

**SUMMARY OF AGREEMENTS BETWEEN BOONSBORO (B) AND KEEDYSVILLE (K)
REGARDING WATER SERVICE TO THE TOWNS**

1958 Water Service Agreement

- > K to construct water line between the Towns
- > B acquires rights to water from K spring
- > B acquire, at cost, the line constructed by K between the Towns
- > K acquires benefits of B's reservoir
- > K to construct pump house, B to equip
- > B to operate water production for both Towns
- > K will buy water from B at the same rate that B charges its customers
- > B to make available to K water from all present and future water sources
- > Towns each have first right to water sources and water rights it owns
- > Establishes method for handling lack of sufficient water for the Towns including termination of the agreement
- > Term is 75 years (to 2033) and may be renewed by mutual agreement

1994 Arbitration

- > Settled dispute over charges by B to K
- > Established cost-sharing as the basis for charges from B to K
- > Since no meters were installed for K customers, rates were established per account based on the cost allocated to K and the number of accounts.

1998 Amendment #1 to 1958 Agreement

- > Documented collaboration between the Towns for the construction of new treatment plants, administration of the project, receipt of grant money and repayment of debt, thus permitting continued ownership by each Town of its water system assets (Note: State had threatened to take over the water systems)
- > Establishes ownership of new assets (K to own treatment plant in K and B to own treatment plant in B and the new line between the Towns)
- > B to continue to operate the Water System
- > K to continue to be responsible for its distribution system
- > After loan is paid in full, K may use B's services related to customer billing, paying B at cost for such service.
- > Created the Water Advisory Board as a platform for collaboration between the Towns. (Note: The Board does not own, operate or control the Water System, it is advisory to the Towns.)
- > Water system may not be separated without the approval of both Towns and MDE

1999 Water Service Charge Agreement

- > Provides updated methodology for calculating charges by B to K for water service based primarily on the 1994 Arbitration cost-sharing methodology.
- > Provides methodology for handling of billing between the Towns.
 - >> A projected cost shall be estimated for each fiscal year and K shall pay B quarterly based on the projected fiscal year cost.
 - >> Following the end of each fiscal year, a true-up of costs shall be done based on the actual costs incurred by B and the actual water usage of each Town.

2010 MOU on Booster Station and K Storage Tank

- > B's concurrence for construction of K Tank and Booster Station between the Towns
- > B accepted no obligation to operate or maintain new or modified equipment related to this project

2015 Booster Station and Storage Tank Agreement

- > B to operate Storage Tank and Booster Station in same manner as it operates the balance of the Water System with a few exceptions:
 - >> K is responsible for the maintenance, repair and replacement of the Booster Station building and the Tank structure
- > Cost share to be handled as stipulated in the 1998 Agreement with a few exceptions:
 - >> K to cover all costs related to the Tank
 - >> K to cover 100% of routine daily operating labor for the Booster Station
- > Keedysville no longer shares in the cost of capital repairs, replacements or additions to the Boonsboro reservoir or any future Boonsboro water storage facility.

2017 Amendment to 1999 Water Service Charge Agreement

- > Revises adjustment of Boonsboro distribution expenses in trueup from 35% to 50%

Prepared by: Austin Abraham, Chair
Boonsboro Keedysville Water Advisory Board
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