



1 Hampshire may, in order to avoid duplication of cost and  
2 effort, and in order to take advantage of economies of  
3 scale, find it necessary or advisable to enter into agree-  
4 ments whereby joint public water supply facilities are  
5 erected and maintained. The States of Vermont and New  
6 Hampshire recognize the value of and need for such agree-  
7 ments, and adopt this compact in order to authorize their  
8 establishment.

9       “(b) REQUIREMENT OF CONGRESSIONAL AP-  
10 PROVAL.—This compact shall not become effective until  
11 approved by the United States Congress.

12       “(c) DEFINITIONS.—

13               “(1) The term ‘public water supply facilities’  
14 shall mean publicly owned water supply sources,  
15 storage, treatment, transmission and distribution fa-  
16 cilities, and ancillary facilities regardless of whether  
17 or not the same qualify for Federal or State con-  
18 struction grants-in-aid.

19               “(2) The term ‘municipalities’ shall mean cities,  
20 towns, village districts, or other incorporated units  
21 of local government possessing authority to con-  
22 struct, maintain, and operate public water supply fa-  
23 cilities and to raise revenue therefore by bonding  
24 and taxation, which may legally impose and collect

1 user charges and impose and enforce regulatory con-  
 2 trol upon users of public water supply facilities.

3 “(3) The term ‘water supply agency’ shall mean  
 4 the agencies within Vermont and New Hampshire  
 5 possessing regulating authority over the construc-  
 6 tion, maintenance, and operation of public water  
 7 supply facilities and the administration of grants-in-  
 8 aid from their respective State for the construction  
 9 of such facilities.

10 “(4) the term ‘governing body’ shall mean the  
 11 legislative body of the municipality, including, in the  
 12 case of a town, the selectmen or town meeting, and,  
 13 in the case of a city, the city counsel, or the board  
 14 of mayor and aldermen or any similar body in any  
 15 community not inconsistent with the intent of this  
 16 definition.

## 17 “ARTICLE II

### 18 “PROCEDURES AND CONDITIONS GOVERNING

#### 19 INTERGOVERNMENTAL AGREEMENTS

20 “(a) COOPERATIVE AGREEMENTS AUTHORIZED.—  
 21 Any two or more municipalities, one or more located in  
 22 New Hampshire and one or more located in Vermont, may  
 23 enter into cooperative agreements for the construction,  
 24 maintenance, and operation of public water supply facili-  
 25 ties serving all the municipalities who are parties thereto.

1       “(b) APPROVAL OF AGREEMENTS.—Any agreement  
2 entered into under this compact shall, prior to becoming  
3 effective, be approved by the water supply agency of each  
4 State, and shall be in a form established jointly by said  
5 agencies of both States.

6       “(c) METHOD OF ADOPTING AGREEMENTS.—Agree-  
7 ments shall be adopted by the governing body of each mu-  
8 nicipality in accordance with statutory procedures for the  
9 adoption of interlocal agreements between municipalities  
10 within each State; provided, that before a Vermont mu-  
11 nicipality may enter into such agreement, the proposed  
12 agreement shall be approved by the voters.

13       “(d) REVIEW AND APPROVAL OF PLANS.—The water  
14 supply agency of the State in which any part of a public  
15 water supply facility which is proposed under an agree-  
16 ment pursuant to this compact is proposed to be or is lo-  
17 cated, is hereby authorized and required, to the extent  
18 such authority exists under its State law, to review and  
19 approve or disapprove all reports, designs, plans, and  
20 other engineering documents required to apply for Federal  
21 grants-in-aid or grants-in-aid from said agency’s State,  
22 and to supervise and regulate the planning, design, con-  
23 struction, maintenance, and operation of said part of the  
24 facility.

1           “(e) FEDERAL GRANTS AND FINANCING.—(1) Appli-  
2 cation for Federal grants-in-aid for the planning, design,  
3 and construction of public water supply facilities other  
4 than distribution facilities shall be made jointly by the  
5 agreeing municipalities, with the amount of the grant at-  
6 tributable to each State’s allotment to be based upon the  
7 relative total capacity reserves allocated to the municipali-  
8 ties in the respective States determined jointly by the re-  
9 spective State water supply agencies. Each municipality  
10 shall be responsible for applying for Federal and State  
11 grants for distribution facilities to be located within the  
12 municipal boundaries.

13           “(2) Municipalities are hereby authorized to raise and  
14 appropriate revenue for the purpose of contributing pro  
15 rata to the planning, design, and construction cost of pub-  
16 lic water supply facilities constructed and operated as joint  
17 facilities pursuant to this compact.

18           “(f) CONTENTS OF AGREEMENTS.—Agreements en-  
19 tered into pursuant to this compact shall contain at least  
20 the following:

21                   “(1) A system of charges for users of the joint  
22 public water supply facilities.

23                   “(2) A uniform set of standards for users of the  
24 joint public water supply facilities.

1           “(3) A provision for the pro rata sharing of op-  
2           erating and maintenance costs based upon the ratio  
3           of actual usage as measured by devices installed to  
4           gauge such usage with reasonable accuracy.

5           “(4) A provision establishing a procedure for  
6           the arbitration and resolution of disputes.

7           “(5) A provision establishing a procedure for  
8           the carriage of liability insurance, if such insurance  
9           is necessary under the laws of either State.

10          “(6) A provision establishing a procedure for  
11          the modification of the agreement.

12          “(7) A provision establishing a procedure for  
13          the adoption of regulations for the use, operation,  
14          and maintenance of the public water supply facili-  
15          ties.

16          “(8) A provision setting forth the means by  
17          which the municipality that does not own the joint  
18          public water supply facility will pay the other mu-  
19          nicipality its share of the maintenance and operating  
20          costs of said facility.

21          “(g) APPLICABILITY OF STATE LAWS.—Cooperative  
22          agreements entered into by municipalities under this com-  
23          pact shall be consistent with, and shall not supersede, the  
24          laws of the State in which each municipality is located.  
25          Notwithstanding any provision of this compact, actions

1 taken by a municipality pursuant to this compact, or pur-  
 2 suant to an agreement entered into under this compact,  
 3 including the incurring of obligations or the raising and  
 4 appropriating of revenue, shall be valid only if taken in  
 5 accordance with the laws of the State in which such mu-  
 6 nicipality is located.

7 “CONSTRUCTION

8 “Nothing in this compact shall be construed to au-  
 9 thorize the establishment of interstate districts, authori-  
 10 ties, or any other new governmental or quasi-governmental  
 11 entity.

12 “ARTICLE III

13 “EFFECTIVE DATE

14 “This compact shall become effective when ratified  
 15 by the States of Vermont and New Hampshire and ap-  
 16 proved by the United States Congress.”.

17 **SEC. 2. RIGHT TO ALTER, AMEND, OR REPEAL.**

18 The right to alter, amend, or repeal this joint resolu-  
 19 tion is hereby expressly reserved. The consent granted by  
 20 this joint resolution shall not be construed as impairing  
 21 or in any manner affecting any right or jurisdiction of the  
 22 United States in and over the region which forms the sub-  
 23 ject of the compact.

24 **SEC. 3. CONSTRUCTION AND SEVERABILITY.**

25 It is intended that the provisions of this compact shall  
 26 be reasonably and liberally construed to effectuate the

1 purposes thereof. If any part or application of this com-  
2 pact, or legislation enabling the compact, is held invalid,  
3 the remainder of the compact or its application to other  
4 situations or persons shall not be affected.

5 **SEC. 4. INCONSISTENCY OF LANGUAGE.**

6 The validity of this compact shall not be affected by  
7 any insubstantial difference in its form or language as  
8 adopted by the two States.

Passed the Senate December 18, 1995.

Attest: KELLY D. JOHNSTON,  
*Secretary.*