

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD

WORKING MEETING MINUTES

Wednesday April 26th, 2023, 6:30 PM

Boonsboro Town Hall

Voting members present: Austin Abraham, Mayor Howard Long (B), Tony Nally (B), Matt Hull (K) and Mayor Ken Lord (K-alt). Others present, Paul Mantello, Town of Boonsboro Manager, Keedysville Town Administrator Lisa Riner and Boonsboro Council Member Eric Kitchen (B-Alt). The meeting was convened at approximately 6:31 PM at Boonsboro Town Hall.

- King Road Agreement review** – Town Manager Paul Mantello told the Board that the attorney reviewed the agreements and is finalizing the report. She advises that the Town has to abide by the agreement and she feels the sewer taps are committed indefinitely. Her recommendation to reach out to the developers to discuss a new or amended agreement so the Town would not be in perpetuity. Austin asked if the attorney’s response was for water and sewer or just the sewer taps. This will have to be determined for future computations of the used EDUs. Mantello said the attorney has not responded yet on the water taps. So right now the Town would have to hold those taps indefinitely in accordance with the 1/5/2009 Agreement between Boonsboro and King Rd Associates. If the final analysis is that the water taps are also committed indefinitely, In Section #4, the King Road 554 EDUs would need to be moved from the planned column to the committed column leaving a minimal 59 surplus of EDUs with no reserve in Section #6. The Town will move forward with a meeting with the developers. The Commission agrees to keep the item on the agenda.

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

1	Water Appropriation Permits		Permitted	Production Capacity		Available	Reliable
			Daily Avg Flow GPD	gpm	GPD	Capacity GPD	Capacity GPD
	Schafer Park & Well #8	WA1988G006(03)	332,000	140 + 65 GPM	295,200	295,200	295,200
	Keedysville Spring	WA1979G012(05)	220,000	170 GPM	244,800	220,000	220,000
	Warrenfeltz Spring	WA1979G013(06)	130,000	120 GPM	172,800	130,000	0
			682,000			645,200	515,200
2	Total water withdrawn						
	FY23 (Q1+Q2) x 2						
	Number of days						
	Average daily withdrawal						
							128,000,000
							365
							350,685
3	Unused reliable capacity GPD						
	Unused reliable capacity in EDU's @ 250 GPD/EDU						
							164,515
							658
4	EDU's planned for or committed to others by Boonsboro:					Planned	Committed
	King Road Associates (656)		[not paid]		554**		
	TT&K (360)		[paid, no connection yet]				18
	Easterday (153)		[paid, no connection yet]				8
	Dean B486 LLC (Fletcher's Grove)		[paid, no connection yet]				19
	Misc. commitments						0
	EDU's planned for or committed to others by Keedysville:					3	
							45
	EDU Surplus/(Deficit)						
							613
5	EDU's reserved for Keedysville per draft new agreement:						
							-50
							553
6	Reliable capacity held in reserve per draft new agreement:						
						515,200	
				Reserve	10%	51,520	-206
	EDU Surplus/(Deficit)						
							347
7	Additional EDU capacity if Boonsboro reduces unaccounted-for water to 15%:						
							161
	EDU Surplus/(Deficit)						
							508

- **Cost Sharing for Capital Costs** – Austin reviews the changes in the agreement highlighted in red.

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) ~~Five (5)~~ Ten (10) percent of the Reliable Available Capacity shall be held in reserve and shall not be committed to any person or property without the consent of both Towns.

12. Water capacity management.

- A. 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.
- B. 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. (See Exhibit D for one example of a capacity report.) This information shall be included in the minutes of the Water Advisory Board's meeting.
- C. The Towns recognize the importance of having a level of redundancy among the System's water sources, ideally ~~full~~ sufficient redundancy to handle the loss of use of the System's largest source. To this end, the Towns shall work to ensure that as water allocation commitments are made, beyond those in existence at the effective date of this Agreement, sufficient water capacity exists to provide the desired redundancy or commitments are made by the affected property owners and/or developers to provide additional capacity.
- D. Each Town will work diligently to keep ~~unaccounted-for~~ non-revenue water to a minimum.

Brandon, by email, stated he looked over the joint agreement again and he does not have any concerns/comments with what is written with the exception of Section 15. I believe there is a typo and the last sentence should state, "...and review system water capacities as required in **Section 12.B.**"

Austin holds a soft polling about the cost sharing based on EDUs, billed usage, usage pumped, or handle the cost sharing of operating and capital cost expense differently. Matt is in favor of usage pumped and would be open to discuss the gallons billed. Tony Nally is undecided. Mayor Lord goes along with Brandon's opinion. Brandon stated in an email he tried to look at this from Paul's perspective. I understand where he is coming from, but I do not agree with this approach. How capital expenses are billed to the customers is the decision made by each individual town. Also, as Matt

pointed out previously, by using water usage, we are also encouraging the towns to address any leaks. The Board discusses the options on how to split the cost of capital improvements and operational costs. Town Manager Riner states it would be simplified if we would treat the cost sharing of operating and capital cost expense the same. Nally reminds the Commission that we do not have Redundancy as of this date. So, any improvements right now would be a shared cost. Mantello states that all customers are purchasing a new asset together, so capital cost should be a shared cost by the billed usage. As for the operational cost, Boonsboro's customers are already paying a higher operational cost because of the Town's water loss, so using the ratio of total usage that includes the loss would be unfair. The discussion on the different options continued without a solution. Mayor Long suggests that we table the discussion until all voting members are present. He also states that both sides will have to compromise. The Board decides to wait until all voting members are present to further discuss the issue of cost sharing. The timetables are postponed for now until a time where parties are closer to agreement of the cost sharing and corrections.

Boonsboro - Keedysville Water Ratios

	TOTAL	Boonsboro	Keedysville
Ratio of water used			
Current usage - Boonsboro loss 26.7%	128,000,000	107,484,582 84.0%	20,515,418 16.0%
Boonsboro loss drops to 20%	119,100,000	98,584,582 82.8%	20,515,418 17.2%
Boonsboro loss drops to 15%	113,300,000	92,784,582 81.9%	20,515,418 18.1%
If water loss is equal in the Towns (based on FY23 customer usage)		81.5%	18.5%
Ratio EDU's @250 GPD	2,187	1,749 80.0%	438 20.0%
Ratio of accounts	1,874	1,465 78.2%	409 21.8%
EDU's adjusted for 126 GPD	2,369	1,931 81.5%	438 18.5%

Prepared: March 8, 2023 A. Abraham

	BILLED USAGE	BOONSBORO BILLED	KEEDYSVILLE BILLED
Q1 2021-22	26,070,935.00	21,170,265.00 81.20%	4,900,670.00 18.80%
Q2 2021-22	24,581,449.00	19,959,545.00 81.20%	4,621,904.00 18.80%
Q3 2021-22	23,777,123.00	19,006,651.00 79.94%	4,770,472.00 20.06%
Q4 2021-22	24,396,178.00	19,514,318.00 79.99%	4,881,860.00 20.01%
Q1 2022-23	24,628,851.00	20,133,932.00 81.75%	4,494,919.00 18.25%
Q2 2022-23	23,740,230.00	19,282,421.00 81.22%	4,457,809.00 18.78%
Q1 2022-23	23,740,230.00	19,282,421.00 81.22%	4,457,809.00 18.78%
Q2 2022-23	24,613,698.00	20,019,222.00 81.33%	4,594,476.00 18.67%
AVERAGE	24,443,586.75	19,796,096.88 80.98%	4,647,489.88 19.02%

- **Are we ready to move forward?** - The Board decides to wait until all voting members are present to further discuss the issue of cost sharing. The timetables are postponed for now until a time when parties are closer to agreement of the cost sharing and corrections date of the new agreement.

New items – Town Manager Lisa Riner brings up the discussion on ACH payments for the Keedysville customers. Lisa asked if that was a possibility. She is informed that Boonsboro offers their customers an option to be an auto pay but Boonsboro Staff would have to have access to the Keedysville Bank account. She also was informed that the Town of Boonsboro was looking into customers having the option to complete a one-time ACH payment online. Town Manager Paul Mantello informed the Board that we were awarded a grant to put new roofs on the Boonsboro and Keedysville Plants. RFPs are out right now to replace the roof and to get solar panels installed on the new roof. The panels will produce about 15% of the electricity for the plants.

- Meeting adjourned at 7:40pm

NEXT SCHEDULED MEETING: Wednesday May 10th, 2023, 6:30 PM at Keedysville
(Regular meetings are 2nd Wednesday of Feb, May and Aug and 2nd Wednesday after Thanksgiving)

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD
Wednesday April 26, 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. King Road Agreement – attorney response if any

- II. Cost sharing for capital costs

- III. Any other questions on the agreement

- IV. Are we ready to move forward?
 - A. Sections 11 – 13 finalized?

 - B. All other terms finalized?

 - C. Timetables
 - > Water Advisory Board review/approval/forward to mayors and councils
 - >Target adoption date
 - >Target effective date

- V. Public comment

NEXT SCHEDULED MEETING: Wednesday May 10, 2023 6:30 PM at Keedysville
(Regular meetings are 2nd Wednesday of Feb, May and Aug and 2nd Wednesday after Thanksgiving)

**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**, 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) ~~Five (5)~~Ten (10) percent of the Reliable Available Capacity shall be held in reserve and 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 60 connections at a rate of 250 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. 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. Water capacity management.

- A. 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.
- B. 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. (See Exhibit D for one example of a capacity report.) This information shall be included in the minutes of the Water Advisory Board's meeting.
- C. The Towns recognize the importance of having a level of redundancy among the System's water sources, ideally ~~full~~sufficient redundancy to handle the loss of use of the System's largest source. To this end, the Towns shall work to ensure that as water allocation commitments are made, beyond those in existence at the effective date of this Agreement, sufficient water capacity exists to provide the desired redundancy or commitments are made by the affected property owners and/or developers to provide additional capacity.
- D. Each Town will work diligently to keep ~~unaccounted for~~non-revenue water to a minimum.

13. 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.

14. 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.

15. 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.

16. 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.

17. 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.

18. 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.

19. 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.

20. 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

(Insert 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 EXISTING PERMITTED WITHDRAWALS

LOCATION	PERMITTED WITHDRAWAL (Annual Daily Average)
<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
TOTAL.....	682,000 GPD

EXHIBIT C

COST SHARING FORMULA

Ln	Description	Administration	Operations & Maintenance
1	Total Boonsboro operating costs excluding capital, debt service, non-cash expense	\$184,594	\$509,250
2	Adjustment to any budgeted contingency (used only when projecting costs)	0	20,000
3	Total operating costs	184,594	529,250
4	LESS: % of costs attributed to Boonsboro's distribution system	-40%	-40%
		-73,838	-211,700
5	Total shared operating costs	110,756	317,550
6	Cash cost of any capital expense for which both Towns are responsible	18,000	180,000
7	Debt-Service on any financed expense for which both Towns are responsible	0	0
8	Total costs to be shared	128,756	497,550
9a	Keedysville % of administrative costs based on number of accounts	21.8%	
9b	Keedysville % of operations/maintenance costs based on water provided		16.0%
10	Sub-totals Keedysville's cost share	28,069	79,608
11	TOTAL Keedysville Annual Cost Share	\$107,677	

EXHIBIT D

SAMPLE CAPACITY REPORT

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
			GPD	GPM	GPD	GPD	GPD
	Schafer Park & Well #8	WA1988G006(03)	332,000	140 + 65 GPM	295,200	295,200	295,200
	Keedysville Spring	WA1979G012(05)	220,000	170 GPM	244,800	220,000	220,000
	Warrenfeltz Spring	WA1979G013(06)	130,000	120 GPM	172,800	130,000	0
			682,000			645,200	515,200
2	Total water withdrawn						
	FY23 (Q1+Q2) x 2						128,000,000
	Number of days						365
	Average daily withdrawal						350,685
3	Unused reliable capacity GPD						164,515
	Unused reliable capacity in EDU's @ 250 GPD/EDU						658
4	EDU's planned for or committed to others by Boonsboro:					Planned	Committed
	King Road Associates (656)		[not paid]			554**	
	TT&K (360)		[paid, no connection yet]				18
	Easterday (153)		[paid, no connection yet]				8
	Dean 8486 LLC (Fletcher's Grove)		[paid, no connection yet]				19
	Misc. commitments						0
	EDU's planned for or committed to others by Keedysville:					3	
							45
	EDU Surplus/(Deficit)						613
5	EDU's reserved for Keedysville per draft new agreement:						
							-60
							553
6	Reliable capacity held in reserve per draft new agreement:						
						515,200	
						Reserve	10%
						51,520	-206
	EDU Surplus/(Deficit)						347
7	Additional EDU capacity if Boonsboro reduces unaccounted-for water to 15%:						
							161
	EDU Surplus/(Deficit)						508

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 lessor 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.

Boonsboro - Keedysville Water Ratios

		TOTAL	Boonsboro	Keedysville
Ratio of total gallons pumped				
1	Current usage - Boonsboro loss 26.7%	128,000,000	107,484,582 84.0%	20,515,418 16.0%
2	Boonsboro loss drops to 20%	119,100,000	98,584,582 82.8%	20,515,418 17.2%
3	Boonsboro loss drops to 15%	113,300,000	92,784,582 81.9%	20,515,418 18.1%
4	If water loss is equal in the Towns		80.9%	19.1%
5	Ratio of current EDU's 1/dwelling + commercial @ 1/250 GPD	2314	1874 81.0%	440 19.0%
6	Ratio of gallons billed to customers (Based on FY22 and FY23)		80.9%	19.1%

Updated: April 26, 2023

	BILLED USAGE	BOONSBORO BILLED	KEEDYSVILLE BILLED
Q1 2021-22	26,070,935.00	21,170,265.00 81.20%	4,900,670.00 18.80%
Q2 2021-22	24,581,449.00	19,959,545.00 81.20%	4,621,904.00 18.80%
Q3 2021-22	23,777,123.00	19,006,651.00 79.94%	4,770,472.00 20.06%
Q4 2021-22	24,396,178.00	19,514,318.00 79.99%	4,881,860.00 20.01%
Q1 2022-23	24,628,851.00	20,133,932.00 81.75%	4,494,919.00 18.25%
Q2 2022-23	23,740,230.00	19,282,421.00 81.22%	4,457,809.00 18.78%
Q1 2022-23	23,740,230.00	19,282,421.00 81.22%	4,457,809.00 18.78%
Q2 2022-23	24,613,698.00	20,019,222.00 81.33%	4,594,476.00 18.67%
AVERAGE	24,443,586.75	19,796,096.88 80.98%	4,647,489.88 19.02%



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