

New Hampshire-Vermont Interstate Public Water Supply Compact

The state of New Hampshire enters into the following compact with the state of Vermont subject to the terms and conditions therein stated:

Article I. General Provisions

A. Statement of policy. It is recognized that in certain cases municipalities in New Hampshire and Vermont may, in order to avoid duplication of cost and effort, and in order to take advantage of economies of scale, find it necessary or advisable to enter into agreements whereby joint public water supply facilities are erected and maintained. The states of New Hampshire and Vermont recognize the value of and need for such agreements, and adopt this compact in order to authorize their establishment.

B. Requirement of congressional approval. This compact shall not become effective until approved by the United States Congress.

C. Definitions.

1. "Municipalities" shall mean cities, towns, village districts, or other incorporated units of local government possessing authority to construct, maintain, and operate public water supply facilities and to raise revenue therefor by bonding and taxation, which may legally impose and collect user charges and impose and enforce regulatory control upon users of public water supply facilities.

2. "Public water supply facilities" shall mean publicly-owned water supply sources, storage, treatment, transmission, and distribution facilities, and ancillary facilities regardless of whether or not the same qualify for federal or state construction grants-in-aid.

3. "Water supply agency" shall mean the agencies within New Hampshire and Vermont possessing regulating authority over the construction, maintenance, and operation of public water supply facilities and the administration of grants-in-aid from their respective state for the construction of such facilities.

Article II. Procedures and Conditions Governing Intergovernmental Agreements

A. Cooperative agreements authorized. Any 2 or more municipalities, one or more located in New Hampshire and one or more located in Vermont, may enter into cooperative agreements for the construction, maintenance, and operation of public water supply facilities serving all the municipalities who are parties thereto.

B. Approval of agreements. Any agreement entered into under this compact shall, prior to becoming effective, be approved by the water supply agency of each state, and shall be in a form established jointly by said agencies of both states.

C. Method of adopting agreements. Agreements shall be adopted by the legislative body of each municipality in accordance with statutory procedures for the adoption of interlocal agreements between municipalities within each state.

D. Review and approval of plans. The water supply agency of the state in which any part of a public water supply facility which is proposed under an agreement pursuant to this compact is proposed to be or is located, is hereby authorized and required, to the extent such authority exists under its state law, to review and approve or disapprove all reports, designs, plans, and other engineering documents required to apply for federal grants-in-aid or grants-in-aid from said agency's state, and to supervise and regulate the planning, design, construction, maintenance, and operation of said part of the facility.

E. Federal grants and financing.

1. Application for federal grants-in-aid for the planning, design, and construction of public water supply facilities other than distribution facilities shall be made jointly by the agreeing municipalities, with the amount of the grant attributable to each state's allotment to be based upon the relative total capacity reserves allocated to the municipalities in the respective states determined jointly by the respective state water supply agencies. Each municipality shall be responsible for applying for federal and state grants for distribution facilities to be located within the municipal boundaries.

2. Municipalities are hereby authorized to raise and appropriate revenue for the purpose of contributing pro rata to the planning, design, and construction cost of public water supply facilities constructed and operated as joint facilities pursuant to this compact.

F. Contents of agreements. Agreements entered into pursuant to this compact shall contain at least the following:

1. A system of charges for users of the joint public water supply facilities.
2. A uniform set of standards for users of the joint public water supply facilities.
3. A provision for the pro rata sharing of operating and maintenance costs based upon the ratio of actual usage as measured by devices installed to gauge such usage with reasonable accuracy.
4. A provision establishing a procedure for the arbitration and resolution of disputes.
5. A provision establishing a procedure for the carriage of liability insurance, if such insurance is necessary under the laws of either state.
6. A provision establishing a procedure for the modification of the agreement.
7. A provision establishing a procedure for the adoption of regulations for the use, operation, and maintenance of the public water supply facilities.
8. A provision setting forth the means by which the municipality that does not own the joint public water supply facility will pay the other municipality its share of the maintenance and operating costs of said facility.

Article III. Applicability of State Laws

Cooperative agreements entered into by municipalities under this compact shall be consistent with, and shall not supersede, the laws of the state in which each municipality is located. Notwithstanding any provision of this compact, actions taken by a municipality pursuant to this compact, or pursuant to an agreement entered into under this compact, including the incurring of obligations or the raising and appropriating of revenue, shall be valid only if taken in accordance with the laws of the state in which such municipality is located.

Article IV. Construction

Nothing in this compact shall be construed to authorize the establishment of interstate districts, authorities, or any other new governmental or quasi-governmental entity.

Article V. Effective Date

This compact shall become effective when a bill of the Vermont general assembly which incorporates the compact becomes a law in Vermont and when it is approved by the United States Congress.

Updated with laws currently effective June 27, 2011 through Chapter 205 of the 2011 Reg. Sess., not including changes and corrections made by the State of New Hampshire, Office of Legislative Services
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