ADOPTING A MEMORANDUM OF UNDERSTANDING AMONG CERTAIN MUNICIPALITIES CONCERNING THEIR POTENTIAL AFFILIATION AS A WATER DISTRICT UNDER RSA CHAPTER 53-A

This Memorandum of Understanding (Memorandum) is entered into between and among the New Hampshire Municipalities (the Municipalities) whose names and authorized signatures appear below, to govern the discourse and negotiations concerning the formation of a joint agreement among the Municipalities under RSA chapter 53-A as it currently exists or as it may be modified from time to time, subject to the purposes and under the terms and conditions set forth below. A. PURPOSE. (1) The purpose of this Memorandum of Understanding is to guide and direct the Municipalities respecting their attempted affiliation and working relationships, inclusive of anticipated future arrangements and agreements. (2) No Municipality intends for this Memorandum to alter in any way their respective legal rights or their legal obligations to one another, to the public, the State or their constituents or to any other third party other than as explicitly set forth in this. (3) It is the intent of all signatories to this Memorandum to come to Agreement concerning the terms, conditions and operating provisions of a joint agreement or Municipal Charter that will govern the creation and the bylaws of a new
Municipal Corporation or Water District to be formed under RSA chapter 53-A whose purpose shall be to purchase, or otherwise acquire, and thereafter own, operate, maintain and develop as necessary to meet the interest of those Municipalities and the areas to which they provide service, a water supply and distribution system currently owned and operated by the Pennichuck Corporation through certain of its subsidiary corporations. A committee shall be established, under the terms and conditions set forth below to govern the process of negotiation and discussion leading to the formation of a Charter among participating municipalities. The Committee or its member(s) shall report its findings and recommendations, along with any proposed Charter/district agreement to the governing bodies of the municipalities comprising the committee. 

C. CONDITIONS OF COMMITTEE PARTICIPATION. (1) Only those Municipalities whose Governing Bodies, as that term is defined in RSA 21:48, have endorsed this Memorandum, in a manner and form appropriate to that municipality’s form of municipal governance, shall be allowed to actively participate in the discussions and negotiations concerning the terms and conditions of a Charter for the creation and operation of a new Municipal Corporation to be formed under RSA chapter 53-A. (2) Each Governing Body shall be actively involved in the discussion of any proposed legislation and encourage the active involvement of any elected representatives of the citizens of that municipality necessary or related to the formation of the Municipal Charter and its subsequent operation of that entity. (3) Each Governing Body shall act in good faith toward one another and encourage the active participation of all concerned parties in the process of the formation of a Charter. (4) Each Governing Body shall be entitled to designate one participant, and such other alternates as are deemed necessary, to speak and vote on behalf of the Municipality at any negotiations or meeting among the participant Municipalities concerning the formation of the Charter. Only those designated participants shall have the right to participate in said discussions or any votes unless the designated participants invite further participation by non-designee members of the public. (5) Nothing herein shall prohibit the attendance of any member of the public from attendance at any meeting, or limit the designated participants from calling for closed sessions as deemed appropriate and lawful under RSA 91-A. (6) Each participant recognizes the value of open dialogue as we work together to reach consensus. Respect for each other’s opinions throughout the process is paramount to successful negotiations. (7) Each Municipality’s designated participant(s) agrees to designate by majority vote one individual from the designated participants to act as Chairperson. The Chairman’s responsibilities shall include: · Ensuring the orderly discussion of all issues · The avoidance of unnecessary repetition of issues no longer up for discussion · The setting of dates and times for meetings · The setting of agendas for the issues to be addressed at any meeting · Assigning responsibilities to any particular member and any other actions necessary to ensure the orderly and open discussion necessary to the formation of a Charter. · The provision of public statements and press releases for the committee. (8) Each Municipality’s designated participant(s) agrees to designate by majority vote one individual from the designated participants to act as Vice Chairperson. The Vice Chairman’s duties will be assigned as the committee so directs. (9) This Memo of Understanding shall expire upon approval of the Charter by the majority of the Committee, which must include Nashua. Upon such expiration, records and documents of the committee shall be deposited with the Nashua Regional Planning Commission, which shall safeguard them until such time as the contemplated water district has been established, at which time such materials shall be transferred to the district. (10) The original twenty-three Municipalities may join the Committee at any time before the expiration of this Memorandum of Understanding pursuant to subsection C(9) with the understanding that any
provisions already agreed to will not be subject to renegotiation. (11) All Municipalities who adopt the Memorandum of Understanding agree to maintain confidential all information in the form of written or electronic correspondence, discussions and other decisions of the member municipalities as provided for under RSA 91-A. The obligations of this subsection shall survive the expiration of this Memorandum of Understanding. (12) Upon a majority vote of the governing body, a municipality may withdraw from this agreement without penalty or prejudice. (13) Any Charter shall at a minimum include the following provisions: I. A list of the municipalities included in the District. II. The method of selection and method of removal of representatives to the District; the number of representatives and the weight of each representative's vote; the terms of office of the representatives; and, except as provided otherwise by law, the powers, duties and authorities of the District officers. III. The terms by which other municipalities may be admitted to the district or a member municipality may withdraw from the district before or after debt has been incurred. IV. The method by which the District Agreement may be amended including conditions under which an amendment must be approved by the governing or legislative bodies of member municipalities. V. The procedure for dissolution of the District before or after debt has been incurred. VI. Provisions for varied levels of participation by member municipalities, if applicable. VII. The remedies and penalties that the District may assert against a member which defaults in its obligations to the District, if any. VIII. The powers delegated to the district by member municipalities to enact bylaws and regulations concerning the management and operation of the District. IX. The procedure for establishing the District when not all of the legislative bodies vote to approve the district agreement. X. The procedure for incurring debt after the formation of the District. XI. The method of transition from the completion of the Memo of Understanding to the adoption of the Charter by each Municipality. XII. Provisions for compensating municipalities who incur or have incurred expenses for the formation of the district or acquisition of the water system.