

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD
MEETING MINUTES
Wednesday October 8, 2025

Voting members present -Chairperson Jean Holloway (via phone), Tony Nalley (B-Alt), Howard Long (B), Sarah Baker (K-Alt) and Brandon Sweeney (K) and Eric Kitchen (B-Alt).

Others present – Boonsboro Town Manager Rachel Souders, Keedysville Town Manager Lisa Riner, Utilities Superintendent Pete Shumaker, Public Works Superintendent Greg Huntsberry and Yvette May, Recording Secretary. The meeting was held at 6:36 PM at Keedysville Town Hall.

- I. **APPROVAL OF MINUTES** - Motion by Board Member Long and second by Board Member Sweeney to approve July 9, 2025 Minutes. **Motion carried unanimously.**
- II. **REVIEW QUARTERLY USAGE REPORT**– Chairperson Holloway reviews the usage report with the Board. Board Member Sweeney stated recognized Keedysville's high usage and stated they had an overflow of the water tower and suspect a large leak elsewhere. Chairperson Holloway suggested calling Rural Water to perform leak detection.

Boonsboro/Keedysville Regional Water System FY25/26 Quarterly Usage Report																	
FY25-26		Raw - Utility	Production	Raw Water Metered				Monthly Usage Received Per Town			Qtrly Gallons Billed to Customers				Billed Gallons	Non-Revenue Fire/Leaks Hydrants	Total Water Accounted (Revenue & Non- Revenue)
Month	Keedysville WTR	Well #8	Warrenfeltz & Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost					
Jul 25	6,000,000	2,463,000	1,013,000	5,500,000	14,976,000	13,243,710	0.884	1,732,280	0.116						382,100		
Aug 25	5,680,000	811,000	3,216,000	5,219,000	14,929,000	12,962,798	0.868	1,966,202	0.132						500,000		
Sep 25	5,806,000	2,116,000	1,531,000	5,489,000	14,942,000	12,559,723	0.841	2,382,277	0.159						0		
1st Qtr	17,459,000	5,380,000	5,760,000	16,208,000	44,847,000	38,768,231	0.884	6,080,769	0.136	15,555,483	48.5%	4,766,559	21.6%	24,722,042	882,100	25,604,142	
										-18,815,748		-1,314,210					

- III. **REVIEW OF PRIOR YEAR'S TRUE-UP** – Town Manager Riner reviewed the FY24 True-up and stated the total amount due from Keedysville to Boonsboro for the year is \$79,184.00 which is \$31,392.00 less than what was projected. The Final true-up FY24 resulted in a payment from Boonsboro to Keedysville of \$#31,392.00 which has been paid.

	Budget	Actual	Difference
Shared operating expense	\$397,845	\$402,872	\$5,027
Shared capital	\$170,000	\$14,996	-\$155,004
Percent of water used	15.5%	13.8%	-1.7%
Billing and customer accounting	\$13,693	\$13,145	-\$548
Daily operations of tank and booster station	\$7,549	\$8,373	\$824

- IV. **STATUS OF CURRENT CAPITAL PROJECTS**
 - A. Crestview Pressure Reducing Station – Town Manager Souders stated that WRA has completed the plans and specs and the project and will be publicly advertised by the end of the week. Town Manager Souders stated bids are due before 3:30 p.m. on November 6, 2025.
 - B. Boonsboro Reservoir Replacement - Town Manager Souders stated that Dutchland has the tanks completed and HRI is now putting in piping.
 - C. Bedrock Water Line Replacement - Town Manager Riner stated that Engineers have completed the plans and specs and Keedysville will be submitting a grant to the Appalachian Region Commission for funding.

- V. **OLD BUSINESS**
 - A. GIS System progress – Board Member Sweeney stated that Keedysville is looking into the ARC Program for GIS. They are still gathering information and cost.
 - B. Revision to MOU for Water Asset Management – No update

C. Revisions to DRAFT Consolidated Agreement – Chairperson Holloway reviewed the edited draft with some minor changes. Board Member Nally suggested we insert the most current EDU Chart in Exhibit D, Sample Capacity Report. Alternate Member Kitchen stated that in Section 11. Allocation of Permitted Withdrawal, Section (1) Ten (10) percent of the Reliable Available Capacity shall be held in reserve should remain. All Board Members agreed that the Glossary is acceptable.

VI. NEW BUSINESS

A. Review of Projections for FY2026-27 – Town Manager Riner reviewed the Cost-Sharing Projection for FY26 as per the below narrative. Motion by Board Member Long and second by Board Member Sweeney to approve FY2026 Projections. **Motion carried unanimously.**

The proposed projected cost-sharing and estimated payments from Keedysville to Boonsboro for FY26 are based on the following:

	<u>Budget</u>
Total applicable operating expense	\$996,982
Capital	\$0
Percent of water used	16.0%
Billing and customer accounting	\$14,167
Daily operations of tank and booster station	\$9,338

There is no shared capital budgeted for FY26.

Keedysville's projected percent of total water produced is increased from 14.5% to 16.0% based on Boonsboro's projected decrease in water loss due to the reservoir replacement.

The projected FY26 annual payment from Keedysville to Boonsboro is \$103,264 (\$25,816 per quarter). Shared operating expense has increased slightly, but there is no projected capital expense, so the amount is lower than the FY25 projected amount.

The FY26 projected annual payment by Keedysville to Boonsboro will be trued-up to actual costs in January of 2027 following completion of Boonsboro's FY26 audited financial statements.

B. Review of Proposed Capital Projects for FY2026-27 – Boonsboro Town Manager Souders stated in the course in working on the Reservoir and fixing a substantial water main break, Boonsboro found a pressure issue on Potomac Street where a section of pipe reduces from 12 inch to 4 inch creating a bottleneck effect. Public Works Superintendent Huntsberry stated that there is so much pressure that the pipe is totally clean inside. Keedysville Town Manager Riner asked how soon Boonsboro was looking at the Advanced Metering Project. Superintendent Huntsberry responded that Boonsboro is currently looking at the different options with different vendors. Board Member Sweeney stated that Keedysville would be interested in being involved with that project.

VII. MEMBER COMMENTS/DISCUSSION – None

VIII. SYSTEM OPERATOR'S REPORT - Utilities Superintendent Shumaker stated the new Spring Pump in Keedysville is completed and is working great. Shumaker stated he is having issues with Well 8. Shumaker stated Phillips put in the new transducer in Shafer Well and now pulls 185 gallons/min.

IX. THERE WERE NO ADDITIONAL DISCUSSIONS - Motion by Board Member Sweeney and second by Board Member Long to adjourn the meeting at 7:09 pm. The next regularly scheduled meeting is January 14, 2025 at 6:30 PM at Boonsboro. (Regular meetings are 2nd Wednesday of January, April, July, and October)

4. Applicability

The provisions of this Ordinance, including but not limited to, the debt service charge and fixed rate fee established herein shall apply to all property, improved or unimproved that abuts on any street, road, lane, alley, or right of way or any area wherein a water main or service is adjacent to or crosses same.

The rates and charges set forth herein are chargeable against all property that is connected to any water service that Keedysville owns, participates in, or supervises.

5. Water User Rates

(a) WATER RATES

CALENDAR YEAR FIXED RATE TIERED RATES

2022	\$33.00 per EDU	<15,000 Gals.	\$9.19 /1,000 Gals.
		>15,000 Gals.	\$11.82 /1,000 Gals.
2023	\$33.00 per EDU	<15,000 Gals.	\$9.93 /1,000 Gals.
		>15,000 Gals.	\$12.77 /1,000 Gals.
2024	\$33.00 per EDU	<15,000 Gals.	\$10.72 /1,000 Gals.
		>15,000 Gals.	\$13.79 /1,000 Gals.
2025	\$33.00 per EDU	<15,000 Gals.	\$11.58 /1,000 Gals.
		>15,000 Gals.	\$14.89 /1,000 Gals.
2026	\$33.00 per EDU	<15,000 Gals.	\$12.51 /1,000 Gals.
		>15,000 Gals.	\$16.08 /1,000 Gals.

(b) CONNECTION RATES

CONNECTION FEES

Water - \$12,000.00

Connection Fees must be paid before hook-up

7. Definition of EDU and Calculations

The following calculations and method will be utilized for the purpose of determining an EDU;

- (a) An EDU shall be defined as usage averaging 250 gallons per day.
- (b) Residential accounts shall be assessed one (1) EDU for each residential dwelling unit served by the account;
- (c) Non-residential accounts will be assessed one (1) EDU for each 250 GPD usage averaged over a calendar year with minimum assessment of one (1) EDU;
- (d) EDU calculations shall employ "half rounding." For example, 374 GPD would be assessed one (1) EDU and 375 GPD would be assessed 2 EDUs.
- (e) EDUs for non-residential accounts shall be reviewed and reassessed annually, prior to each July 1 through June 30, and shall be based on the prior calendar year's usage for each account.

Proposed Rates July 1, 2025	Residential	Commercial	Out of Town
Sewer Fixed Fee	\$71.50 per EDU	\$71.50 per EDU	----
1-18,000 gallons wastewater	\$9.00/1000gal	\$9.00/1000gal	----
18,001+ gallons wastewater	\$13.00/1000gal	\$13.00/1000gal	----
Water Fixed Fee	\$37.50 per EDU	\$37.50 per EDU	\$45.00 per EDU
1-18,000 gallons water	\$6.20/1000gal	\$6.20/1000gal	\$9.30/1000gal
18,001+ gallons water	\$9.30/1000gal	\$9.30/1000gal	\$11.30/1000gal
Sanitation	35.00 per EDU		

Multifamily residential has an adjusted usage threshold related to the number of EDUs (Number of Households) X 18,000 gallons.

Example - A service location with 2 households (2 EDUS) will pay \$9.00/1000gal for the first 36,000 gallons of water instead of 18,000.

1-36,000 gallons wastewater \$9.00/1000gal

36,000+ gallons wastewater \$13.00/1000gal

Boonsboro/Keedysville Regional Water System
FY25/26 Quarterly Usage Report

FY25-26	Raw - Utility	Production	Raw Water Metered				Monthly Usage Received Per Town				Qtrly Gallons Billed to Customers				Billed Gallons	Non -Revenue Fire/Leaks Hydrants	Total Water Accounted (Revenue & Non- Revenue)
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost				
Jul 25	6,000,000	2,463,000	1,013,000	5,500,000	14,976,000	13,243,710	0.884	1,732,290	0.116							2,100	
Aug 25	5,683,000	811,000	3,216,000	5,219,000	14,929,000	12,962,798	0.868	1,966,202	0.132							500,000	
Sep 25	5,806,000	2,116,000	1,531,000	5,489,000	14,942,000	12,559,723	0.841	2,382,277	0.159							233,299	
1st Qtr	17,489,000	5,390,000	5,760,000	16,208,000	44,847,000	38,766,231	0.864	6,080,769	0.136	19,955,483	48.5%	4,766,559	21.6%	24,722,042	735,399	25,457,441	
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost				
Oct 25	6,098,000	1,980,000	1,496,000	5,547,000	15,121,000	13,024,041	0.861	2,096,959	0.139							90,000	
Nov 25	5,980,000	2,240,000	890,000	5,229,000	14,339,000	12,707,584	0.886	1,631,416	0.114							725,000	
Dec 25	5,996,622	2,526,000	302,000	6,342,000	15,166,622	13,464,900	0.888	1,701,722	0.112							544,932	
2nd Qtr	18,074,622	6,746,000	2,688,000	17,118,000	44,626,622	39,196,525	0.878	5,430,097	0.122	18,968,496	51.6%	4,296,721	20.9%	23,265,217	1,359,932	24,625,149	
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost				
Jan 26					0	0	#DIV/0!		#DIV/0!							0	
Feb 26					0	0	#DIV/0!		#DIV/0!							0	
Mar 26					0	0	#DIV/0!		#DIV/0!							0	
3rd Qtr	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!		#DIV/0!		#DIV/0!	0	0	0	
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost				
Apr 26					0	0	#DIV/0!		#DIV/0!								
May 26					0	0	#DIV/0!		#DIV/0!								
Jun 26					0	0	#DIV/0!		#DIV/0!								
4th Qtr	0	0	0	0	0	0	#DIV/0!	0	#DIV/0!		#DIV/0!		#DIV/0!	0		0	
Total	35,563,622	12,136,000	8,448,000	33,326,000	89,473,622	77,962,756	0.871	11,510,866	0.129	38,923,979	50.1%	9,063,280	21.3%				

Boonsboro Keedysville Water Advisory Board (BKWAB)

October 8, 2025

Boonsboro Town Hall

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. Approval of meeting minutes from July 9, 2025 ✓
- II. Review quarterly usage report and metering between the Towns - Jean
- III. Review of Prior Year's True-Up – ALL
- IV. Status of current Capital Projects
 - A. Crestview Pressure Reducing Station
 - B. Boonsboro Reservoir Replacement
 - C. Bedrock Water Line Replacement
- V. OLD Business:
 - A. GIS System progress
 - B. Revision to MOU for Water Asset Management
 - C. Revisions to DRAFT Consolidated Agreement – Jean
- VI. NEW Business:
 - A. Review of Projections for FY2026-27
 - B. Review of Proposed Capital Projects for FY2026-27
- VII. Member Comments/Discussion
- VIII. System Operator's Report

NEXT MEETING IS January 14, 2026 IN Boonsboro

TOWN OF KEEDYSVILLE, MARYLAND
"Where Northern Thrift and Personality Blend with Southern Charm and Hospitality"

P.O. Box 359
19 South Main Street
Keedysville, MD 21756
301-432-5795
townhall@keedysvillemd.com
www.keedysvillemd.com



Ken Lord, Mayor
Brandon Sweeney, Assistant Mayor
Judy Kerns, Council
Matthew Hull, Council
Sarah Baker, Council

Boonsboro Keedysville Water Advisory Board (BKWAB)
Standard Agenda Schedule

The BKWAB meets on the 2nd Wednesday of ~~February, May, August, and December.~~
Of each quarter – January, April, July and October

February~~January~~

- Review of current year CIP projects
- Review of proposed CIP projects for the coming year
- Review of water rates for each town

May~~April~~

- Review of current year CIP projects
- Review of proposed CIP projects for the coming year

August~~July~~

- Projected costs for Keedysville for current year
- Update of current year CIP projects
- Review available allocation

December~~October~~

- True-up of prior year costs
- Review of current year CIP projects (included in projected costs for current year)
- Review of proposed CIP projects for coming fiscal year

Boonsboro/Keedysville Regional Water System
FY25/26 Quarterly Usage Report

FY25-26		Raw - Utility	Production	Raw Water Metered			Monthly Usage Received Per Town				Qtrly Gallons Billed to Customers				Billed Gallons	Non -Revenue Fire/Leaks Hydrants	Total Water Accounted (Revenue & Non- Revenue)	
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost					
Jul 25	6,000,000	2,463,000	1,013,000	5,500,000	14,976,000	13,243,710	0.884	1,732,290	0.116							382,100		
Aug 25	5,683,000	811,000	3,216,000	5,219,000	14,929,000	12,962,798	0.868	1,966,202	0.132							500,000		
Sep 25	5,806,000	2,116,000	1,531,000	5,489,000	14,942,000	12,559,723	0.841	2,382,277	0.159							0		
1st Qtr	17,489,000	5,390,000	5,760,000	16,208,000	44,847,000	38,766,231	0.864	6,080,769	0.136	19,955,483	48.5%	4,766,559	21.6%	24,722,042	882,100		25,604,142	
											-18,810,748		-1,314,210					
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost					
Oct 25					0	0	#DIV/0!		#DIV/0!							0		
Nov 25					0	0	#DIV/0!		#DIV/0!							0		
Dec 25					0	0	#DIV/0!		#DIV/0!							0		
2nd Qtr	0	0	0	0	0	#DIV/0!		0	#DIV/0!		#DIV/0!		#DIV/0!		0	0	0	
											0		0					
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost					
Jan 26					0	0	#DIV/0!		#DIV/0!							0		
Feb 26					0	0	#DIV/0!		#DIV/0!							0		
Mar 26					0	0	#DIV/0!		#DIV/0!							0		
3rd Qtr	0	0	0	0	0	#DIV/0!		0	#DIV/0!		#DIV/0!		#DIV/0!		0	0	0	
											0		0					
Month	Keedysville WTP	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost					
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May 26					0	0	#DIV/0!		#DIV/0!									
Jun 26					0	0	#DIV/0!		#DIV/0!									
4th Qtr	0	0	0	0	0	#DIV/0!		0	#DIV/0!		#DIV/0!		#DIV/0!		0	0	0	
											0		0					
Total	17,489,000	5,390,000	5,760,000	16,208,000	44,847,000	38,766,231	0.864	6,080,769	0.136	19,955,483	48.5%	4,766,559	21.6%					

FY25-26

RAW & FINISHED READINGS

Month	K WTP RAW	K WTP FINISHED	K to B RAW	Warrenfeltz FINISHED	Park RAW	Park FINISHED	Well 8 RAW	Well 8 FINISHED	B WTP RAW (Warrenfeltz & Park)	B WTP FINISHED METERED	Total Raw	Total Finished	Difference Raw - Finished B WTP	Difference Raw - Finished B WTP	Difference Raw - Finished K WTP	Total Water Accounted (Revenue & Non-Revenue)	Difference of Raw-Billed	Average Water loss/day	
Jul 25	6,000,000	6,040,000	4,267,500	1,013,000	5,500,000	5,500,000	2,463,000	2,463,000	6,513,000	6,833,000	14,976,000	15,336,000	320,000	40,000		360,000			
Aug 25	5,683,000	5,671,000	3,716,740	3,216,000	3,216,000	5,219,000	811,000	811,000	8,435,000	8,860,000	14,929,000	15,342,000	425,000	-12,000		413,000			
Sep 25	5,806,000	5,841,000	3,424,040	1,531,000	1,531,000	5,489,000	5,489,000	2,116,000	2,116,000	7,020,000	7,414,000	14,942,000	15,371,000	394,000	35,000		429,000		
											44,847,000	46,049,000	1,139,000	63,000		1,202,000	25,604,142	19,242,858	200,454

Boonsboro Keedysville Water Service

Narrative of the Keedysville Cost-Sharing True-up for FY24

Keedysville's FY24 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	\$397,845	\$402,872	\$5,027
Shared capital	\$170,000	\$14,996	-\$155,004
Percent of water used	15.5%	13.8%	-1.7%
Billing and customer accounting	\$13,693	\$13,145	-\$548
Daily operations of tank and booster station	\$7,549	\$8,373	\$824

The total amount due from Keedysville to Boonsboro for the year is \$79,184 which is \$31,392 less than what was projected.

The most significant differences between the FY24 projected cost to Keedysville and the actual cost are 1) capital was less than projected and 2) no contingency expenditure was required.

The final true-up result for FY24 is a payment from Boonsboro to Keedysville of \$31,392.

BOONSBORO KEEDYSVILLE WATER ADVISORY BOARD

PROPOSED KEEDYSVILLE COST-SHARING PROJECTIONS FOR FY26

Prepared by: Lisa Riner, Keedysville Town Administrator

Presented: October 9, 2025

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Boonsboro Keedysville Water Service
Narrative of the Keedysville Cost-Sharing Projection for FY26

The proposed projected cost-sharing and estimated payments from Keedysville to Boonsboro for FY26 are based on the following:

	<u>Budget</u>
Total applicable operating expense	\$996,982
Capital	\$0
Percent of water used	16.0%
Billing and customer accounting	\$14,167
Daily operations of tank and booster station	\$9,338

There is no shared capital budgeted for FY26.

Keedysville's projected percent of total water produced is increased from 14.5% to 16.0% based on Boonsboro's projected decrease in water loss due to the reservoir replacement.

The projected FY26 annual payment from Keedysville to Boonsboro is \$103,264 (*\$25,816 per quarter*). Shared operating expense has increased slightly, but there is no projected capital expense, so the amount is lower than the FY25 projected amount.

The FY26 projected annual payment by Keedysville to Boonsboro will be trued-up to actual costs in January of 2027 following completion of Boonsboro's FY26 audited financial statements.

Prepared by: Lisa Riner August 19, 2025

Ln#	Line # from rate formula	Description	FY23/24			FY24/25			FY25/26		
			Budget	Actual	Difference	Budget	Actual	Difference	Budget	Actual	Difference
1	3a-b	Boonsboro Operating Expenses	\$8,109,338	\$946,264		\$1,703,998			\$1,415,448		
2		Adjustment #3 - Less budgeted contingency	(33,983)	NA		-			-		
3		Adjustment #3A - Add back contingency	20,000	NA		20,000			20,000		
4		Adjustment #4 - Less reimb'd engineering fees				-			-		
5		Adjustment #5 - Less capital expense	(7,257,020)	(119,002)		(594,270)			(393,193)		
6		Adjustment #5A - Less debt-service+interest	(21,404)	NA		(214,160)			(21,768)		
7		Adjustment #6 - Less direct pay by K to B				-			-		
8		Customer billing	(13,693)	(13,145)		(13,594)			(14,167)		
10		Daily operations labor for tank + booster station	(7,549)	(8,373)		(8,747)			(9,338)		
11		Total applicable operating expenses	\$795,689	\$805,744	\$10,055	\$893,227	\$0		\$996,982	\$0	\$0
12	3c	Less 50% for the estimated cost of operation, maintenance & repair to B. distribution system	(397,845)	(402,872)		(446,613)	-		(498,491)	-	
13		Sub-total operational expense to be shared	\$397,845	\$402,872	\$5,028	\$446,613	\$0		\$498,491	\$0	
14		Plus cash cost of any capital improvement serving both Towns	170,000	14,996	(155,004)	156,179			-		
15	3e	Plus debt-service on any financed improvements serving both towns	-	-	-	-	-		-		
16	3f	Total	\$567,845	\$417,868	(\$149,976)	\$602,792	\$0		\$498,491	\$0	
17		Keedysville % of total water pumped	15.5%	13.8%	-1.7%	14.5%	25.6%	11.1%	16.0%		
18		Keedysville annual cost water service	\$88,016	\$57,666	-\$30,350	\$87,405	\$0		\$79,759	\$0	
19		ADD: K portion of customer billing expense	13,693	13,145	(548)	13,594			14,167		
20		ADD: Daily operations labor for tank + booster station	7,549	8,373	824	8,747			9,338		
21		ADJUST: Billing related capital to K % of water accounts	1,320		0				0		
22		Keedysville total annual expense	\$110,578	\$79,184	-\$31,394	\$109,746	\$0		\$103,264	\$0	

23	Payments:			
24	Estimated quarterly cost	27,644		
25	First quarter billed	27,644		
26	Second quarter billed	27,644		
27	Third quarter billed	27,644		
28	Fourth quarter billed	27,644		
29	True-up due to B/(due from B)	<u>110,576</u> <u>(\$31,392)</u>	<u>27,437</u> <u>-</u>	<u>25,816</u> <u>\$0</u>

NOTES:

Prepared by: Lisa Riner, 08/19/25

Town of Boonsboro
Fiscal Year 2026 Budget
Water Fund

Revenues	2026
	Budget
Operating Revenues	
Water Charges-Boonsboro	880,718
Debt Service Charge-Alt 40	24,080
Keedysville Admin. Charges	100,000
Connection Fees (\$10,550 each)	242,650
Credit Card Fees	18,000
Total Operating Revenues	1,265,448

Other Revenues	
Interest Income	150,000
Returned Check Fees	0
Gain on Sale of Assets	0
Keedysville Contributions	0
Prior Year Reserves/User Fees	0
Total Other Revenues	150,000

Total Revenues	1,415,448
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Expenses	2026
	Budget
Administrative Salary	
Salaries - Administrative	137,000.20
Payroll Taxes - Administrative	10,480.52
Health/Life/STD - Administrative	51,500
Workers Comp - Administrative	450
Pension - Administrative	9,590.01
Total Administrative Salary	209,020.73

Operations Salary	
Salaries - Operations	234,377.33
Salaries - OT Operations (1.5x)	19,500
Salaries - SpOT Operations (2x)	7,650
Payroll Taxes - Operations	20,006.84
Health/Life/STD - Operations	148,000
Workers Comp - Operations	5,600
Pension - Operations	18,306.91
Total Operations Salary	453,441.08

Administrative Expenses	
Insurance - Property/Vehicles	8,000
Audit Fees	9,125
Legal Fees	3,000
Advertising	600

Meeting Expense	1,000
Training/Certification	2,500
Miscellaneous	0
Bank Fees	50
Credit Card Fees	13,000
Office Supplies	18,000
Postage	5,500
Software/Subscriptions	13,450
Telephone	6,000.00
Total Administrative Expenses	80,225
Maintenance Expenses	
Testing	1,500
Major Repair Expense	25,000
Maintenance & Repair	40,000
Uniforms	1,000
Employee Cell Phones	1,200
Electricity	70,000
Vehicle Expense	10,000
Vehicle Gas	6,200
Major Equipment Expense	32,700
Annual Leak Detection Expense	7,500
Chemicals	32,000
Maintenance Supplies	3,500
Annual Fire Hydrant Maintenance	2,200
Annual Water Meter Replacements	25,000
Capital Outlay	0
Total Maintenance Expenses	257,800
Debt Service	
Loan Interest Alt40 Waterline	458.03
MDE Alt40 Waterline Loan	21,309.74
Reservoir Loan Payment	0
Total Debt Service	21,767.77
Capital Improvement	
Special Projects Funding	10,000
CIP Reserves	373,193
Contingency Fund	10,000
Total Capital Improvement	393,193
Total Expenses	1,415,448
Total Revenues	1,415,448
Net Income	(0.00)

Town of Boonsboro
Fiscal Year 2026 Budget
Special Projects

Revenues		2026
Reservoir Replacement		6,709,395
BCC \$1M (Repurpose to Crestview)		0
DGS 2023 PayGo (HB300/SB290)		1,000,000
Rural MD Economic Development Fund		100,000
EPA Grant		1,000,000
American Rescue Plan		2,213,789
American Rescue Plan Interest		231,895
Water User Fee's (Unofficial ARPA Funds)		343,618
FY25 State Senate Capital Budget (24-223)		1,500,000
WCBCC ARPA Funds		400,000
Total Reservoir Replacement		6,789,302
		79,907
Crestview Water Pressure		1,214,464
Repurpose BCC \$1M Reservoir funds		1,000,000
Crestview FY25 Water Fund Subsidy		207,021
Crestview FY26 Water Fund Subsidy		10,000
FY26 Capital Funding		125,000
Total Crestview Water Pressure		1,342,021
		127,557
Chase Six Intersection		1,100,000
Board of County Commissioners		520,000
FY24 State Grant (23-293)		500,000
FY23 Capital Grant (22-417)		200,000
FY25 General Fund Subsidy		200,000
Total Chase Six Intersection		1,420,000
		320,000
Total Revenues		9,551,323
Expenses		2026
Reservoir Replacement		6,709,395
Design/Engineering (\$50k of this is NTE)		365,525
Construction		5,973,870
Construction Management		352,000
Construction Testing		18,000
10% Contingency		670,940
Total Reservoir Replacement		7,380,335
Crestview Water Pressure		1,214,464
Construction Costs		1,136,896
Design/Engineering		77,568
10% Contingency		121,446
Total Crestview Water Pressure		1,335,910
Chase Six Intersection		1,100,000
Purchase of McIlwee House		250,000
Construction		850,000
10% Contingency		110,000
Total Chase Six Intersection		1,210,000

FY24 Capital Projects compiled by BMUC Chair 12/6/23

- Reservoir replacement
- Drinking water system lead removal and replacement
- Alt. 40 waterline looping
- WRA model sewer line replacement
- WWTP Lagoon Dredging & Excavation
- Fletchers Grove well and treatment plant
- Crestview water pressure reduction and bypass
- Drinking water security system
- Utilities assets ledger
- Electronic meter reading system
- Software integration

FY26 Priorities according to the BMUC on 2/19/25

- ADVANCED/ZONED METERING - can be done in increments
- Chlorine Booster Pump Station
- Engineering for Master Meter
- Lead Removal & Replacement - incrementally until CY2034
- Inflow & Infiltration - Phase III

Previously identified projects lacking funding

Security System Upgrade	\$100,000
Alt 40 Gravity Sewer	\$1,087,867
Dean South Looping	

Total Expenses	9,926,245
Total Revenues	9,551,323
CIP Reserves for Contingency	532,055
Deficit/Surplus	157,133

Boonsboro Water Fund Capital Expense - FY25 and FY26

FY 25	Description	Capital Outlay - Cash			Notes	
		Approved Budget	Projected in Sept 2024			
			Total	Shared		
	Reservoir replacement	11,000,000	11,000,000	0		
	Crestview water pressure	1,200,000	1,200,000	0		
	Shafer Park well replacement	256,179	156,179	156,179		
	Lead Pipe Inventory	72,654	15,730	0		
	Security System Upgrade	100,000	0	0		
	Dean South Looping	20,000	0	0		
	Crestview Bypass & prV Vaults					
	Boonsboro/Keedysville Pressure Study					
	TOTAL	\$12,648,833	\$12,371,909	\$156,179		
				\$0	\$0	
					\$0	

Capital Debt Service - Shared

Description	Approved Water Budget	Projected in Sept 2024		Actual		Notes
		Total	Shared	Total	Shared	
				0	0	
None	0	0	0	0	0	

Capital Outlay - Cash

FY 26	Description	Approved Water Budget	Projected in July 2025			
			Total	Shared		
	Reservoir replacement	6,789,302	6,789,302	0		
	Crestview water pressure	1,342,021	1,342,021	0		
	TOTAL	\$8,131,323	\$8,131,323	\$0		

Capital Debt Service - Shared

Description	Approved Water Budget	Projected in July 2025			
		Total	Shared		
None	0	0	0		

Boonsboro/Keedysville Regional Water System
FY24/25 Quarterly Usage Report

FY24-25	Raw - Utility	Production	Raw Water Metered		Monthly Usage Received Per Town						Qtrly Gallons Billed to Customers				
					Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost	Keedysville	Lost	
Month	Keedysville WT	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost	Keedysville	Lost
Jul 24	5,993,000	2,569,000	665,000	5,486,000	14,713,000	12,659,990	0.860	2,053,010	0.140						
Aug 24	6,071,695	2,567,000	1,072,000	5,326,000	15,036,695	13,215,190	0.879	1,821,505	0.121						
Sep 24	5,898,397	2,484,000	526,000	4,868,000	13,776,397	11,983,820	0.870	1,792,577	0.130						
1st Qtr	17,963,092	7,620,000	2,263,000	15,680,000	43,526,092	37,859,000	0.870	5,667,092	0.130	21,987,825	41.9%	5,063,373	10.7%		
											-15,871,175		-603,719		
Month	Keedysville WT	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost	Keedysville	Lost
Oct 24	5,990,858	2,567,000	830,000	5,189,000	14,576,858	12,746,965	0.874	1,829,893	0.126						
Nov 24	5,900,322	2,499,000	352,000	5,016,000	13,767,322	11,958,600	0.869	1,808,722	0.131						
Dec 24	6,025,000	2,591,000	0	5,151,000	13,767,000	11,702,739	0.850	2,064,261	0.150						
2nd Qtr	17,916,180	7,657,000	1,182,000	15,356,000	42,111,180	36,408,304	0.865	5,702,876	0.135	18,881,485	48.1%	4,172,210	26.8%		
											-17,526,819		-1,530,666		
Month	Keedysville WT	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost	Keedysville	Lost
Jan 25	6,024,000	2,591,000	534,000	5,414,000	14,563,000	12,075,910	0.829	2,487,090	0.171						
Feb 25	5,470,000	2,333,000	1,495,000	4,935,000	14,233,000	11,346,921	0.797	2,886,079	0.203						
Mar 25	6,185,000	2,340,000	1,757,000	4,649,000	14,931,000	12,176,918	0.816	2,754,082	0.184						
3rd Qtr	17,679,000	7,264,000	3,786,000	14,998,000	43,727,000	35,599,749	0.814	8,127,251	0.186	18,748,872	47.3%	4,549,049	44.0%		
											-16,850,877		-3,578,202		
Month	Keedysville WT	Well #8	Warrenfeltz	& Park Well	Total	Boonsboro	%	Keedysville	%	Boonsboro	Lost	Keedysville	Lost	Keedysville	Lost
Apr 25	5,941,000	1,979,000	567,000	4,957,000	13,444,000	11,740,810	0.873	1,703,190	0.127						
May 25	6,143,000	2,473,000	211,000	5,442,000	14,269,000	12,495,145	0.876	1,773,855	0.124						
Jun 25	5,680,000	2,482,000	428,000	5,239,000	13,829,000	12,129,215	0.877	1,699,785	0.123						
4th Qtr	17,764,000	6,934,000	1,206,000	15,638,000	41,542,000	36,365,170	0.875	5,176,830	0.125	18,660,322	48.7%	4,584,598	11.4%		
					0						-17,704,848		-592,232		
Total	71,322,272	29,475,000	8,437,000	61,672,000	170,906,272	146,232,223	0.856	24,674,049	0.144	78,278,504	46.5%	18,369,230	25.6%		

Cost of Daily Operations Labor at Keedysville Tank and Booster Station FY26 Projections

*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	Hill	Morton	Olthof	
Hourly rate		\$45.02	\$30.81	\$22.34	\$20.06	
Salary for fiscal year		\$93,642	\$64,085	\$46,467	\$41,725	
FICA + Medicare @7.65%	0.0765	7,164	4,902	3,555	3,192	
Health Ins (Annual)		11,440	26,904	26,904	11,440	
Life Ins (Annual)		104	104	104	104	
Short term disability (Annual)		359	245	178	162	
Unemployment @.021 x \$8500		179	179	179	179	
Workers Compensation	0.03	2,809	1,923	1,394	1,252	
Pension	0.07	6,555	4,486	3,253	2,921	
Total wage and benefit		\$122,251	\$102,828	\$82,034	\$60,974	\$368,087
Regular work hours/week		40	40	40	40	
Weeks employed		52	52	52	52	
Annual hours paid		2,080	2,080	2,080	2,080	
Less:						
Personal leave		240	160	120	120	
Total on job hours		1,840	1,920	1,960	1,960	7,680
Billing hourly rate		\$66.44	\$53.56	\$41.85	\$31.11	
Average rate for all 4						\$47.93

Overtime Rate Saturday x1.5		\$67.53	\$46.22	\$33.51	\$30.09
FICA + Medicare @7.65%	0.0765	5.17	3.54	2.56	2.30
Pension 7% of all wages	0.07	4.73	3.24	2.35	2.11
Total direct cost per hour		\$77.42	\$52.99	\$38.42	\$34.50
Average of 4 employees					\$50.83

Overtime Rate Sunday x2.0		\$90.04	\$61.62	\$44.68	\$40.12
FICA + Medicare @7.65%	0.0765	6.89	4.71	3.42	3.07
Pension 7% of all wages	0.07	6.30	4.31	3.13	2.81
Total direct cost per hour		\$103.23	\$70.65	\$51.23	\$46.00
Average of 4 employees					\$67.78

Day of the week
Monday - Friday
Saturday
Sunday
TOTAL

Days in Yr		Total
261	\$0.50	\$47.93
52	\$0.50	\$1,321.62
52	\$0.50	\$1,762.16
365		\$9,338.38

Boonsboro Billing and Customer Accounting for Keedysville Accounts
FY26 Projected

Contracted Services and Supplies

Contracted Billing Service:

US Bulk Mail printing and mailing costs	\$3,568
Other	0
Total contracted services and supplies	\$3,568

Administrative Asst/Water & Sewer

	Rate	Amount
Annual wages	2,080	\$54,933
FICA	0.0765	4,202
Health Insurance		26,904
Life Insurance		104
Short Term Disability		210
Unemployment (first \$8,500)	\$8,500	0.021
Workers Compensation		549
Pension	0.01	3,845
Total wage and benefits	0.07	\$90,927
Work hours	40	52
LESS: Personal Leave		-160
Total on job hours		1,920
Billing rate per hour		\$47.36

% time Administrative Asst on water and sewer	85.0%
	Total
B water accounts	1,450
B sewer accounts	1,372
K water accounts	409
Total accounts	3,231
% K+B water accounts of total accounts	57.5%
% K accounts of total water accounts	22.0%
Annual hours for Keedysville	223.8
	\$10,599

Total Billing and Customer Accounting	\$14,167
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Prepared: Yvette May, 7/2/2025

Keedysville Annual Usage and Costs Recap FY11 - FY26

	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	23,193,148	13.8%	\$79,184	\$3.41	18,508,927	\$4.28	\$14,996	\$13,145
FY25 (projected)	24,674,049	25.6%	\$109,748	\$4.45	18,369,230	\$5.97	\$156,179	\$13,594
FY26 (projected)	23,696,620	16.0%	\$103,264	\$4.36	19,160,447	\$5.39	\$0	\$14,167

Prepared: Lisa Riner, 7/9/25

**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:

Clerk

THE MAYOR & COUNCIL OF BOONSBORO

By: _____ (SEAL)
Howard W. Long, Mayor

WITNESS/ATTEST:

Clerk-Treasurer

THE MAYOR & COUNCIL OF KEEDYSVILLE

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 (Annual Daily Average)	PERMITTED WITHDRAWAL
<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						164,515
	GPD						
	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	<i>EDU's reserved for Keedysville per draft new agreement:</i>					-60	
							553
6	Reliable capacity held in reserve per draft new agreement:					515,200	
				Reserve	10%	51,520	-206
	EDU Surplus/(Deficit)						347
7	<i>Additional EDU capacity if Boonsboro reduces unaccounted-for water to 15%:</i>					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.

Non-Revenue Water: The difference between the number of gallons of water actually produced and treated by the combined system and the number of gallons of water delivered to service connections in any given quarter or billing period.

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.

Related Costs: Those costs that are directly related to or incurred during the course of a specific capital improvement, equipment replacement or equipment repair.

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.

Shared Costs: Those costs that are related to the installation, repair or improvement of the total system that are shared in accordance with the ratios set forth in the agreement in force at the time of the activity, unless otherwise mutually agreed upon in writing.

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.

Un-Accounted for Water: The amount of water that is produced but cannot be measured or otherwise accounted for as being delivered to any service connection or used for system purposes, such as fire protection.