***Town Government Report***

By Rande Davis

**Commissioners Approve 15% Increase in Water Rates**

The Poolesville Commissioners approved a fifteen percent increase in town water rates. In doing so, they rejected their own earlier proposal to set a quarterly sewer fee of $15.00 per tap per quarter. The commissioners had introduced the fee as a way to help minimize a subsidy that transfers funds to the town’s Water/Wastewater (W/WW) budget from its general fund. The new water rates are anticipated to balance the W/WW budget and eliminate the subsidy practice.

After hearing from residents who objected to the fee as being unfair to small water users, the commissioners instead voted to raise water use rates so that all users will pay only based on their own personal level of consumption.

For many years, the annual W/WW budget fell short in revenue from sales of water and had to receive a grant (subsidy) from the town’s general fund to cover a deficit.

One reason for the deficit is that lower level users of town water have had rates below cost. Some opponents to the subsidy also point to non-taxpaying properties (schools, churches, and the county pool) that are not being charged a fee for Capital Improvement Projects (CIP) within the W/WW budget.

Those opponents argue that it is unfair to taxpaying property owners to not charge a fee to the tax-exempt properties. While all properties (taxpaying and tax-exempt) pay for water used, only property taxpayers contribute to the water treatment plant CIP costs.

 It has been proposed that the town could charge tax exempt users for CIP costs either through a separate fee or through a similar process used for taxpaying properties.

One reason why previous commissions chose not to extract CIP revenue from the churches, schools, and pools is that most of their members, students, and swimmers already contribute to the CIP costs through their personal property taxes.

The new water rates are anticipated to balance the W/WW budget and eliminate the subsidy practice.

In addition to the new fifteen percent increase in water rates, the commissioners also discussed automatically authorizing a potential increase in rates of up to two percent based on operational costs of the water and sewer system. This would be an ordinance change requiring a public hearing. These costs can fluctuate for various reasons due to weather, cost of supplies, etc.

For 0 to 30,000 gallons, the rate increases from $7.05 to $8.11; for 30,001 to 40,000 gallons, the rate increases from $7.90 to $9.08; for 40,001 to 50,000 gallons, the rate changes from $8.73 to $10.04; and over 50,001 gallons used, the rate increases from $9.58 to $11.02.

**FY2013 Budget Approved**

With final adjustments to the proposed town FY13 Budget that includes the new water rate schedule, the commissioners approved the new budget.

Changes to the final budget from the last public draft include updated revenue and expenditure figures, cancelation of an employment position in the water department, holding off of any new hires, increased Chesapeake Bay and administrative fees, and data on revenue from the speed camera.

In the final budget, the commissioners approved the West Willard sidewalk project and $7,500 for a new market survey at the request of the Community Economic Development Committee that is designed to help identify and attract new business opportunities. Jerry Klobukowski was the only commissioner to vote against approval of the new budget.

**Assistance Sought for Economic Development**

Seeking to advance the economic prospects of the town and to provide new employment opportunities, the commissioners approved a proposal to contract for consulting services with OrionVentures, LLC (Orion) whose CEO is former county councilman Mike Knapp.

Orion is tasked with the objective to seek new strategies for economic development of the town, to identify businesses and industries most conducive for town economic growth, and to recommend possible governmental incentives and marketing tools to help attract the targeted prospects. Once an economic development plan is established, Orion, working with town representatives, will establish a pathway to reach the established goals, one of which is to increase daily employment in the community by 75 to 150 employees.

An example of opportunity to be explored by Orion would be Poolesville’s unique position in the Ag Reserve which might be advantageous in attracting agricultural firms and services or related environmental education and institutional programs.

While the initiative is not tasked to specifically attract a new grocery store, Knapp suggested his work might be helpful to that goal.

The initial agreement is for three months at $8,400 per month.

**Potomac Edison Obtains Town Support** **against New County Regulations**

Potomac Edison sought the support from the commission for the electric company’s effort against new county regulations related to the removal of trees. Potomac Edison objects to “excessive and unwarranted costs” of the regulations, costs they would be forced to pass on to consumers and would delay the tree trimming activities that are in response to county and consumer concern over potential power outages.

The commissioners voted 3-1-1 to send a letter of support for Potomac Edison’s position to the county council. Voting against the proposal was Jim Brown with Brice Halbrook abstaining.