

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD
MEETING MINUTES
Wednesday, December 9, 2015

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

Members absent: none

Others present: Megan Clark (B), Boonsboro Town Manager; Rick Bishop (K), Town
Administrator; Pete Shumaker (B), Utilities Superintendent; Eric Kitchen (B-alternate);
Ken Lord (K-alternate); Matt Hull (K-alternate); Ray Hoffman (BMUC); Barbara Wetzel
(B-Council Member); Cindy Harris (B), Recording Secretary

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

- I. **Approval of minutes from August 19, 2015 meeting.** Motion by Member Loeber, second by Member Gudeman to approve the minutes with no corrections. Motion carried unanimously 5-0.
- II. **True-up of FY14/15 costs.** Chairman Abraham reviewed the proposed True-up of Keedysville Costs for FY15.

Proposed True-up of Keedysville Cost for FY15

Keedysville's (K) estimated cost for FY15 was based on projections of Boonsboro's (B) allocable operating expenses of \$365,507, capital of \$51,500, labor for daily operations of the tank and booster station of \$5,407 and K using 16% of the water pumped into the towns. Actual numbers were allocable expenses of \$426,456, capital of \$14,737, tank and booster station operations labor of \$5,434, and K's use of 14.1% of the water.

While allocable operating expenses were higher than budgeted, this was partially offset by lower capital expenditures. A portion of these differences was due to expenditures budgeted as capital treated by the auditors as operating expenses including the K springhouse repairs, K septum sleeve replacement, leak detection survey, cleaning of clearwells and the reservoir, and B meter replacements.

In addition there is a one-time credit due to K of \$3,043 for utility charges paid for the booster station after January 1, 2015 that became shared costs as of January 1st.

The total amount due from K to B for the year is \$46,440. As K has paid \$54,544 for FY15 in projected payments, the net true-up is a reimbursement from B to K of \$8,104 (accounts for all rounding). The reimbursement amount is primarily a result of the lower % of water than budgeted (14.1% vs. 16.0%) and the one-time utility charge credit.

Motion by Member Levey and second by Member Davis to approve the True-up of FY14/15 costs as proposed. Motion was passed unanimously 5-0.

Projected Costs for FY15/16.

Chairman Abraham reviewed the proposed projected costs for Keedysville Costs for FY16.

Proposed Estimated Payments for Keedysville for FY16

The proposed estimated payments for FY16 include allocable operating expenses of \$509,414, an operating contingency of \$0.00, capital of \$50,500, annual billing and administrative costs of \$5,653, tank and booster station operations labor of \$5,733, and K's % of water at 15%. Capital includes \$15,000 for turbidity meters, \$33,000 for two new service trucks, and \$2,500 for a trailer for leak detection equipment. The contingency line item is \$0.00 as B has budgeted money under major repairs that likely will not be spent.

The projected annual payment from K to B is \$68,629 (\$17,157 per quarter). This is \$22,189 higher than the FY15 actual expense, and is due to higher salary costs including 2 additional employees on the B staff, higher major repair costs, a more accurate calculation of billing and customer account costs and projecting the percentage of water used at 15% vs. 14.1%.

Chairman Abraham reviewed the projected costs, bringing attention to several line items: Line 4, K % of total water pumped is being projected at 15%; and Line 6, Direct billing expenses are nearly double that of FY14/15 actual costs, which is the result of a re-evaluation by Town Manager Clark of staff time required to process readings and billings, as well as the inclusion of benefit costs. Board members discussed various additional line items presented in the projections. Member Davis pointed out the operating expenses should go down as a result of more accurate meter readings and billings.

A motion to approve was made by Member Davis and seconded by Member Loeber. Motion passed unanimously 5-0. Members and staffed thanked all for their continued cooperation and work involved with the Board.

New Business. Member Davis proposed that Keedysville use their \$8,104 True-up

refund towards purchasing the correlator, which would be used for yearly leak detection surveys. The Board discussed the proposal, including the benefits of having a correlator on hand and how much staff time would be involved for leak detection surveys. The Board agreed labor would not be charged to Keedysville for the annual leak detection surveys. Motion was made by Member Levey for Keedysville to pay \$8,104 towards the purchase of a correlator and agree not to include labor costs billed to Keedysville for the use in annual leak detection surveys. Member Davis seconded and the motion passed unanimously 5-0.

- III. **Public Comment.** There was no comment from the public. Member Davis thanked Keedysville for all the work they had done over the past year, and thanked Town Manager Clark for all her hard work as well. Guest Ray Hoffman also expressed his appreciation for the positive state of the relationship of the BKWAB.

Member Levey made a motion to adjourn, seconded by Member Loeber. Chairperson Abraham declared the meeting adjourned at 8:03 pm. The next meeting date is scheduled for Wednesday, February 24, 2016 at 6:30 PM at Keedysville Town Hall.

Submitted by: Cindy Harris, Recording Secretary