

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD
PROPOSED KEEDYSVILLE COST-SHARING TRUE-UP FOR FY23

Prepared by: Lisa Riner, Keedysville Town Administrator

Presented: August 14, 2024

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Boonsboro Keedysville Water Service

Narrative of the Keedysville Cost-Sharing True-up for FY23

Keedysville's FY23 projected cost and actual cost were based on the following factors which are supported in the subsequent detail pages:

	<u>Budget</u>	<u>Actual</u>	<u>Difference</u>
Shared operating expense	\$346,722	\$340,506	-\$6,216
Shared capital	\$198,000	\$95,674	-\$102,326
Percent of water used	16.0%	14.7%	-1.3%
Billing and customer accounting	\$13,319	\$14,133	+\$814
Daily operations of tank and booster station	\$7,080	\$8,116	+\$1,036

The total amount due from Keedysville to Boonsboro for the year is \$86,368 which is \$22,232 less than what was projected.

The most significant differences between the FY23 projected cost to Keedysville and the actual cost are 1) capital was less than projected, although there were several smaller capital expenditures not budgeted, and 2) no contingency expenditure was required.

The final true-up result for FY23 is a payment from Boonsboro to Keedysville of \$22,232.

Ln#	Line # from rate formula	Description	FY21/22			FY22/23			FY23/24		
			Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
1	3a-b	Boonsboro Operating Expenses	\$798,768	\$792,782		\$5,906,918	\$992,635		\$8,109,338		
2		Adjustment #3 - Less budgeted contingency	(1,447)	NA		(193,670)	NA		(33,983)		
3		Adjustment #3A - Add back contingency	20,000	NA		20,000	NA		20,000		
4		Adjustment #4 - Less reimb'd engineering fees	-	-		-	-		-		
5		Adjustment #5 - Less capital expense	(96,500)	(140,377)		(4,998,000)	(289,374)		(7,257,020)		
6		Adjustment #5A - Less debt-service+interest	(48,492)	NA		(21,404)	NA		(21,404)		
7		Adjustment #6 - Less direct pay by K to B									
8		Customer billing	(11,844)	(12,144)		(13,319)	(14,133)		(13,693)		
10		Daily operations labor for tank + booster station	(6,574)	(6,664)		(7,080)	(8,116)		(7,549)		
11		Total applicable operating expenses	\$653,911	\$633,597	(\$20,314)	\$693,445	\$681,012	(\$12,433)	\$795,689	\$0	\$0
12	3c	Less 50% for the estimated cost of operation, maintenance & repair to B. distribution system	(326,956)	(316,799)		(346,722)	(340,506)		(397,845)	-	-
13		Sub-total operational expense to be shared	\$326,956	\$316,799	(\$10,157)	\$346,722	\$340,506	(\$6,216)	\$397,845	\$0	\$0
14	3d	Plus cash cost of any capital improvement serving both Towns	80,000	46,359	(33,641)	198,000	95,674	(102,326)	170,000		
15	3e	Plus debt-service on any financed improvements serving both towns	-	-		-	-		-		
16	3f	Total	\$406,956	\$363,158	(\$43,798)	\$544,722	\$436,180	(\$108,542)	\$567,845	\$0	\$0
17	2	Keedysville % of total water pumped	16.0%	16.2%	0.2%	16.0%	14.7%	-1.3%	15.5%		
18	3g	Keedysville annual cost water service	\$65,113	\$58,832	-\$6,281	\$87,156	\$64,118	-\$23,037	\$88,016	\$0	\$0
19		ADD: K portion of customer billing expense	11,844	12,144	300	13,319	14,133	814	13,693		
20		ADD: Daily operations labor for tank + booster station	6,574	6,664	90	7,080	8,116	1,036	7,549		
21		ADJUST: Billing related capital to K % of water accounts				1,044			1,320		
22		Keedysville total annual expense	\$83,531	\$77,639	-\$5,892	\$108,599	\$86,368	-\$22,231	\$110,578	\$0	\$0

Payments:					
23	Estimated quarterly cost	20,883	27,150	27,644	
24	First quarter billed		20,883	27,150	
25	Second quarter billed		20,883	27,150	
26	Third quarter billed		20,883	27,150	
27	Fourth quarter billed		20,883	27,150	
28			83,532	108,600	
29	True-up due to B/(due from B)		(\$5,893)	(\$22,232)	\$0

NOTES:

Prepared by: Lisa Riner, K Town Administrator, 08/12/24

BOONSBORO MAYOR AND COUNCIL

STATEMENT OF REVENUES AND EXPENDITURES – BUDGET AND ACTUAL – WATER UTILITY FUND (BUDGETARY BASIS)

Year ended June 30,

2023

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	ACTUAL OVER (UNDER) BUDGET
OPERATING REVENUES				
Charges for services	\$ 650,000	\$ 650,000	\$ 671,492	\$ 21,492
Charges for administration	72,000	72,000	129,483	57,483
TOTAL OPERATING REVENUES	722,000	722,000	800,975	78,975
OPERATING EXPENSES				
Advertising	1,000	1,000	410	(590)
Capital outlay	5,005,432	5,005,432	289,374	(4,716,058)
Chemicals	18,000	18,000	23,438	5,438
Engineering services	7,000	7,000	-	(7,000)
Health insurance	98,400	98,400	129,809	31,409
Meetings	1,200	1,200	180	(1,020)
Miscellaneous	-	-	30,466	30,466
Payroll taxes	26,850	26,850	22,510	(4,340)
Postage	3,000	3,000	4,034	1,034
Professional services	11,000	11,000	3,415	(7,585)
Property insurance	8,000	8,000	6,492	(1,508)
Repairs and maintenance	70,000	70,000	44,925	(25,075)
Retirement	20,430	20,430	14,609	(5,821)
Salaries	303,000	303,000	283,137	(19,863)
Supplies	16,000	16,000	24,366	8,366
Telephone	6,000	6,000	886	(5,114)
Testing	4,000	4,000	-	(4,000)
Tools and equipment	-	-	10,886	10,886
Training and certification	1,000	1,000	1,230	230
Uniforms	3,000	3,000	761	(2,239)
Utilities	60,000	60,000	78,646	18,646
Vehicles	20,000	20,000	12,839	(7,161)
Water/Sewer systems study and monitoring	-	-	7,140	7,140
Worker's compensation	8,532	8,532	3,082	(5,450)
TOTAL OPERATING EXPENSES	5,691,844	5,691,844	992,635	(4,699,209)
OPERATING INCOME (LOSS)	(4,969,844)	(4,969,844)	(191,660)	4,778,184
OTHER INCOME (EXPENSE)				
Debt service fees	23,768	23,768	24,151	383
Connection fees	9,550	9,550	10,550	1,000
Grants	4,992,000	4,992,000	216,561	(4,775,439)
Other income	156,100	156,100	12,636	(143,464)
Interest income	3,500	3,500	84,901	81,401
Interest expense	-	-	(2,222)	(2,222)
Debt service (principal payments)	(21,404)	(21,404)	(19,551)	1,853
Contingency	(193,670)	(193,670)	-	193,670
TOTAL OTHER INCOME (EXPENSE)	4,969,844	4,969,844	327,026	(4,642,818)
NET INCOME (LOSS)	\$ -	\$ -	\$ 135,366	\$ 135,366

Boonsboro Water Fund Capital Expense - FY23 and FY24

Description	Approved Budget	Projected in		Audited Financial Statement			Notes
		Total	Shared	Total	Shared - Cash	Shared - Financed	
Reservoir Replacement Project	4,100,000	4,100,000	0	179,567	0	0	Shared = net of ARC \$100K grant **Cost share not determined; engineering study underway Need to adjust share to % of water accounts
Shafer Park Well Replacement Project	200,000	200,000	100,000	73,990	0	0	
Advanced Metering	600,000	600,000	**	0	0	0	
Crestview Well Capping/Decommission	80,000	80,000	80,000	158	0	0	
Utility Billing Software	18,000	18,000	18,000	0	0	0	
Water Meter Connections	0	0	0	1,155	0	0	
Service & Refurb. Pump- KWP	0	0	0	2,350	0	0	
5 Stage Vertical Turbine Pump- KWP	0	0	0	17,410	2,350	0	
Keedysville Booster Pump Pressure Study	0	0	0	1,766	17,410	0	
Alt 40 Waterline Looping PER	0	0	0	1,766	1,766	0	
TOTAL	\$4,998,000	\$4,998,000	\$198,000	\$276,395	\$95,674	\$0	

Description	Approved Budget	Projected in		Actual		Notes
		Total	Shared	Total	Shared	
	0	0	0	0	0	

Capital Debt Service - Shared

Description	Approved Budget	Projected in		Audited Financial Statement			Notes
		Total	Shared	Total	Shared - Cash	Shared - Financed	
Reservoir replacement	6,100,000	6,100,000	0				Shared = net of ARC \$100K grant **Keedysville cost share not determined Cost will be shared based on percent of water accounts
Shafer Park well replacement	250,000	250,000	150,000				
Advanced Metering System (650K total)	630,000	630,000	**				
Infrastructure	20,000	20,000	20,000				
Billing software	200,000	200,000	0				
Alt 40 Waterline Looping	57,000	0	0				
WTP Solar Arrays							
TOTAL	\$7,257,000	\$7,200,000	\$170,000				

Capital Outlay - Cash

Description	Approved Budget	Projected in Aug 2021	
		Total	Shared
	0	0	0

Capital Debt Service - Shared

**Boonsboro/Keedysville Regional Water System
FY22/23 Quarterly Usage Report**

Month	Fin - Utility		Production		Raw Water Metered		Total	Monthly Usage Received Per Town			Qtrly Gallons Billed to Customers			
	Keedysville	Keedysville	Well #8	Well #8	Warrenfelz	& Park Well		Boonsboro	%	Keedysville	%	Boonsboro	Keedysville	Lost
Jul 22	5,901,000	5,901,000	340,000	340,000	290,000	4,444,000	10,975,000	9,371,730	0.854	1,603,270	0.146			
Aug 22	5,667,000	5,667,000	445,000	445,000	400,000	4,084,000	10,596,000	8,811,470	0.832	1,784,530	0.168			
Sep 22	5,064,840	5,064,840	824,000	824,000	5,000	4,268,000	10,161,840	8,686,300	0.855	1,475,540	0.145			
1st Qtr	16,632,840	16,632,840	1,609,000	1,609,000	695,000	12,796,000	31,732,840	26,869,500	0.847	4,868,340	0.153	20,133,932	4,494,919	7.6%
										FALSE				-368,421
Oct 22	5,154,700	5,154,700	935,000	935,000	0	4,365,000	10,454,700	8,704,410	0.833	1,750,290	0.167			
Nov 22	5,032,221	5,032,221	1,259,000	1,259,000	8,000	4,214,000	10,513,221	8,843,900	0.841	1,669,321	0.159			
Dec 22	5,331,000	5,331,000	1,241,000	1,241,000	0	4,430,000	11,002,000	9,324,481	0.848	1,677,519	0.152			
2nd Qtr	15,517,921	15,517,921	3,435,000	3,435,000	8,000	13,009,000	31,969,921	26,872,791	0.841	5,097,130	0.159	19,282,421	4,457,809	12.5%
										31,969,921				-639,321
Jan 23	5,787,925	5,787,925	1,583,000	1,583,000	0	4,430,000	11,800,925	9,978,400	0.846	1,822,525	0.154			
Feb 23	5,259,000	5,259,000	2,084,000	2,084,000	0	4,108,000	11,451,000	9,887,464	0.863	1,563,536	0.137			
Mar 23	5,725,000	5,725,000	2,458,000	2,458,000	0	4,283,000	12,466,000	10,794,624	0.866	1,671,376	0.134			
3rd Qtr	16,771,925	16,771,925	6,125,000	6,125,000	0	12,821,000	35,717,925	30,660,488	0.858	5,057,437	0.142	20,019,222	4,594,476	9.2%
										35,717,925				-462,961
Apr 23	5,426,000	5,426,000	2,501,000	2,501,000	406,000	4,429,000	12,762,000	11,092,687	0.869	1,669,313	0.131			
May 23	5,447,000	5,447,000	2,187,000	2,187,000	1,803,000	3,608,000	13,045,000	11,267,060	0.864	1,777,940	0.136			
Jun 23	5,249,000	5,249,000	2,497,000	2,497,000	1,212,000	3,637,000	12,595,000	10,737,179	0.852	1,857,821	0.148			
4th Qtr	16,122,000	16,122,000	7,185,000	7,185,000	3,421,000	11,674,000	38,402,000	33,096,926	0.862	5,305,074	0.138	20,227,517	4,843,698	8.7%
							0							-461,376
Total 22/23	65,044,686	65,044,686	18,354,000	18,354,000	4,124,000	50,300,000	137,822,686	117,499,705	0.853	20,322,981	0.147	79,663,092	18,390,902	9.5%

Cost of Daily Operations Labor at Keedysville Tank and Booster Station FY23

By agreement between the Towns Keedysville is charged for 1/2 hour per day of water operator time for routine inspection and daily operations of the water tank and booster station in Keedysville.

Regular Time		Shumaker	DeGrange	Hill	Morton	Olthof	
Hourly rate		\$35.93	\$21.05	\$25.88	\$19.85	\$18.00	
Salary for fiscal year		\$74,734	\$43,784	\$53,830	\$41,288	\$37,440	
FICA + Medicare @7.65%	0.0765	5,717	3,349	4,118	3,159	2,864	
Health Ins (Annual)		8,822	8,822	20,692	20,692	8,822	
Life Ins (Annual)		104	86	104	104	104	
Short term disability (Annual)		245	152	135	135	135	
Unemployment @.021 x \$8500		179	179	179	179	179	
Workers Compensation	0.03	2,242	1,314	1,615	1,239	1,123	
Pension	0.07	5,231	3,065	3,768	2,890	2,621	
Total wage and benefit		\$97,275	\$60,750	\$84,441	\$69,685	\$53,288	\$365,438
Regular work hours/week		40	40	40	40	40	
Weeks employed		52	52	52	52	52	
Annual hours paid		2,080	2,080	2,080	2,080	2,080	
Less:							
Personal leave		240	160	160	120	120	
Total on job hours		1,840	1,920	1,920	1,960	1,960	9,600
Billing hourly rate		\$52.87	\$31.64	\$43.98	\$35.55	\$27.19	
Average rate for all 4							\$38.07

Overtime Rate Saturday x1.5		\$53.90	\$31.58	\$38.82	\$29.78	\$27.00	
FICA + Medicare @7.65%	0.0765	4.12	2.42	2.97	2.28	2.07	
Pension 7% of all wages	0.07	3.77	2.21	2.72	2.08	1.89	
Total direct cost per hour		\$61.79	\$36.20	\$44.51	\$34.14	\$30.96	
Average of 4 employees							\$51.90

Overtime Rate Sunday x2.0		\$71.86	\$42.10	\$51.76	\$39.70	\$36.00	
FICA + Medicare @7.65%	0.0765	5.50	3.22	3.96	3.04	2.75	
Pension 7% of all wages	0.07	5.03	2.95	3.62	2.78	2.52	
Total direct cost per hour		\$82.39	\$48.27	\$59.34	\$45.52	\$41.27	
Average of 4 employees							\$69.20

Day of the week	Days in Yr	Hrs per Day		Total
Monday - Friday	261	0.5	\$38.07	\$4,967.68
Saturday	52	0.5	\$51.90	\$1,349.34
Sunday	52	0.5	\$69.20	\$1,799.12
TOTAL	365			\$8,116.14

Prepared: B staff

**Boonsboro Billing and Customer Accounting for Keedysville Accounts
FY23**

Contracted Services and Supplies		
Contracted Billing Service:		
HBP printing and mailing costs		\$5,096
Other		0
Total contracted services and supplies		\$5,096

Administrative Asst/Water & Sewer

		Rate	Amount
Annual wages	2,080	23.47	\$48,818
FICA		0.0765	3,735
Health Insurance			20,693
Life Insurance			86
Short Term Disability			180
Unemployment (first \$8,500)		0.021	1,025
Workers Compensation		0.01	488
Pension		0.07	3,417
Total wage and benefits			\$78,442
Work hours	40	52	2080
LESS: Personal Leave			-120
Total on job hours			1,960
Billing rate per hour			\$40.02
% time Administrative Asst on water and sewer			85.0%
	Total	Water Only	
B water accounts	1,460	1,460	
B sewer accounts	1,340		
K water accounts	410	410	
Total accounts	3,210	1,870	
% K+B water accounts of total accounts			58.3%
% K accounts of total water accounts			21.9%
Annual hours for Keedysville			225.8
			\$9,038

Total Billing and Customer Accounting	\$14,133
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Prepared: B staff

Keedysville Annual Usage and Costs Recap FY11 - FY24

	Total Gallons Pumped to K	% System Total Pumped to K	K Total Annual Cost	\$/1,000 Gal Pumped to K	Gallons Metered to K Customers	\$/1,000 Gal. Metered to K Customers	Total Shared Capital B + K combined	Billing Fees (incl.)
FY11	31,025,000	18.6%	\$39,264	\$1.27	20,933,330	\$1.88	\$0	\$2,564
FY12	26,296,000	15.8%	\$40,908	\$1.56	19,519,970	\$2.10	\$20,257	\$2,616
FY13	23,012,000	14.5%	\$38,102	\$1.66	19,687,738	\$1.94	\$13,553	\$2,808
FY14	23,473,000	14.8%	\$47,993	\$2.04	18,819,588	\$2.55	\$71,327	\$2,628
FY15	23,379,000	14.1%	\$46,440	\$1.99	19,227,111	\$2.42	\$14,737	\$2,886
FY16	22,847,500	14.5%	\$63,203	\$2.77	18,678,173	\$3.38	\$50,867	\$5,653
FY17	23,409,500	14.2%	\$66,205	\$2.83	19,013,756	\$3.48	\$109,335	\$5,465
FY18	22,496,900	14.4%	\$52,300	\$2.32	19,189,694	\$2.73	\$16,160	\$4,836
FY19	23,564,867	16.1%	\$59,714	\$2.53	19,476,957	\$3.07	\$14,031	\$5,132
FY20	23,206,313	16.4%	\$56,545	\$2.44	19,370,629	\$2.92	\$13,600	\$7,016
FY21	22,175,833	15.8%	\$60,530	\$2.73	19,106,451	\$3.17	\$13,602	\$9,794
FY22	22,373,202	16.2%	\$77,639	\$3.47	19,114,256	\$4.06	\$46,359	\$12,144
FY23	20,322,981	14.7%	\$86,368	\$4.25	18,390,902	\$4.70	\$95,674	\$14,133
FY24 (projected)	20,500,000	15.5%	\$110,578	\$5.39	19,000,000	\$5.82	170,000	\$13,693

Prepared: Lisa Riner, K Town Administrator 08/12/24