

# BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD

## MEETING MINUTES

Wednesday January 25th, 2023, 6:30 PM

Boonsboro Town Hall

### WORK SESSION - DRAFT PROPOSED NEW AGREEMENT

Voting members present: Austin Abraham, Howard Long (B), Tony Nally (B), Matt Hull (K), Brandon Sweeney (K). Others present, Paul Mantello, Town of Boonsboro Manager, Keedysville Town Administrator Lisa Riner and Boonsboro Council Member Eric Kitchen.

- I. **The meeting was convened** at approximately 6:30 PM at Boonsboro Town Hall.
  
- II. **Water Production Capacity and available EDUs**
  - The Board reviewed available capacity chart and options for keeping available capacity positive Austin reviewed the projected FY23 Water Production Capacity and available EDU's based on the Quarter 1 and Quarter 2 Numbers. The average daily Water Withdraw projected to be for FY23 is 350,685 leaving 164,515 gpd of unused capacity. Unused reliable capacity in EDU's @ 250GPD is 658 EDUs and @ 200GPD IS 823 EDUs. There are 602 EDU commitments in future growth. This would leave 56 EDU surplus @ 250GPD and 221 surplus @ 200GPD. With a 10% held in reserve that would leave 150 Deficit @ 250GPD and Deficit 37 @ 200GPD. Have we decided on an approach to avoid deficit in available capacity? The Commission discussed the different options of the amount of reserve held and looked at the numbers when reducing the reserve to 5% or even eliminating the reserve percentage. Austin does not suggest the later. A discussion on the anticipated change in numbers after the completion of new well at Shafer Park in Boonsboro and the completion of the new reservoir and how it would affect the unaccounted water loss. The Board asked about The King Rd 554 EDU commitment in which Mantello informed the Board that the agreement was valid until 2030 and the next phase of the development has not begun. Mayor and Council did pass an ordinance that you can reserve capacity, but it expires after 2 years and they no longer accept prepaid taps. Keedysville asked if Boonsboro would consider using the 200 GPD. Mantello stated that Boonsboro follows the MDE at 250GPD. As per email from Lisa Riner, the Keedysville Water Commission voted on 2/1/2023 to use the 250GPD as the standard of measure.

**Water Production Capacity and Available EDU's  
Projected for FY23 based on Q1+Q2 results (reservoir leaks sandbagged)**

1	Water Appropriation Permits	Permitted	Production		Available	Reliable
		Daily Avg Flow	Capacity	Capacity	Capacity	Capacity
		GPD	GPM	GPD	GPD	GPD
	Schafer P WA19886006(03)	332,000	140 + 65 GPM	295,200	295,200	295,200
	Keedysvi WA19796012(05)	220,000	170 GPM	244,800	220,000	220,000
	Warren WA19796013(06)	130,000	120 GPM	172,800	130,000	0
		<u>682,000</u>			<u>645,200</u>	<u>515,200</u>

2	Total water withdrawn		
	FY23 (Q1+Q2) x 2	128,000,000	
	Number of days	365	
	Average daily withdrawal	<u>350,685</u>	<u>350,685</u>

3	Unused capacity GPD	331,315	164,515
			<u>250 GPD</u> <u>200 GPD</u>
	Unused reliable capacity in EDU's		<u>658</u> <u>829</u>

4	EDU commitments to others by Boonsboro:		
	King Road (656)	[committed until 2030]	554   554
	TE&K (360)	[paid, no connection yet]	18   18
	Easterday (153)	[paid, no connection yet]	8   8
	Dean B486 LLC (Fletcher's Grove)	[paid, no connection yet]	19   19
	Misc. commitments		
	EDU commitments by Keedysville:		3   3
	TOTAL commitments		<u>602</u> <u>602</u>
	EDU Surplus/(Deficit)		<u>56</u> <u>221</u>

5	If 10% of reliable capacity is held in reserve:		
		515,200	
		10% 51,520	(206)   (258)
	EDU Surplus/(Deficit)		<u>(150)</u> <u>(37)</u>

6	Additional EDU capacity if Boonsboro reduces unaccounted-for water to xx:		
	EDU Surplus/(Deficit)		<u>(150)</u> <u>(37)</u>

7	Reserve EDU's for Keedysville in new agreement:		
		60	60
		<u>(210)</u>	<u>(97)</u>

Note: Does not include a) EDU's Boonsboro previously designated for municipal purposes or in-fill.  
Updated: January 18, 2023

## Water Production Capacity and Available EDU's

### OPTIONS FOR CALCULATION

Projection for FY23 based on Q1 + Q2	EDU=250 GPD	EDU=200 GPD
FY23 Projected Available EDU's	658	823
Committed by Boonsboro	(602)	(602)
10% Reliable Capacity gallons in reserve	(206)	(258)
Reserved for Keedysville in draft agreement	(60)	(60)
<b>Total Available EDU's</b>	<b>(210)</b>	<b>(97)</b>

**OPTIONS:**

A. Reduce reserve to 5%	(210)	(97)
	<b>103</b>	<b>129</b>
	(107)	32

B. Eliminate reserve requirement	(210)	(97)
	<b>206</b>	<b>258</b>
	(4)	161

C. Use 200 GPD for an EDU for purposes of water capacity planning in this agreement	<b>XX</b>	(97)
---	-----------	------

D. Anticipate new well production?		
------------------------------------	--	--

E. Wait for reservoir project to be completed in hopes B water loss is reduced to 20%	(210)	(97)
	<b>98</b>	<b>112</b>
	(112)	15

F. Remove King Rd 554 EDU's as committed and recategorize as first-come first-served?	(210)	(97)
	<b>554</b>	<b>554</b>
	344	457

Prepared by: Austin Abraham January 22, 2023

### III. Review alternate cost-sharing formula

- Brandon Sweeney reviewed his cost-sharing formula line for line. It is noted that line 9 and line 11 come out and will not be included in the new draft. The Commission agrees that the figures are very close to the original formula and this proposed view gives more concrete numbers. The Board decided to include Brandon's Cost sharing formula in the proposed draft new agreement.

**Brandon's Proposed Cost-Sharing Formula**  
January 23, 2023

Line	Line #	Description	FY22/23	Revised Calc	
1				\$693,844	
2	3a-b	Boonsboro Operating Expenses	\$5,906,918	Admin	Oper/Main
3				\$184,594	\$509,250
4		Adjustment #3 - Less Budgeted Contingency	-\$193,670	N/A	N/A
5		Adjustment #3A - Add Back Contingency	\$20,000	N/A	\$20,000
6		Adjustment #4 - Less Reimbursed Engineering Fees			
7		Adjustment #5 - Less Capital Expense	-\$4,998,000	N/A	N/A
8		Adjustment #5A - Less Debt-Service+Interest	-\$21,404	N/A	N/A
9		Adjustment #6 - Less Direct Pay by K to B	--	--	--
10		Customer Billing	-\$13,319		
11		Repairs by B to K			
12		Daily Operations Labor for Tank + Booster Station	-\$7,080		
13		Total Applicable Operating Expenses	\$693,445	\$184,594	\$529,250
14	3c	% of Estimated Cost	50%	40%	40%
15		Less % for the Estimated Cost of Operation, Maintenance, & Repair to B Distribution System	-\$346,723	-\$73,838	-\$211,700
16		Sub-total Operational Expense to be Shared	\$346,723	\$110,757	\$317,550
17	3d	Plus Cash Cost of Any Capital Improvement Serving both Towns	\$198,000	\$18,000	\$180,000
18	3e	Plus Debt-Service on Any Financed Improvements Serving Both Towns	--	--	--
19	3f	Total	\$544,723	\$128,757	\$497,550
20	2	Keedysville % of Shared Cost (Based on # of Accounts / Water Usage)	16.0%	21.8%	16.0%
21	3g	Keedysville Annual Cost Water Service	\$87,156	\$28,069	\$79,608
22		K Portion of Customer Billing Expense, Meter Reading, & Additional Admin Support	\$13,319	--	--
23		Daily Operations Labor for Tank + Booster Station	\$7,080	--	--
24		ADJUST: Billing related capital to K % of water accounts	\$1,044	--	--
25		<b>KEEDYSVILLE TOTAL ANNUAL EXPENSE</b>	<b>\$108,599</b>	<b>\$28,069</b>	<b>\$79,608</b>
26				<b>\$107,677</b>	
27		Difference from FY22/23 Budget	--	-\$922	

- A. Proposed terms of the agreement finished? (See comparison chart current agreements/ proposed new agreement) The Board reviewed the line items. It was determined that line 7 and line 8 would need further discussion.

Boonsboro-Keedysville Water Service Agreement Comparison  
January 25, 2023

#	ITEM	CURRENT AGREEMENT(s)	PROPOSED AGREEMENT
1	Number of agreements	Seven	One
2	Term	75 years: 1958 - 2033 (1958)	25 year initial term; and five 10-year extensions with mutual agreement
3	Definition of 'Water System'	All water system assets of both Towns (1998)	No change
4	Ownership of assets	Keedysville owns assets with its Town boundaries; Boonsboro owns all other assets (1998)	No change
5	System Operator	Boonsboro (1958 + 1998)	No change
6	Water storage facilities: Currently Boonsboro's reservoir and Keedysville's elevated storage tank	Boonsboro is responsible for all capital costs related to its reservoir & any future water storage facilities; Keedysville is responsible for all costs related to the elevated storage tank. (2015)	No change
7	Allocation of available capacity to each Town	Silent (1958)...resulting in first come, first served as long as there is available System capacity;  However, each Town has first rights to sources it owns if System cannot support all customers.	10% reserved, use only with approval of both Towns; 12,000 GPD to Keedysville; balance to Boonsboro; Towns may transfer assigned available capacity between them as may be agreed.
8	Keedysville participation in source expansion	If growth in Keedysville requires increase in source capacity that Keedysville Spring cannot produce, Keedysville will share in cost proportionately. (1958)	Keedysville will share in cost of source expansion if Keedysville Spring production drops below 110,000 GPD, or Keedysville usage goes above 110,000 GPD, or existing water sources lose capacity, or Keedysville desires additional allocation of available capacity beyond what is granted in this Agreement.
9	Separation of systems	Requires approval of both Towns and MDE (1998)	No change
10	Cost sharing - operations and capital	See Exhibit A (1994, 1999, 2015, 2017)	No change
11	Review of cost sharing formulas	As may be mutually agreed to (1999)	Every 5 years by Water Advisory Board or as requested by one or both Towns
12	Cost share of water lines in each Town	Keedysville 100% responsible for all lines in Keedysville including lines that provide water to Boonsboro (1958 et al)  Keedysville shares in the costs of lines in Boonsboro that provide water to Keedysville. (never excluded by any agreement)	Each Town 100% responsible for lines within its Town boundaries. (This addresses an inequity in the 1958 and 1999 agreements.)
13	Keedysville distribution system	Keedysville 100% responsible	No change
14	Cost share of water line between Towns	Costs are shared	No change
15	Temporary water shortages	Towns to work cooperatively to put in place water conservation measures	No change
16	Water Advisory Board	Advisory only; 2 members selected by each Town; the 4 appointed members select chairperson (1998)	Same arrangement and charge; must meet at least 2 times a year; adds responsibility for review of cost-sharing formula every 5 years.
17	Disputes	Step 1: Towns (1958) Step 1A: May refer to Water Advisory Board for recommendation (1998) Step 2: Arbitration (1958) Step 3: Refer to PSC (1958)	Step 1: Town staffs Step 2: Water Advisory Board Step 3: Mayor and Council of both Towns Step 4: Mediation Step 5: Arbitration
18	Service areas	Each Town serves within its Town boundaries; Boonsboro shall serve customers between the Towns; service to other areas outside of Town boundaries is at the discretion of each Town (1958)	No change

**B. System Mapping for Boonsboro & Keedysville**

- Who is able to prepare system map exhibit locating major water system assets? Town Mantello informs the Board that this is already in the process.

### C. Time Frame for New Draft Completion

- Is the Draft ready for the Board to adopt at the next regular meeting or is more time needed before the Water Advisory Board takes a vote? Austin asked Town Manager Mantello and Boonsboro Mayor Howard Long, the timeframe of how long the Council will need to approve the new draft. Mayor Long also asked Eric Kitchen to act as an Alternate on the Commission.

***NEXT SCHEDULED MEETING:*** February 8, 2023, 6:30 PM at Boonsboro  
(Regular meetings are 2nd Wednesday of Feb, May and Aug and 2<sup>nd</sup> Wednesday after Thanksgiving)

The meeting was adjourned at 8:00pm.

Submitted by; Yvette May

**BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD**  
**Wednesday January 25, 2023 6:30 PM**  
**Boonsboro Town Hall**

**WORKSESSION – DRAFT PROPOSED NEW AGREEMENT**

**AGENDA**

*Rules of procedure:* Members of the Water Advisory Board, alternates and town staff or others involved with the operation of the joint water system are welcome to sit at the table during our meetings provided there is sufficient room. Discussion is open but with priority given to members of the Board. The Chair reserves the right to limit discussion to Board members at his/her discretion in accordance with the Board's Bylaws. Voting is restricted to the 5 members of the Board or alternates serving in the place of a Board member.

- I. Review available capacity chart and options for keeping available capacity positive (Austin)
  
- II. Review alternate cost-sharing formula (Brandon)
  
- III. Are we ready to move forward?
  - A. Have we decided on an approach to avoid deficit in available capacity?
  - B. Cost sharing formula finalized?
  - C. Proposed terms of the agreement finished?  
(See comparison chart current agreements / proposed new agreement)
  - D. Who is able to prepare system map exhibit locating major water system assets?
  - E. Ready for the Board to adopt at the next regular meeting or is more time needed before the Water Advisory Board takes a vote?
  
- IV. Public comment

**NEXT SCHEDULED MEETING:** February 8, 2023 6:30 PM at Boonsboro  
(Regular meetings are 2nd Wednesday of Feb, May and Aug and 2<sup>nd</sup> Wednesday after Thanksgiving)

**Water Production Capacity and Available EDU's  
Projected for FY23 based on Q1+Q2 results (reservoir leaks sandbagged)**

1	Water Appropriation Permits	Permitted Daily Avg Flow	Production Capacity		Available Capacity	Reliable Capacity
		GPD	GPM	GPD	GPD	GPD
	Schafer P WA1988G006(03)	332,000	140 + 65 GPM	<b>295,200</b>	295,200	295,200
	Keedysvil WA1979G012(05)	<b>220,000</b>	170 GPM	244,800	220,000	220,000
	Warrenfe WA1979G013(06)	<b>130,000</b>	120 GPM	172,800	130,000	0
		<u>682,000</u>			<u>645,200</u>	<u>515,200</u>

2	<b>Total water withdrawn</b>				
	FY23 (Q1+Q2) x 2	128,000,000			
	Number of days	365			
	Average daily withdrawal	<u>350,685</u>			<u>350,685</u>

3	<b>Unused capacity GPD</b>	331,315			164,515
					<b>250 GPD</b>
	Unused reliable capacity in EDU's				658
					<b>200 GPD</b>
					823

4	<b>EDU commitments to others by Boonsboro:</b>				
	King Road (656)		[committed until 2030]	554	554
	TT&K (360)		[paid, no connection yet]	18	18
	Easterday (153)		[paid, no connection yet]	8	8
	Dean 8486 LLC (Fletcher's Grove)		[paid, no connection yet]	19	19
	Misc. commitments				
	<b>EDU commitments by Keedysville:</b>			3	3
	TOTAL commitments			<u>602</u>	<u>602</u>
	<b>EDU Surplus/(Deficit)</b>			<b>56</b>	<b>221</b>

5	<b>If 10% of reliable capacity is held in reserve:</b>			515,200	
			10%	51,520	(206)
	<b>EDU Surplus/(Deficit)</b>				<u>(150)</u>
					<u>(37)</u>

6	<b>Additional EDU capacity if Boonsboro reduces unaccounted-for water to xx:</b>				
	<b>EDU Surplus/(Deficit)</b>				<u>(150)</u>
					<u>(37)</u>

7	<b>Reserve EDU's for Keedysville in new agreement:</b>			60	60
				<u>(210)</u>	<u>(97)</u>

Note: Does not include a) EDU's Boonsboro previously designated for municipal purposes or infill.

Updated: January 18, 2023



## Water Production Capacity and Available EDU's

### OPTIONS FOR CALCULATION

Projection for FY23 based on Q1 + Q2	EDU=250 GPD	EDU=200 GPD
FY23 Projected Available EDU's	658	823
Committed by Boonsboro	(602)	(602)
10% Reliable Capacity gallons in reserve	(206)	(258)
Reserved for Keedysville in draft agreement	(60)	(60)
<b>Total Available EDU's</b>	<b>(210)</b>	<b>(97)</b>

**OPTIONS:**

A. Reduce reserve to 5%	(210)	(97)
	<b>103</b>	<b>129</b>
	<u>(107)</u>	<u>32</u>

B. Eliminate reserve requirement	(210)	(97)
	<b>206</b>	<b>258</b>
	<u>(4)</u>	<u>161</u>

C. Use 200 GPD for an EDU for purposes of water capacity planning in this agreement	<b>XX</b>	(97)
---	-----------	------

D. Anticipate new well production?		
------------------------------------	--	--

E. Wait for reservoir project to be completed in hopes B water loss is reduced to 20%	(210)	(97)
	<b>98</b>	<b>112</b>
	<u>(112)</u>	<u>15</u>

F. Remove King Rd 554 EDU's as committed and recategorize as first-come first-served?	(210)	(97)
	<b>554</b>	<b>554</b>
	<u>344</u>	<u>457</u>

Prepared by: Austin Abraham January 22, 2023

# Brandon's Proposed Cost-Sharing Formula

January 23, 2023

Line #	Description	FY22/23	Revised Calc	
1				\$693,844
2	Boonsboro Operating Expenses	\$5,906,918	Admin	\$184,594
3			Oper/Main	\$509,250
4	Adjustment #3 - Less Budgeted Contingency	-\$193,670	N/A	N/A
5	Adjustment #3A - Add Back Contingency	\$20,000	N/A	\$20,000
6	Adjustment #4 - Less Reimbursed Engineering Fees			
7	Adjustment #5 - Less Capital Expense	-\$4,998,000	N/A	N/A
8	Adjustment #5A - Less Debt-Service+Interest	-\$21,404	N/A	N/A
9	Adjustment #6 - Less Direct Pay by K to B	--	--	--
10	Customer Billing	-\$13,319		
11	Repairs by B to K			
12	Daily Operations Labor for Tank + Booster Station	-\$7,080		
13	Total Applicable Operating Expenses	\$693,445	\$184,594	\$529,250
14	% of Estimated Cost	50%	40%	40%
15	Less % for the Estimated Cost of Operation, Maintenance, & Repair to B Distribution System	-\$346,723	-\$73,838	-\$211,700
16	Sub-total Operational Expense to be Shared	\$346,723	\$110,757	\$317,550
17	Plus Cash Cost of Any Capital Improvement Serving both Towns	\$198,000	\$18,000	\$180,000
18	Plus Debt-Service on Any Financed Improvements Serving Both Towns	--	--	--
19	Total	\$544,723	\$128,757	\$497,550
20	Keedysville % of Shared Cost (Based on # of Accounts / Water Usage)	16.0%	21.8%	16.0%
21	<b>Keedysville Annual Cost Water Service</b>	\$87,156	\$28,069	\$79,608
22	K Portion of Customer Billing Expense, Meter Reading, & Additional Admin Support	\$13,319	--	--
23	Daily Operations Labor for Tank + Booster Station	\$7,080	--	--
24	ADJUST: Billing related capital to K % of water accounts	\$1,044	--	--
25			\$28,069	\$79,608
26	<b>KEEDYSVILLE TOTAL ANNUAL EXPENSE</b>	<b>\$108,599</b>	<b>\$107,677</b>	
27	Difference from FY22/23 Budget	--	-\$922	

Boonsboro-Keedysville Water Service Agreement Comparison  
January 25, 2023

#	ITEM	CURRENT AGREEMENT(S)	PROPOSED AGREEMENT
1	Number of agreements	Seven	One
2	Term	75 years: 1958 - 2033 (1958)	25 year initial term; and five 10-year extensions with mutual agreement
3	Definition of 'Water System'	All water system assets of both Towns (1998)	No change
4	Ownership of assets	Keedysville owns assets with its Town boundaries; Boonsboro owns all other assets (1998)	No change
5	System Operator	Boonsboro (1958 + 1998)	No change
6	Water storage facilities: Currently Boonsboro's reservoir and Keedysville's elevated storage tank	Boonsboro is responsible for all capital costs related to its reservoir & any future water storage facilities; Keedysville is responsible for all costs related to the elevated storage tank. (2015)	No change
7	Allocation of available capacity to each Town	Silent (1958)...resulting in first-come, first served as long as there is available System capacity;  However, each Town has first rights to sources it owns if System cannot support all customers.	10% reserved, use only with approval of both Towns; 12,000 GPD to Keedysville; balance to Boonsboro; Towns may transfer assigned available capacity between them as may be agreed.
8	Keedysville participation in source expansion	If growth in Keedysville requires increase in source capacity that Keedysville Spring cannot produce, Keedysville will share in cost proportionately. (1958)	Keedysville will share in cost of source expansion if Keedysville Spring production drops below 110,000 GPD, or Keedysville usage goes above 110,000 GPD, or existing water sources lose capacity, or Keedysville desires additional allocation of available capacity beyond what is granted in this Agreement.
9	Separation of systems	Requires approval of both Towns and MDE (1998)	No change
10	Cost sharing - operations and capital	See Exhibit A (1994, 1999, 2015, 2017)	No change
11	Review of cost sharing formulas	As may be mutually agreed to (1999)	Every 5 years by Water Advisory Board or as requested by one or both Towns

12	Cost share of water lines in each Town	Keedysville 100% responsible for all lines in Keedysville including lines that provide water to Boonsboro (1958 et al)	Each Town 100% responsible for lines within its Town boundaries. (This addresses an inequity in the 1958 and 1999 agreements.)
13	Keedysville distribution system	Keedysville shares in the costs of lines in Boonsboro that provide water to Keedysville. (never excluded by any agreement)	No change
14	Cost share of water line between Towns	Keedysville 100% responsible	No change
15	Temporary water shortages	Costs are shared Towns to work cooperatively to put in place water conservation measures	No change
16	Water Advisory Board	Advisory only; 2 members selected by each Town; the 4 appointed members select chairperson (1998)	Same arrangement and charge; must meet at least 2 times a year; adds responsibility for review of cost-sharing formula every 5 years.
17	Disputes	Step 1: Towns (1958) Step 1A: May refer to Water Advisory Board for recommendation (1998) Step 2: Arbitration (1958) Step 3: Refer to PSC (1958)	Step 1: Town staffs Step 2: Water Advisory Board Step 3: Mayor and Council of both Towns Step 4: Mediation Step 5: Arbitration
18	Service areas	Each Town serves within its Town boundaries; Boonsboro shall serve customers between the Towns; service to other areas outside of Town boundaries is at the discretion of each Town (1958)	No change

**WATER SERVICE AGREEMENT  
BY AND BETWEEN  
THE MAYOR AND COUNCIL OF BOONSBORO  
AND  
THE MAYOR AND COUNCIL OF KEEDYSVILLE**

This Agreement (“Agreement”) is made this \_\_\_\_ day of \_\_\_\_\_, \_\_\_\_\_, by and between the Mayor and Council of Boonsboro, a municipal corporation hereafter called “Boonsboro”, and the Mayor and Council of Keedysville, a municipal corporation hereafter called “Keedysville”, both of Washington County, Maryland, and sometimes collectively referred to as the “Towns”.

WHEREAS, Boonsboro and Keedysville separately own portions of a joined water system (“Water System”); and

WHEREAS, the Towns have provided for the ownership and operation of the Water System by means of a series of agreements between the Towns; and

WHEREAS, the original agreement that is still in force as amended is dated October 6, 1958 and has a term of 75 years; and

WHEREAS, since 1958 the Towns have experienced growth in Town boundaries, growth in population, an increase in regulation and requirements regarding water system operations, and significant additions to the capital infrastructure of the Water System including but not limited to two water treatment plants, a booster station and an elevated storage tank; and

WHEREAS, the Towns desire to continue cooperation for their mutual benefit and advantage in providing reliable potable water service to their residents and other customers, and

WHEREAS, the Towns desire to continue to share in the use of available water sources, and

WHEREAS, the Towns have determined that it is in the best interests of the Towns to replace the existing agreements with one new agreement covering the ownership and operation of the Water System, the collaboration between the Towns necessary for operating such a Water System, and the best method for equitably sharing costs between the Towns.

NOW THEREFORE, for and in consideration of the premises and the mutual covenants and agreements herein contained, the parties hereto do each covenant and agree with the other as follows:

1. **Recitals.** The representations set forth in the foregoing recitals are material to this Agreement and are hereby incorporated into and made a part of this Agreement.
  
2. **Termination of prior agreements.** With the adoption of this Agreement by the Towns, the following agreements by and between the Towns are hereby terminated and no longer in effect:
  - Untitled water service agreement, by and between the Mayor and Council of Boonsboro, the Board of Water Commissioners of Boonsboro, the Mayor and Council of Keedysville, dated October 6, 1958, and
  - *Resolution 97-02 of the Mayor and Council of Boonsboro, An Ordinance Entitled Boonsboro and Keedysville Regional Water System Agreement*, by the Towns of Boonsboro and Keedysville, dated July 28, 1997
  - *Amendment #1 to the Water Service Agreement Dated October 6, 1958*, by and between the Mayor and Council of Boonsboro, the Mayor and Council of Keedysville, the Boonsboro Municipal Utilities Commission (formerly the Board of Water Commissioners of Boonsboro), and the Keedysville Water Commission, dated May 15, 1998, and
  - *Water Service Charge Agreement*, by and between the Mayor and Council of Boonsboro, the Boonsboro Municipal Utilities Commission, the Mayor and Council of Keedysville, and the Keedysville Water Commission, dated June 17, 1999, and
  - *Memorandum of Understanding, Town of Keedysville Water Infrastructure Upgrades*, by the Mayor and Council of Boonsboro and the Town of Keedysville, dated March 1, 2010, and
  - *Booster Station and Elevated Storage Tank Agreement*, by and between the Mayor and Council of Boonsboro, the Boonsboro Municipal Utilities Commission and the Mayor and Council of Keedysville and the Keedysville Water Commission, dated January 5, 2015 and,
  - *Amendment to Water Service Charge Agreement*, by and between the Mayor and Council of Boonsboro, the Boonsboro Utilities Commission, and the Mayor and Council of Keedysville and the Keedysville Water Commission, dated March 1, 2017.

**3. Ownership of Water System assets.**

- A. The ownership of Water System assets including, but not limited to, sources of supply and related water rights, pumping and treatment facilities, storage facilities, transmission lines, and distribution systems shall remain unchanged by this Agreement.
- B. As of the date of this Agreement Keedysville owns all Water System assets within the corporate boundaries of Keedysville including, but not limited to, water rights to sources in Keedysville, distribution and transmission lines, connections and meters, the spring house at the Keedysville spring, the treatment facility for the Keedysville spring, the elevated storage tank and the booster station located near the northern boundary of the Town.
- C. As of the date of this Agreement Boonsboro owns all Water System assets located both inside and outside the corporate boundaries of Boonsboro except for those owned by Keedysville as specified above.
- D. An illustration of the primary Water System assets as of the date of this Agreement is shown in **Exhibit A**.
- E. Each Town shall provide appropriate building, contents, and equipment insurance as well as appropriate boiler and machinery coverage for that portion of the Water System it owns.

**4. Water System separation.** The Water System lines and facilities may not be separated into separate water systems except by the joint approval of the Towns and the Maryland Department of the Environment or its successor if any.

**5. Existing sources of water.** The existing sources of water connected to the Water System as of the date of the Agreement and their Permitted Withdrawal Allocation as determined by the Maryland Department of the Environment are listed in **Exhibit B**.

**6. Service areas.** Each Town shall have the exclusive right to provide water service to customers within their corporate limits as they now exist and as the corporate limits may, from time to time, be expanded. In addition, each Town shall have the right to serve customers outside their corporate limits. Should a Town's corporate limits be extended to include water customers of the other Town, those customers shall become customers of the Town into which they have been annexed. Boonsboro shall have the

exclusive right to serve unincorporated properties from the water transmission line that runs between the Towns' boundaries.

- 7. Operation of the Water System.** Boonsboro shall serve as the Water System Operator, hereafter called the "System Operator". Boonsboro shall provide personnel and/or contractors that are trained and certified to operate and maintain a potable water system in a manner as required by any and all applicable regulatory bodies.
- 8. Maintenance and replacement of Water System assets.** Except as stipulated in **Section 9** of this Agreement, Boonsboro as System Operator, shall be responsible for the maintenance, repair and replacement of all water facilities including, but not limited to, water sources, treatment facilities, pumping facilities, transmission lines, distribution lines, connections, hydrants and storage. Costs shall be shared between the Towns as stipulated in **Section 10** and **Section 12** of this Agreement.
- 9. Distribution, storage and booster station facilities in Keedysville.**

  - A. Keedysville shall be responsible for the operations, maintenance, capital improvements, replacements, and costs related to the distribution system owned by Keedysville regardless of if lines in Keedysville are used to transport water to Boonsboro.
  - B. Although Boonsboro, as System Operator, shall be responsible to operate the elevated storage tank in Keedysville, Keedysville shall be responsible for all costs related to the operation, maintenance, repair and replacement of the elevated storage tank in Keedysville.
  - C. Boonsboro, as System Operator, shall be responsible to operate, maintain and replace as necessary the piping and equipment inside the Keedysville Booster Station with related costs treated as shared costs. Keedysville shall manage and fund any and all repairs, maintenance and replacements necessary for the Keedysville Booster Station building and related grounds.
  - D. All work on the distribution facilities in Keedysville that is regulated by the Maryland Department of the Environment or any successor or by the Environmental Protection Agency or any successor shall be coordinated by Keedysville with Boonsboro which operates the Water System.



## 10. Allocation of operating costs to Keedysville.

- A. Keedysville's share of Boonsboro's costs of operating the Water System shall be based on the costs Boonsboro incurs for the operations, maintenance, capital improvements and replacements of those portions of the Water System that provide service to Keedysville including the water transmission line between the Towns, in proportion to the total gallons of water provided to Keedysville compared to the total gallons produced by the Water System. Excluded are a) all costs related to Boonsboro's distribution system, b) all water lines in the Boonsboro water service area, except for the transmission line between the Town boundaries, regardless of if those lines transport water to Keedysville, and c) capital costs related to water storage in Boonsboro, which costs shall be the sole responsibility of Boonsboro.
- B. In addition, Keedysville's share of Boonsboro's costs shall include a) the cost of providing Keedysville with meter reading, billing, collection and customer service for Keedysville's water customers, and b) any other direct support to Keedysville as the Towns may agree.
- C. Keedysville's share of Boonsboro's costs shall be calculated using the methodology illustrated in **Exhibit C and Exhibit D**, or as otherwise agreed to by the Towns, and shall be determined on a fiscal year basis. During each fiscal year, Boonsboro shall bill Keedysville quarterly (or on a schedule otherwise agreed to by the Towns) based on projected costs for that fiscal year. At the end of each fiscal year, and following Boonsboro's receipt of its annual audited financial statement, Keedysville's cost for that fiscal year shall be calculated based on actual costs. Any undercharge from the projected billings shall be billed to Keedysville and any overcharge from the projected billings shall be refunded to Keedysville. Projected and actual costs shall first be reviewed by the Water Advisory Board and then forwarded to each Town for review and approval. Boonsboro's bills to Keedysville shall be due 30 days from the invoice date.
- D. Review of cost sharing formula. The cost-sharing methodology shall be reviewed by the Water Advisory Board at a minimum every five (5) years, or at the request of either Town, to ensure it properly reflects that portion of Boonsboro's costs attributable to Keedysville by the terms of the Agreement. The Water Advisory Board shall forward the outcome of its review to the Mayor and Council of each Town including any recommendations for revision of the cost-sharing methodology if appropriate

## 11. Allocation of Permitted Withdrawal.

- A. Existing permitted withdrawal. As of the effective date of this Agreement the average daily Permitted Withdrawal Allocation from existing sources for the System as determined by the Maryland Department of the Environment is 682,000 gallons per day (see **Exhibit B**). Unused Permitted Withdrawal Allocation from current sources shall be available to the Towns as follows:
- (1) Ten (10) percent of the Reliable Available Capacity shall not be committed to any person or property without the consent of both Towns.
  - (2) As of the effective date of this Agreement, Keedysville is allocated the rights to 12,000 gallons per day of available capacity, which equates to 60 connections at a rate of 200 GPD for each equivalent dwelling unit (EDU).
  - (3) Excluding the reserve allocation in **Section 11.A(1)** and the allocation to Keedysville in **Section 11.A(2)** Boonsboro is allocated the rights to all other currently remaining average daily Permitted Withdrawal Allocation as of the effective date of this Agreement.
- B. Increase to permitted withdrawal. Beginning with the date of this Agreement, any increase to Permitted Withdrawal Allocation for the Water System, as may be determined by the Maryland Department of the Environment or any successor organizational body, shall be available to the Towns in a proportion equal to the investment made by each Town relative to the total investment in obtaining and utilizing the increased withdrawal capacity. If an increase in Permitted Withdrawal Allocation occurs without investment by either Town, the increase shall be allocated between the Towns based on the amount of water provided to each Town over the prior 24 months as a percent of the total Water System production for the prior 24 months.
- C. Tracking available permitted withdrawal. Each Town shall maintain a record of all new water connections, the allocation of water capacity to new customers, changes in water allocation to existing customers, and commitment of allocation to customers for future use.
- D. Annual review of available water capacity. At least once per year the Water Advisory Board shall review the status of the System's Permitted Withdrawal Allocation, Available Permitted Capacity, Available Production Capability, Reliable Available Capacity, new connections, and commitments of allocation

made by each Town. This information shall be included in the minutes of the Water Advisory Board's meeting.

- E. Transfer of water allocation between the Towns. Either Town may transfer to the other Town some or all of its allocation of available water capacity provided there is written agreement between the Towns on the terms of the transfer.

**12. Cost sharing for development of new sources or expanded use of existing**

**sources.** Keedysville shall not be required to contribute to the cost of the development of additional sources of water or expansion of the existing sources of water except as follows:

- A. Keedysville's annual average daily water usage exceeds 110,000 gallons per day, in which case Keedysville shall cover the cost of the additional capacity it needs in excess of 110,000 gallons per day.
- B. Keedysville Spring available production becomes limited to less than 110,000 gallons per day, in which case Keedysville shall share in the cost of developing additional capacity for the Water System equal to the production lost below 110,000 gallons per day based on the amount of water delivered to Keedysville for the prior 24 months as a percent of total Water System production for the prior 24 months.
- C. The Water System water sources, excluding the Keedysville Spring, -existing as of the date of this Agreement can no longer produce in total the same amount of water as they can in total as of the date of this Agreement, in which case Keedysville shall share in the cost of replacing the lost capacity based on the amount water delivered to Keedysville for the prior 24 months as a percent of total Water System production for the prior 24 months.
- D. Keedysville desires additional allocation of permitted withdrawal capacity beyond what is otherwise granted or obtained through the terms of this Agreement.

- 13. Temporary water shortage.** Should the combined water sources of the Towns not be sufficient to serve the current water requirements of all existing customers for what is believed to be a short-term situation (generally for 12 months or less), the Towns will work cooperatively and equitably to put in place water conservation measures for their customers. Either Town may request assistance from the Water Advisory Board in the formulation of a plan for dealing with a temporary water shortage should one arise.

**14. Boonsboro Keedysville Water Advisory Board.** In support of collaboration between the Towns regarding the Water System, there is hereby created a five-member advisory board to be known as the Boonsboro Keedysville Water Advisory Board hereafter called the "Water Advisory Board". The Water Advisory Board shall be comprised of two (2) representatives from Boonsboro as shall from time to time be appointed by the Mayor and Council of Boonsboro, and two (2) representatives from Keedysville as shall from time to time be appointed by the Mayor and Council of Keedysville, and a fifth member serving as Chairperson appointed by, and serving at the will of, a majority of the then existing Advisory Board members representing the Towns. The Water Advisory Board shall meet at least 2 times per year to discuss the operation of the Water System, review the budget including capital projects, review water rates of the Towns, review and approve projected fiscal year costs for Keedysville, review and recommend to the Towns the actual fiscal year costs (true-up of prior fiscal year) for Keedysville, review the cost-sharing formula as required in **Section 10.D** of this Agreement, and review system water capacities as required in **Section 11.D**. The Board shall adopt bylaws for the conduct of its business.

**15. Merger.** None of the provisions of this Agreement shall be, nor shall the same be construed to be, extinguished by merger by reason of the execution and delivery hereafter of deeds and/or the entering into of other agreements unless said instruments expressly refer to this Agreement and thereby extinguish or alter the provisions hereof.

**16. Disputes.**

A. Step One. Should any dispute arise between the parties regarding the terms and provisions of this Agreement which is not resolved by staff of each Town, such dispute shall first be referred to the Water Advisory Board for review and resolution.

B. Step Two. If such dispute is not resolved to the satisfaction of either or both Towns by the Water Advisory Board, the Water Advisory Board shall forward its recommendation(s) for resolution to the Mayor and Council of each Town. If the Mayors and Councils do not endorse a recommendation of the Water Advisory Board or come to some other mutually agreed upon resolution, then the Towns shall employ the services of a mutually agreed to mediation service to attempt to resolve the situation.

C. Step Three. If such dispute is not resolved to the satisfaction of the Towns through mediation, then each Town shall appoint an arbitrator and said arbitrators are hereby clothed with the power and authority to make such award as is equitable pursuant to the terms this Agreement. If said arbitrators are unable to agree then said arbitrators shall appoint a third arbitrator or umpire and the award of any two of such three so appointed shall be binding upon all the parties hereto.

**17. Paragraph headings.** The paragraph headings and references herein are for the convenience of the parties and are not intended nor shall they be used to limit, vary, define or expand the terms and provisions contained in the Agreement.

**18. Severability.** If any provision or portion of this Agreement is held invalid, such invalidity shall not affect the application or validity of any other provision or portion of this Agreement.

**19. Term.** This Agreement shall remain in force for a term of twenty-five (25) years from the date of this Agreement except as the parties may from time to time mutually agree to amend the term or any provision of this Agreement. This Agreement may be extended for up to five (5) ten (10)-year terms upon mutual agreement of the Towns.

In witness whereof, the parties have executed the Agreement by their duly authorized signatory and representative.

WITNESS/ATTEST: THE MAYOR & COUNCIL OF BOONSBORO

\_\_\_\_\_  
Clerk By: \_\_\_\_\_ (SEAL)  
Howard W. Long, Mayor

WITNESS/ATTEST: THE MAYOR & COUNCIL OF KEEDYSVILLE

\_\_\_\_\_  
Clerk-Treasurer By: \_\_\_\_\_ (SEAL)  
Kenneth E. Lord, Mayor

Other signatories:

WITNESS/ATTEST: BOONSBORO MUNICIPAL UTILITIES COMMISSION

\_\_\_\_\_  
By: \_\_\_\_\_ (SEAL)  
Stuart Mullendore, Chair

WITNESS/ATTEST: KEEDYSVILLE WATER COMMISSION

\_\_\_\_\_  
By: \_\_\_\_\_ (SEAL)  
, Chair

**EXHIBIT A**

**LOCATION OF PRIMARY WATER SYSTEM ASSETS**

*(Suggest map showing at minimum town boundaries, sources, treatment plants, pumping stations, reservoir, storage tank, and transmission line between the Towns.*

**EXHIBIT B**

**Existing Sources of Water Connected to the Water System  
And Permitted Withdrawals**

<b>LOCATION</b>	<b>PERMITTED WITHDRAWAL (Annual Daily Average)</b>
<i>In Keedysville:</i>	
Keedysville Spring (aka Jones-Gouff Spring) .....	220,000 GPD
<i>In Boonsboro:</i>	
Warrenfeltz Spring .....	130,000 GPD
Shaffer Park Well and Well #8 .....	<u>332,000</u> GPD
<b>TOTAL.....</b>	<b>682,000 GPD</b>

EXHIBIT C

Keedysville Water Service Cost-Sharing Formula

(This is an example for illustrative purposes using some FY20/21 numbers)

Boonsboro Water Fund operating expense .....	\$580,702
LESS: any directly reimbursed costs including:	
Developer reimbursements and grants <i>(if applicable to operating expense)</i> .....	0
Water pipe, meters, other supplies directly billed to Keedysville .....	-1,218
Meter reading, billing, customer service for Keedysville .....	-9,794
LESS: debt-service (principal and interest <i>if included in operating expense</i> ) .....	0
LESS: capital expenditures <i>(if included in operating expense)</i> .....	-26,916
Applicable costs sub-total .....	542,774
LESS: 40% for B distribution system costs .....	-217,110
Shared operational costs sub-total .....	325,664
ADD: Cash cost of capital improvements serving both Towns .....	13,602
ADD: Debt-service for financed improvements serving both Towns .....	0
Shared costs total .....	339,266
MULTIPLY BY: Keedysville percent of total water produced .....	15.8%
Keedysville annual cost share of water service .....	53,604
ADD: Meter reading, billing, customer service for Keedysville customers .....	9,794
Keedysville total annual expense .....	<u>\$63,398</u>



## EXHIBIT D

<b>Keedysville Cost-Sharing Formula for Meter Reading, Billing and Customer Service</b>					
<i>(This is an example for illustrative purposes using some FY20/21 numbers)</i>					
<b>Contracted Services and Supplies</b>					
Contracted services:					
Printing and mailing costs					\$4,272
Other					0
Office supplies					0
					<b>\$4,272</b>
					<b>\$4,272</b>
<b>Office staff time:</b>					
Total annual hours					2,080
% time on water and sewer					85%
Annual hours on water and sewer					1,768
Boonsboro water accounts			1,440		
Boonsboro sewer accounts			1,347		
Keedysville water accounts			409		
Total			3,196		
% B+K water accounts of total accounts			1,849	57.9%	
% K water accounts of total water accounts			409	22.1%	
Annual hours on Keedysville water accounts					226
		<i>e</i>		<i>Benefits &amp; Paid Leave</i>	
		<i>Hours</i>	<i>\$/hr</i>		
Administrative assistant		226	\$17.20	45%	\$5,643
					\$5,643
<b>Meter Reading:</b>					
		<i>Hours</i>	<i>Avg PW \$/hr</i>	<i>Benefits &amp; Paid Leave</i>	<i>Factor</i>
Labor		64	\$20.88	45%	\$1,938
Materials and supplies				5%	97
Truck operating expense				20%	388
					<b>\$2,422</b>
					<b>\$2,422</b>
<b>Total Meter Reading, Billing and Customer Service</b>					<b>\$12,336</b>

## GLOSSARY of TERMS

**Available permitted capacity:** The difference between the Permitted Withdrawal Allocation and the current use of the system, or as may otherwise be determined by the Maryland Department of the Environment or its successor, if any.

**Available production capacity:** The amount of water that can be produced at a source based on the source and the available production equipment for that source. This amount may be more or less than the Permitted Withdrawal Allocation and may be more or less than the Available Permitted Capacity.

**Distribution system:** The water lines, service connections, meters, and hydrants that are used primarily to directly serve customers.

**Permitted withdrawal allocation:** The maximum amount of water that the Towns are permitted to withdrawal from one or more sources by the Maryland Department of the Environment, rated by annual average daily gallons and maximum monthly average daily gallons.

**Reliable available capacity:** The lesser of the Available Permitted Capacity and the Available Production Capacity, provided the capacity is available year-round. If the capacity is not available year-round, it is not counted towards overall Water System Reliable Available Capacity.

**Transmission line:** A water line which has the primary purpose of transporting large amounts of water from a source or treatment facility to a storage facility or another large section of a water system.