

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD
MEETING MINUTES
Wednesday, December 3, 2014

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

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

Others present: Ken Lord (K-Alternate); Megan Clark (B), Town Manager; Pete Shumaker (B), Utilities Superintendent; Sarah Murto Campbell (B), Recording Secretary; Barbara Wetzel (B), Town Council

The meeting convened at 6:55 PM at Boonsboro Town Hall.

- I. **Approval of minutes from August 20, 2014 meeting.** On a motion by Matt and a second by Terry, the minutes were unanimously approved with the following corrections: Victoria Gudeman (K) and Barry Levey (K) were added as present voting members, Matt Hull (K) and Gina Ellis (K) were moved to others present.

- II. **FY14 cost trueup.** Austin presented the annual true-up and explained where to find explanations of certain line items. Keedysville's estimated cost for FY14 was based on projections of Boonsboro's allocable operating expenses of \$355,764, capital of \$37,000, labor for daily operations of the tank and booster station of \$4,908, and Keedysville using 16% of the water pumped into the towns. Actual numbers were allocable expenses of \$300,481, capital of \$71,327, operations labor of \$5,903, and Keedysville's use of 14.8% of the water. While capital outlay and operations labor were higher than budgeted, this was offset by lower allocable operating expenses and a lower percentage of water used by Keedysville. The total amount due from Keedysville to Boonsboro for the year is \$47,993. As Keedysville has paid \$48,375 for FY14 in projected payments, the net true-up is a reimbursement from Boonsboro to Keedysville in the amount of \$383 (accounts for all rounding).

Megan mentioned the BKRWB bank account and recommended using Boonsboro's current accounting software to start keeping computer records of Keedysville customer payments. Currently, these funds are unaudited as there is no posted detail ledger for the accounts in Boonsboro's books. It was discussed that bills and checks need to reflect the name of the true receiver and perhaps the account should be renamed to

Keedysville Water Commission with the bills mailed c/o the Town of Boonsboro. Megan said she will talk with Rick to determine what will work best for both towns.

ACTION: On a motion by Barry and a second by Terry, the board unanimously adopted the true-up for FY14 as presented and settled on having Boonsboro write Keedysville a check for \$383.00.

- III. FY15 projected costs.** The proposed estimated payments for FY15 include allocable operating expenses of \$365,507, an operating contingency of \$30,000, annual billing and administrative costs of \$2,886, and Keedysville's percentage of water at 16%. Capital includes a total of \$51,500 for septum sleeves in Keedysville, cleaning clear wells, reservoir and water tower, leak detection survey and modifications to the Keedysville springhouse. The projected annual payment from Keedysville to Boonsboro is \$54,546 (\$13,636 per quarter). This is \$6,552 higher than the FY14 actual expense, due primarily to higher salary costs, higher supplies costs, setting the percentage of water used at 16%, and increasing the contingency to \$30,000 which is \$19,000 above what is in the Boonsboro FY15 budget. The increases are partially offset by a reduction in projected capital outlay of \$19,827. Austin reviewed the shared capital items. It was debated whether the cleaning of the clear wells, reservoir and water tower was shared capital or shared maintenance/repairs. Austin stated that the procedure in place utilized whatever the auditor's capitalize as the starting point for determining what capital is shared. There was also a discussion of doing a leak detection survey or full water audit versus improving the billing process and replacing meters. Boonsboro is moving ahead with an internal review of the accuracy of customer account billing and replacing meters. Megan said she is exploring if the billing software can handle adjustments to both usage and dollars when corrections are made to customer accounts.

ACTION: On a motion by Barry and a second by Terry, the board unanimously adopted the projections for FY15.

- IV. Springhouse project update.** Megan presented that \$10,000.00 of the \$25,000.00 estimated project cost has been spent to date. The work completed includes the interior walls and ceiling, the floors, the roof, LED lights, and replacement of concrete. Boonsboro had an assessment done for the exterior steel painting; Brian Hopkins, Town Engineer (B), estimated it would be around \$8,000.00 but the quote from Cronise was \$9,951.00. Over 6 vendors were solicited; Cronise was the only responsive bidder. Brian recommends hiring them to do the painting in the spring.

- V. **Operation and cost sharing agreement for tank and booster station.** Boonsboro's council has approved the agreement as written, effective December 3, 2014. Keedysville's council will discuss it at their next meeting on January 5, 2015. Once Keedysville's council approves the agreement, both towns will coordinate the joint signing.

- VI. **New business.** Barry mentioned that the current water service agreement is set to expire in 2033. Given how long it took to create the current agreement and how difficult it was, he proposed setting a timeline for starting on the next agreement. The consensus was that the process did need streamlined and the agreement should be simplified. It was decided that there will be an open discussion about this at the next meeting.

- VII. **Public comment.** There was no comment from the public.

The next meeting date was set for Wednesday February 18, 2015 at 6:30 PM at Keedysville Town Hall. The meeting was adjourned by the Chairperson with consensus of the Board.

Submitted by: Sarah Murto Campbell, Recording Secretary