

Town of Fitzwilliam Transfer of Water System Fact Sheet

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1. Why is a transfer of the water system proposed?

The Fitzwilliam Village Water District lacks the resources to operate as a stand-alone village district. In 2025, it had no District clerk, moderator, or treasurer. It lost hundreds of thousands of dollars in grants for a new supply well. Because a water supply is important for the Town center, the Select Board and the District Commissioners agreed to present articles for the Town to acquire the system and run it as a Town water department.

2. When will the transfer of the water system happen?

As proposed, the transfer of the water system will happen after, and only if, all the following have occurred and are completed:

- The Town of Fitzwilliam votes in favor at Town Meeting, by at least a 2/3 majority, on the warrant article to acquire the water system;
- The Fitzwilliam Village Water District votes in favor at its Annual Meeting, by at least a 2/3 majority, on the warrant article to dissolve and transfer the water system; and
- The Town of Fitzwilliam Select Board and the Fitzwilliam Village Water District Commissioners sign an agreement that specifies all the details, e.g., property and contracts to be transferred, date of transfer, etc.

If any one of the above does not occur, the transfer of the water system will not occur.

3. What are the benefits to the water system being transferred to the Town?

The benefits of having the Town operate the water system include:

- Reduced total administrative costs by eliminating the need for separate District and Town meetings, District and Town financial reporting, District and Town accounting, and District and Town other requirements.
- Improve operations and administration by using existing Town staff to support meetings, finance, and administration.
- Reliable water is important for shared resources like Town Hall, Library, Mr. Mike's, Dunkin Donuts.

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- Existing public water system performs testing and treatment of drinking water for these facilities which protects public health. Failure of the District impacts the Town and residences using these facilities.
- Reliable system management minimizes costly system failures and emergency repairs
- Improving administration will help with the long-term planning needed for continued operation and system improvements.
- Unification and efficiency in decision-making, governance, planning, and management.

4. What happens if turned down at Town Meeting and/or District Meeting?

For the Town, the water system will not be transferred to the Town without a Town meeting vote required by RSA 38:4.

For the District, its operations could decline and its system fall into disrepair. The District currently has only two commissioners and does not have a District treasurer, clerk, or moderator. There is a risk that a significant failure could cause the District itself to fail.

Second, if the leadership and management of the Fitzwilliam Village Water District becomes defunct, New Hampshire Superior Court processes are available. Any resident of Fitzwilliam in their personal capacity could avail themselves of this, as could any official of the Town or any remaining official of the District. It cannot be known how the Court would address the issue. The NH Bar Association offers pro bono (free) and low bono (reduced fee) legal services in certain circumstances: <https://www.nhbar.org/legal-services-programs/>.

5. What happens if District votes yes and Town votes no?

See number 2 above. Unless both the District and the Town vote yes, and then the District and the Town negotiate and sign an agreement that specifies all the details, the water system will not be transferred.

So, if the District votes yes and the Town votes no, the water system will not be transferred.

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6. What happens if District votes no and Town votes yes?

See numbers 2 and 5 above. Unless both the District and the Town vote yes, and then the District and the Town negotiate and sign an agreement that specifies all the details, the water system will not be transferred.

So, if the District votes no and the Town votes yes, the water system will not be transferred.

7. What happens if the water system is not transferred and the commissioners resign?

See number 4 above about court processes and legal support options.

8. How does the Town budget for funds collected from water system users?

The proposed Town warrant article is written so that if the water system transfer occurs:

- In Year 1 (2026), the funds collected from the water rates will be expended as “unanticipated revenues.” This means the Town will not be required to hold the hearings that RSA 31:95-b would otherwise require to spend unanticipated funds; and
- Afterwards (2027 and onwards), the Town will adopt a budget for its water system in the usual budget process.

The Town has and is informed by the District’s anticipated 2026 budget.

9. How will acquisition of the water system impact taxes?

It is common practice for the Town Tax Collector to send water bills to properties which are connected to a municipal water system, or which receive special benefits due to the availability of water. However, RSA 38:29 provides that water funds are “separate and distinct” from taxes and cannot be co-mingled with tax revenues. Instead, all the costs for the water system are collected from water rates set by governing body.

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In cases where paid Town Staff provide support for a water system, RSA 38:29, II requires that water system “shall also remit to the municipality those costs incurred by the municipality in support of water operations, including but not limited to financial audit, facility insurance, treasurer compensation, and office support.” That means the Select Board will include any additional costs for Town Staff in the water rates to avoid any increase in the tax rates. Those costs will then be paid from the non-lapsing water fund, not from the Town’s general fund.

10. Why are residents in the District who are not connected to the water system being “taxed” by the District?

State law (RSA 38:27) gives the District Commissioners the authority to assess the costs of the water system on properties who receive a “special benefit” from the water system. This assessment is something that, if the water system is transferred to the Town, the Select Board could continue or change.

11. Who gets to vote?

a. Currently

Under District ownership, all residents in the District (per the Town checklist of District residents dating back to the 1967 establishment) have a right to vote at the Annual meetings of the District, whether or not they get their water from the District. This is comprised of about approximately 55 users and 99 properties.

All residents of the Town have a right to vote at Town Meeting. This would include voting on things like the 2026 Warrant Article about whether the water system should be transferred, the proposed Town budget, etc.

b. If the water system is transferred?

The Town of Fitzwilliam, through the Select Board, would design and set the rates for the water system, based on their best judgment. The appropriations for the water system (spending) would be proposed by the Select Board and recommended by the Budget Committee either as part of the Town’s overall budget or contained as a separate budget article.

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All residents of the Town would have a right to vote on all articles related to the water system at Town Meeting, including the proposed budget. All residents of the Town would also have a right to attend and participate in the municipal budgeting process, including the capital improvement program process.

12. For the “bonds and notes” the District already has for capital improvements and that the Town would assume if the water system were transferred:

a. How much debt is already associated with that?

Throughout 2024, the District incurred obligations in the amount of \$16,221.75 which has been billed directly to the N.H. Dept. of Environmental Services to disburse. This was for engineering to assess improvements to the water systems.

b. Who pays back any debt: all residents of the Town or something different?

See number 10. Also, RSA 38:28 is also helpful because it says water rates must be “equitable.”

c. Are the bonds and notes intended to be enough for capital improvements forever?

No. They are anticipated to be enough for a couple or few decades.

d. How will it be decided to use more of this financing?

The typical capital improvement program process that the Town of Fitzwilliam already uses for planning capital improvements associated with other aspects of Town managements will be used, likely starting for the 2027 fiscal year.

13. What if I live in the District and want to put in my own well?

You may do so, subject to other applicable laws. For example, the New Hampshire Department of Environmental Services has legal requirements for siting a personal well.

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Also, having your own well and discontinuing water service from the District (or from the Town if the water system is transferred) does not necessarily mean you will no longer be charged. See number 10.

14. What happens if the water systems is transferred to the Town and someone does not pay their water bill?

This is managed similarly to other non-payment of Tax Bills issued by the Tax Collector based on state law RSA 38:22.

15. Has a transfer from a District to a Town happened before?

Yes. Madbury, Conway, and Campton to name a few. And that is with respect to water systems. It has also happened statewide regarding other systems (fire, sewer, etc.) many times more.

16. Will the State of New Hampshire take over the water system?

No. The State of New Hampshire, through the Department of Environmental Services (NHDES), and/or through the Department of Justice (NHDOJ), may issue orders requiring the District of the Town to take certain actions if there are violations of laws governing water systems. But it is unlikely that the State itself would come in and take over the water system.

NHDOJ may also issue civil penalties and monetary fines against the District or the Town if there are violations of laws governing water systems. That is not usually the first step, however. That usually occurs if violations are not fixed.

17. Where can I access the laws of the State of New Hampshire?

<https://gc.nh.gov/rsa/html/indexes/default.aspx> is the official State of New Hampshire website where you can access the RSAs (Revised Statutes Annotated) and the Administrative Rules.

Key laws include:

[RSA 32 – Municipal Budget Law](#)

[RSA 33 – Municipal Finance Act](#)

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RSA 38 – Municipal Electric, Gas, or Water Systems

18. What does the law say about Town debt limits?

RSA 33:4-a, III says, “Towns shall not incur net indebtedness to an amount at any one time outstanding exceeding 3 percent of their valuation determined as hereinafter provided.”

19. Why was there another Public Hearing on the Town budget if there already was one?

The public hearing on the Town budget that occurred on February 5, 2026 was the typical public hearing held every year for the entire budget. The public hearing held on February 11, 2026 was specific to financing associated with the possible acquisition of the water system.

Specifically, the proposed article provided for the Town to assume the District’s existing bonds with the State of New Hampshire Department of Environmental Services (DES) Drinking Water and Groundwater Trust in the total sum of \$1,721,000 (gross budget) with \$1,301,000 in bonds or notes and \$420,000 to be provided from grants the DES Drinking Water & Groundwater Trust Fund. This required the Town to hold a bond hearing under RSA 33:8-a.

20. What is the proposed Warrant Article in the Town?

PROPOSED TOWN OF FITZWILLIAM WARRANT ARTICLE

“To see if the Town will vote to:

- 1) authorize the Select Board to acquire the water system and the real and personal property of the Fitzwilliam Village Water District (“Water System”);
- 2) establish and operate the Water System as a Town water precinct as provided by RSA 38;
- 3) authorize the Town to assume the District’s bonds and notes with the State of New Hampshire Department of Environmental Services Drinking Water and Groundwater Trust (“DES”) for the acquisition and construction of improvements to the Water System;
- 4) raise and appropriate the total sum of \$1,721,000 (gross budget) by the issuance of not more than \$1,301,000 in bonds or notes in accordance with the provisions of the Municipal Finance Act (RSA 33) for these purposes; with a sum of \$420,000 to be provided from grants the DES Drinking Water & Groundwater Trust Fund; and

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- 5) authorize the Select Board to accept and expend additional grant funding and unanticipated revenues; and
- 6) take such other actions as reasonably necessary for the above purposes.

This article shall be subject to and contingent and effective upon the completion of both the following conditions:

1. Adoption of one or more Warrant Articles by the Fitzwilliam Village Water District to dissolve and to authorize its District Commissioners to convey its real and personal property to the Town; and
2. The execution and delivery of an agreement upon terms acceptable to the Select Board and the Fitzwilliam Village Water District Commissioners, to transfer of the District's operations and real and personal property to the Town, or, to otherwise dispose of the same."

A 2/3 majority vote is required per RSA 38:4.

The Select Board recommends this article 3-0.

The Budget Committee recommend this article __-__.

Explanation: This article authorizes the Town to acquire all the District's real and personal property for its water system due to the District's pending vote to dissolve and its inability to continue to operate on a stand-alone basis. If approved by the Town, all the costs to acquire, construct, operate, support, and maintain the water system will be recovered from the District's existing water rates and future water rates the Select Board sets as provided by RSA 38:27–29, and not through taxation. Adoption of this article will authorize the Select Board to accept and expend revenues derived from water rates to support operation of the system as "unanticipated revenues" in order to adopt budget appropriations thereafter.

This article further authorizes the Town to assume the District's existing loans with the New Hampshire Department of Environmental Services (DES). The DES loan documents provide for an interest rate of one percent (1.0%) during construction and three and one-half percent (3.5%) during the 25-year term thereafter.

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21. What is the proposed Warrant Article in the Fitzwilliam Village Water District?

PROPOSED FITZWILLIAM VILLAGE WATER DISTRICT WARRANT ARTICLE

“To see if the District will vote to:

- 1) ratify all prior acts (including the results of the April 14, 2025, annual meeting of the Fitzwilliam Village Water District);
- 2) terminate and dissolve;
- 3) authorize the District Commissioners to convey all the District’s real and personal property and all other assets to the Town of Fitzwilliam; and
- 4) to take such other actions as reasonably necessary for the above purposes.

This article shall be subject to and contingent and effective upon the completion of both the following conditions:

1. A favorable vote by the Town of Fitzwilliam approving the establishment of a Town water precinct under the provisions of RSA 38;
2. The execution and delivery of an agreement upon terms acceptable to the Select Board and the Fitzwilliam Village Water District Commissioners, to transfer all the District’s operations and real and personal property, and all other assets to the Town, or, to otherwise dispose of any of the same.”

A 2/3 majority vote is required per RSA 51:21.

The District Commissioners recommend this article.

22. When is the Fitzwilliam Town Meeting?

Tuesday, March 10, 2026

23. When is the Fitzwilliam Village Water District Annual Meeting?

Tuesday, March 3, 2026