

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD
MEETING MINUTES
Wednesday, December 6, 2017

Voting members present: Austin Abraham, Chairperson; Terry Davis (B); Paul Loeber (B); Barry Levey (K); Matt Hull (K)

Members absent: none

Others present: Ernie Harr (B-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 6:29 PM at Boonsboro Town Hall. Chairperson Abraham thanked the Towns for the recent tour of the water system facilities.

- I. **Approval of minutes from August 16, 2017 and September 27, 2017 meetings.** Motion by Member Loeber, second by Member Hull to approve the minutes with no corrections. Motion carried 5-0.

- II. **FY17 True-up of costs for Keedysville (Austin).** Chairperson Abraham reviewed the proposed True-up of Keedysville FY17 actual costs, attached for reference. Total allocable operating expenses were budgeted at \$566,932 and actual costs were \$553,453. Capital was budgeted at \$82,478 but actual costs were \$109,335. Percent of water used was 14.2% but was budgeted at 15.0%. Daily operations of tank and booster station budgeted at \$5,903 and actual cost was \$5,919. Last, billing and customer accounting was a known actual expense at \$5,465. Although capital was higher than what was budgeted due to billing software and repairs/replacements at pumping stations, it was offset by lower allocable operating expenses and lower percentage of water used. Some large expenses were capitalized by the auditors and there were no unexpected large expenditures during the year.

The total amount due to Boonsboro is \$66,205, however, since Keedysville has already paid \$66,260 in projected payments, the end result is Boonsboro owes Keedysville \$55. Chairperson Abraham pointed out this is the closest the Board has come to matching projected costs. Member Davis pointed out that Superintendent Shumaker has been proactive in addressing problems to date, which has helped keep costs down. A motion to approve the True-up was made by Member Levey and seconded by Member Davis. Motion carried 5-0.

- III. **FY18 cost projections for Keedysville (Austin)** Chairman Abraham presented the proposed budget for FY18 and noted lowered projected costs in several categories including total allocable operating expenses of \$546,291, capital of \$39,160, daily operations of tank and booster station of \$6,173, and billing and customer accounting \$4,836.

The projected annual payment from Keedysville to Boonsboro is \$57,855 (\$14,464 per quarter) which is \$8,350 lower than FY17 due mainly to lower projected capital expenses. Projected capital outlay includes costs for cleaning clear wells, reservoir and water tower at \$8,000, replace raw, finished, combo and Warrenfeltz meter totaling \$15,000 and the purchase of a public works vehicle for \$16,160. Town Manager Clark stated that repairs made over the past few years contributed to the decrease in cost projections, and billing and customer accounting was reduced because currently 2 of the five water fund employees do not use health insurance. A motion was made by Member Hull and second by Member Davis to approve FY18 cost projections. Motion passed 5-0.

- IV. **Look ahead to FY19 capital** Town Manager Clark said she met with staff and is looking to update the five-year CIP. Although it is uncertain the items to include at this time, a few possible items include \$75,000 for the reservoir project, to replace the line under the reservoir and the line out of the pump station, one truck, and water modeling for Boonsboro which may be paid by both King Road development and the Town. Clark stated she would have more information at the February meeting.

- V. **Water loss updates** (Megan and Barry) Member Levey provided an update of Keedysville's water loss activities. He said one line will be replaced in the spring at Antietam Drive. There is another line that has not been fixed due to a valve which will be part of the Antietam Drive work. In Q1 there was high water loss due to a leaking hydrant on Mt. Hebron Road which was fixed. The possible leak at Coffman Farms Road was not found to have a leak although a valve was replaced. The possibility still exists of an issue under Route 34, however, no water has actually been found yet.

Boonsboro Town Manager Clark said Public Works Superintendent Greg Huntsberry completed the first leak detection review of the Town's water lines in October and found no major leaks but did have a few repairs. She said he will repeat in the spring for Boonsboro before proceeding to Keedysville. The BMUC approved the purchase of the meter to be installed at the end of Lakin Avenue to identify leaks beyond this point to the old reservoir. It will be installed in the spring once the parts arrive. Boonsboro is continuing to replace meters as part of its meter replacement program and the BMUC approved the purchase of 100 meters at its last meeting.

Superintendent Shumaker discussed his plan to detect leaks in the reservoir. He will

shut down the Boonsboro plants during the middle of the night and monitor the reservoir level to determine if there is water loss in the reservoir or perhaps a metering issue. During this time, Keedysville will obtain water from their water tower and Boonsboro will be supplied by the reservoir. No effect to the residents is expected.

VI. **New Business** There was no new business.

VII. **Public Comment** Ray Hoffman (B) thanked everybody responsible for the tour of the water system.

Chairperson Abraham declared the meeting adjourned at 7:26 PM. The next meeting date is scheduled for Thursday, February 22nd at 6:30 PM at Keedysville Town Hall.

Submitted by: Cindy Harris, Recording Secretary

Boonsboro Keedysville Water Service
Narrative of the Cost-Sharing True-up for FY17 and Projections for FY18

Proposed True-up of Keedysville Cost for FY17

Keedysville’s (K) FY17 projected costs and actual costs are based on the following factors which are supported in the subsequent detail pages:

	<u>Budget</u>	<u>Actual</u>
Total allocable operating expenses	\$566,932	\$553,453
Capital	\$82,478	\$109,335
Percent of water used	15.0%	14.2%
Daily operations of tank and booster station	\$5,903	\$5,919
Billing and customer accounting	\$5,465	\$5,465

While capital was higher than budget this was offset by lower allocable operating expenses and a lower % of water used. Higher capital included billing software for \$11,976 and various repairs/replacements at pumping stations that were capitalized (see page 7 for detail).

The total amount due from K to B for the year is \$66,205. As K has paid \$66,260 for FY17 in projected payments, the net true-up is a final payment from B to K of \$55.

Proposed Estimated Payments for Keedysville for FY18

The proposed estimated payments for FY18 are based on the following:

	<u>Budget</u>
Total allocable operating expenses	\$546,291
Capital	\$39,160
Percent of water used	15.0%
Daily operations of tank and booster station	\$6,173
Billing and customer accounting	\$4,836

Capital includes \$8,000 for cleaning clear wells, reservoir and water tower, \$15,000 to replace raw, finished/combo and Warrenfeltz meter, and \$16,160 towards a public works vehicle.

The projected annual payment from K to B is \$57,855 (\$14,464 per quarter). This is \$8,350 lower than the FY17 actual expense due primarily to lower projected capital expenses.

Prepared by: Austin Abraham November 27, 2017