

SUMMARY OF TERMS
Inter-Municipal Agreement
for
Potable Water Service

SUPPLIER: Town of Andover, MA (“Andover”)

CUSTOMER: Town of North Reading, MA (“North Reading,” and together with Andover, the “Towns,” or, individually, a “Town”)

SERVICE PROVIDED: Up to 2.6 million gallons per day (MGD), maximum day demand, effective July 1, 2019. Option for up to 3.0 million gallons per day (MGD) after six years, subject to permitting and appropriation.

CAPITAL EXPENSE: Andover will be responsible for capital expenses in Andover related to the delivery of potable water to the North Reading town line.

COSTS INCURRED: Andover will reimburse North Reading’s costs already incurred to join the MWRA, up to [\$953,000], which costs will be reimbursed by Andover through credits to North Reading’s water invoices, starting July 1, 2018 in the amount of \$95,300 annually, ending on the date North Reading executes a long term agreement with the MWRA. North Reading will provide Andover with documentation acceptable to Andover for all such costs assumed.

WATER RATE: 95% of Andover’s Tier 1 Rate, with annual increases not to exceed 2.5% for a term of 10 years.

TERM: 99 years pending each Town’s Town Meeting and Legislative Approval.

SERVICE QUALITY AND QUANTITY: Andover to be responsible for water meeting all state and federal guidelines at time of delivery to the North Reading town line. Any reductions in water service quantities, caused by water bans/restrictions and the like, to be borne proportionately by the two Towns based on usage volumes. Both parties agree that all water limitations placed by Andover on its users will be applied equally to North Reading.

BACK-UP WATER SUPPLY TO READING: The Towns agree to commit to working with North Reading to establish Andover as the emergency back-up water supply for the Town of Reading, to the extent feasible, through North Reading’s water infrastructure (the “Reading Transaction”). Entry by Andover into any definitive agreement relating to the Reading Transaction will be contingent upon Andover being appropriately indemnified and held harmless.

PERMITTING/
APPROVALS:

Each Town to be responsible for their own municipal approvals. The Towns will cooperate in obtaining any necessary "Home Rule" petition. Andover will coordinate and obtain any Andover permits to deliver water in accordance with this agreement. Andover will provide engineering and administrative support needed to obtain permits to assist North Reading with inter-basin transfer permitting.

EXTENSION OF
CURRENT INTER-
MUNICIPAL
AGREEMENT:

The Towns will extend the current inter-municipal agreement for one-year extension of the existing agreement on the above terms, with automatic renewal to a second year unless notice is given by North Reading before November 1, 2019. All existing terms of the current Inter-Municipal Agreement between the Towns will remain in full force and effect, with the exception of the Water Rate, which shall increase by 5% beginning July 1, 2018, 0% beginning July 1, 2019, and 2.5% beginning July 1, 2020.

NEW LONG TERM
SUCCESSION
AGREEMENT:

If the parties agree to a long-term Successor Agreement, Andover agrees to set the effective rate of 95% of Andover's Tier 1 rate retroactively to the beginning of the fiscal year in which the Successor Agreement is executed.

SEWER
COLLABORATION:

Andover recognizes that North Reading intends to further investigate the feasibility of connecting through Andover's sewer network to the Greater Lawrence Sanitary District sewer treatment facility. Andover is committed and will fully cooperate with this effort.

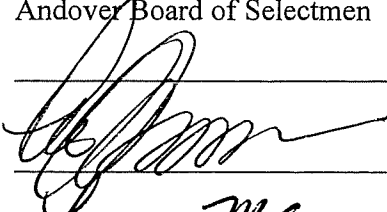
Motioned by Dan Kawalshi

Seconded by Bob Landry

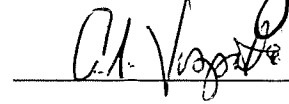
3 Yea

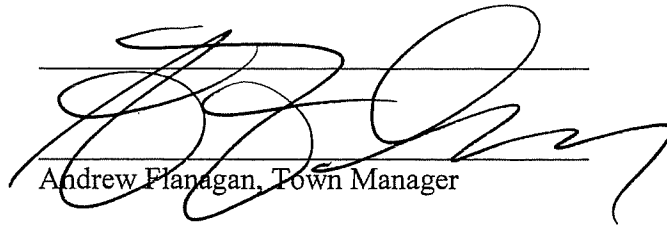
2 Nay

Andover Board of Selectmen









Andrew Flanagan, Town Manager

Date March 19, 2018