Members absent:** Paul Loeber (B); Victoria Gudeman (K)

**Others present:** Ken Lord (K-alternate); Gina Ellis (K-alternate); Megan Clark (B), Boonsboro Town Manager; Pete Shumaker (B), Utilities Superintendent; Rick Bishop (K) Town Administrator; Ray Hoffman (B), Cindy Harris (B), Recording Secretary

The meeting convened at 6:30 PM at Keedysville Town Hall.

- I. **Approval of minutes from February 26, 2016 meeting.** Motion by Member Hull, second by Member Davis to approve the minutes with no corrections. Motion carried unanimously.
  
- II. **Review of FY16 and FY17 capital projects (Megan).** Boonsboro Town Manager Clark reviewed the FY2016 WF CIP Budget Update. The only remaining item on the Capital Outlay Projects is the correlator, which has received approval from the BMUC to proceed with the purchase. She pointed out that actual user fees exceed the budgeted amount so the cost will be covered. The BMUC will vote on the budget at their June 9th meeting. Also reviewed was the FY17 Capital Outlay Projects, which includes six water plant filters. It is possible the filters could be rehabbed versus purchasing new ones and a cost comparison will be researched to determine the best option. If rehabbing is chosen, we would be the first community to rehab its water filters as it has never been done before. Not included in the FY16 budget that received approval from the BMUC is the new billing software. CUSI (Continental Utility Solutions, Inc.) is the software of choice at a cost of approximately \$30,000. The FY17 Water Fund Budget includes 1/3 of Public Works salaries versus 1/4 as budgeted for FY16. Major Repair Expense also increased, the bulk of this for the Knode Circle water line replacement. Town Manager Clark will ask auditors if this will be a capitalized expense for Boonsboro because if it will be a capitalized expense it would be attributable only to Boonsboro. Boonsboro has also proposed an approximate 5% increase of water rates as per the pre-approved tiered rate structure. Member Davis emphasized that B strives to save money wherever possible in its daily operations and maintenance expenses. Chairperson Abraham asked Keedysville if they will have a change in rate charges to which Member Levey indicated the Keedysville Council is analyzing rate options for FY17.

- III. **Review of development in process in Boonsboro (Megan).** Town Manager Clark presented site plans of all the projects under development. The Easterday property on the Southeast side of town is undergoing grading work for water and sewer utilities; individual site plans have not been approved. Several commercial franchises, including High's, Tractor Supply, and McDonald's have previously expressed interest but site plans for any of the commercial lots have not been submitted. Site plans have been approved for the construction of the roundabout at the Route 40/Route 67 intersection in front of the property. AC&T Redevelopment plans have been approved to enlarge their location beginning with demolition of the adjacent building in two weeks. Their EDU's will not increase. Dollar General has broken ground on their new store located beside the ambulance company on the Northern end of town. Residential development includes Sycamore Run, 104 total single family homes which started in 2015 and should finish in approximately two years; Battleview Estates on Orchard Drive just received preliminary approval for 48 age restricted (55+) housing development; and the Easterday property includes space for a potential 99-unit residential development area. Finally, the Town will utilize grant funding to begin the first phase of constructing a pervious multi-use trail in the open space behind the pond. Rumors of an aquatic center have not materialized to date. Town Manager Clark confirmed there is enough water supply currently to sustain these projects and that new residential developments are required to drill their own wells and deed a lot to the Town for their water.
- IV. **Continued discussion of new water agreement (Austin).** Chairperson Abraham presented a summary of the objectives and issues identified during the February meeting. Included were four revised cost sharing ideas (attached) for the group's consideration and discussed. Overall interest was in a hybrid of #3: a fixed cost per 1,000 gallons for Keedysville and #4: Keedysville pays for services rendered. The challenge would be for Boonsboro to track all staff time and minute expenses incurred. To create an estimated base line of what these charges would look like for one year, Town Manager Clark agreed to shadow this idea alongside current processes for the next six months and will present her findings at the November meeting to compare with current fees.
- V. **New business.** Member Hull stated 53 hydrants were due for line flushing/valve exercising and asked if Boonsboro staff had the schedule and manpower to perform this work. Superintendent Shumaker expressed his preference for B staff to handle the work to ensure quality and accountability. Town Manager Clark will research whether this is feasible and contact Keedysville to proceed. Superintendent Shumaker stated the locked gate at the Keedysville water plant is a safety concern as it prohibits quick access during a flood or other weather event. It was agreed that the weather will be monitored and the gate will remain open in the event adverse weather conditions are forecasted.
- VI. **Public Comment.** There was no comment from the public.

Chairperson Abraham declared the meeting adjourned at 8:50 PM. The next meeting date is scheduled for Wednesday, August 17, 2016 at 6:30 PM at Boonsboro Town Hall.

Submitted by: Cindy Harris, Recording Secretary

May 18, 2016

**Baseline for new Agreement**

1. Each Town continues to own its assets
2. Boonsboro continues to operate
3. Maintain collaboration through the Water Advisory Board
4. Long term – possibly 75 years

**Objectives:**

1. Simplified document(s)
2. Simplify the cost sharing formula

**Issues to address:**

1. Develop cost sharing formula either new or revised
2. Operational standards
3. How is MDE-established water allocation shared by Towns
4. What happens if combined water sources are not enough to meet demand and what triggers action.
5. How are disputes to be handled
6. Emergency situations and conservation
7. Rights to serve outside Town boundaries

Boonsboro Keedysville Water Advisory Board  
**Revised Cost Sharing Ideas**  
*Prepared by: Austin Abraham, May 18, 2016*

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**1. Stay with present formula**

Continue to treat the system as a whole with costs shared proportionate to water used.

PROS: Must understand how it works and the past few years there have been no major concerns at true-up time.

CONS: It was developed over 20 years ago.

No one is certain how 65% was determined to be the portion of B's costs to be divided between the towns.

Does not account for the faster growth in B in determining what portion of B's costs should be divided between the towns.

Somewhat complicated to explain and understand.

Does not account for tank in Keedysville and reduced reliance of K on B's water supplies.

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**2. Modify present formula**

Tweak present formula to accurately determine what % of costs should be shared by each town; continue to treat the system as a whole with costs share proportionate to water used.

PROS: Same as above.

CONS: Somewhat complicated to explain and understand.

Does not account for tank in Keedysville and reduced reliance of K on B's water supplies.

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**3. Use a fixed cost per 1,000 gallons for K**

For example: A set discount from B's retail water rates.

PROS: Easy to understand.

CONS: Does not account for large capital expenditures by B that do not serve K.

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#### 4. Keedysville pays for services rendered in K

Boonsboro tracks labor and expenditures it provides in K and bills K a proportionate share based on percentage of water going to K from the K plant and K pays for B's readiness to serve if needed:

- a. Proportionate share (*approx. 31%*) of B's operators' labor and vehicle expenses in K (hourly rate fully burdened) plus vehicle/equipment costs
- b. Proportionate share (*approx. 31%*) of operating and capital costs at K plant and spring
- c. Tank operating and maintenance costs shared (?)
- d. Proportionate share (approx. 22%) of customer accounting, billing and meter reading expenses unless K takes over that work
- e. Fixed annual amount for B's readiness to serve K if necessary
- f. Credit to K for B's use of K's lines from K plant to booster station
- g. K should consider transfer of booster station to B by deed, lease or other means

PROS: Recognizes infrastructure installed by K (tank and booster station) and K's reduced reliance on water produced in B.

Keeps costs to strictly those related to K.

May be easier to explain and understand by most.

Recognizes use of K's mains for delivering water to B.

CONS: Requires B to account separately for labor hours, supplies, capital and contracted services related to K spring, plant and tower.

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