

EXHIBIT B



RESOLUTION

ENDORISING AND ENCOURAGING THE CREATION OF A REGIONAL WATER DISTRICT, PROVIDING FOR MUNICIPAL ACQUISITION OF THE PUBLIC WATER WORKS SYSTEM AND PURSUING POSSIBLE CITY MEMBERSHIP IN A REGIONAL WATER DISTRICT ON MUTUALLY BENEFICIAL TERMS

CITY OF NASHUA

In the Year Two Thousand and Two

RESOLVED by the Board of Aldermen of the City of Nashua

WHEREAS the Board of Aldermen of the City of Nashua finds that the maintenance of an adequate supply of clean, affordable drinking water is essential to the viability of any community; and

WHEREAS the Board of Aldermen of the City of Nashua finds that the maintenance of an adequate supply of water for the protection of life and property is essential to the viability of any community; and

WHEREAS the Board of Aldermen of the City of Nashua finds that the maintenance of an adequate supply of clean, affordable water to be used for commercial purposes within the City is essential to the economic viability and orderly economic growth of the community; and

WHEREAS the City of Nashua derives its supply of water in part from the Pennichuck Brook Watershed, which traverses several other communities, and in part from the Merrimack River, which traverses many other communities; and

WHEREAS the Board of Aldermen of the City of Nashua finds that in order to obtain an adequate supply of clean, affordable water for drinking and other purposes, substantial actions must be taken in the future to re-invest the revenues of the water company in the enhancement of the system, in the maintenance of the system, and in protection of the source of supply of the system; and

WHEREAS the Board of Aldermen of the City of Nashua finds that these purposes can best be served by public ownership of all or a portion of the water works system serving the inhabitants of the City and others; and

RESOLUTION

Amended R-02-127

Page Two

WHEREAS the Board of Aldermen of the City of Nashua finds that the acquisition and maintenance of such system can and should be accomplished via the issuance of revenue bonds based on anticipated revenues, and not upon general obligation bonds of a community; and

WHEREAS the Board of Aldermen of the City of Nashua finds that the maintenance of said water works system may best be served by the formation of a regional water district representing the several towns and cities which are impacted by the operation of the water works system; but

WHEREAS the Board of Aldermen of the City of Nashua finds that creation of an appropriate district requires first the passage of adequate enabling legislation, and second the ratification by the other communities in such region, and that such ratification shall require time to be accomplished; and

WHEREAS the Board of Aldermen of the City of Nashua finds that time is of the essence in the protection of its long term interests in the water works system;

WHEREAS the Mayor has recommended public ownership of the water works system;

NOW THEREFORE BE IT RESOLVED by the Board of Aldermen of the City of Nashua that the following actions be taken:

Based on the findings of the Board of Aldermen set forth above and in accordance with RSA 38:3, the Board hereby determines that it is expedient for the City to establish a water works system and, in order to establish such water works system, to acquire all or a portion of the water works system currently serving the inhabitants of the City and others.

Pursuant to RSA 38:3, upon passage of this resolution, a special meeting of the voters of the City shall be held as a special election on January 14, 2003 for the purpose of confirming the adoption of this resolution of the Board to establish a water works system of the City by voting on the following question: "Shall the resolution of the Board of Aldermen adopted on November 26, 2002 determining that it is expedient for the City to establish a water works system and, in order to establish such water works system, to acquire all or a portion of the water works system currently serving the inhabitants of the City and others be confirmed?"

Following a majority vote of the qualified voters at said special meeting confirming the establishment of a water works system, the Mayor shall, pursuant to RSA 38:6, promptly introduce a resolution to the Board of Aldermen (i) identifying the portions of the water works system currently serving

Page Three

the inhabitants of the City and others determined to be necessary for the City's water works system and in the public interest to acquire, and (ii) authorizing a notice to be sent, within 30 days of said special meeting, to each utility supplying and distributing water for sale to the inhabitants of the City and others informing such utilities about the vote of the City to establish a water supply system and inquiring as to the utilities' willingness to sell to the City all or any portion of the existing water works system that it owns which the Board determines to be necessary for the water works system of the City.

The Mayor shall convey by letter to the honorable state legislative delegation of the City, to the Nashua Regional Planning Commission, and to the surrounding communities the strong support of the City in the passage of proposed legislation to extend the ability to create intermunicipal agencies to form regional water districts; and the strong support of the City in formation of a regional water district on mutually beneficial terms.

The Mayor is authorized to respond to the Public Utilities Commission on behalf of the City with respect to the pending acquisition of Pennichuck Corporation by Philadelphia Suburban Corporation in a manner which is consistent with the actions authorized in this resolution.

Upon acquisition of the water works system, the Mayor is authorized to negotiate proposed terms for City participation in a mutually beneficial regional water district, subject to approval by the Board of Aldermen, and to do preliminary planning for an orderly transition to such a regional water district.

PASSED BY THE BOARD OF ALDERMEN – NOVEMBER 26, 2002

APPROVED BY THE MAYOR – DECEMBER 2, 2002

ATTEST: PAUL R. BERGERON, CITY CLERK

LEGISLATIVE YEAR 2002

RESOLUTION:

R-2002-127 Amended

PURPOSE:

Endorsing and encouraging the creation of a regional water district, providing for municipal acquisition of the public water supply system and pursuing possible city membership in a regional water district on mutually beneficial terms

SPONSOR(S):

**Mayor Bernard A. Streeter
David Rootovich, President of the Board of Aldermen
Alderman-at-Large Frederick Britton
Alderman Brian S. McCarthy, Ward 5**

**COMMITTEE
ASSIGNMENT:**

ANALYSIS

RSA 38 is a comprehensive statute prescribing procedures and standards for municipal acquisition of water utilities, subject to Public Utilities Commission approval. It is outlined in the Rizzo Associates report.

This resolution would make certain findings concerning the water supply system serving Nashua and surrounding communities and provide for certain action:

- (a) The Mayor is to notify the legislative delegation, the surrounding communities and the Nashua Regional Planning Commission of the City's support for state enabling legislation for formation of regional water districts to own and control regional water supplies and support for exploration of City participation in such a district.
- (b) The board of alderman hereby votes, pursuant to RSA 38:3 (two-thirds vote required) that it is expedient for the City to acquire the water supply system serving Nashua, and schedules a referendum (majority required) to see if the voters will confirm the vote.
- (c) If the acquisition is approved by the voters, the Mayor is directed to continue the acquisition process by submitting for board of aldermen approval a resolution under RSA 38:6 specifying the water supply system property to be acquired.
- (d) The Mayor is authorized to take appropriate action in the Public Utilities Commission proceeding on the Pennichuck Corporation - Philadelphia Suburban Corporation acquisition, consistent with the other action authorized by this resolution.

(e) The Mayor is authorized, upon acquisition of the water supply system, to negotiate proposed terms for City participation in a regional water district, subject to board of aldermen approval, and to begin planning for a possible transition to such a district.

Approved as to form:

Office of Corporation Counsel

By: _____

Date: