

REPORT OF THE PENNICHUCK WATER SPECIAL COMMITTEE

February 26, 2004

A meeting of the Pennichuck Water Special Committee was held on Thursday, February 26, 2004 at 7:04 p.m. in the Aldermanic Chamber.

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Alderman Brian S. McCarthy presided

Members of the Committee present: Alderman-at-Large Steven A. Bolton
Alderman-at-Large David W. Deane
Alderman David D. Lozeau

Members not in Attendance: Alderman Robert G. Shaw, Jr.

Also in Attendance: Alderman-at-Large Paula I. Johnson
Alderman Robert Dion
Alderman David MacLaughlin
Alderman Kathryn D. Vitale
Fred Britton, Nashua Representative to District
Kevin Waterhouse, Windham Representative to District
Jeremy Lamson, Pittsfield Representative to District
Michael Scanlon, Bedford Representative to District
Jean Guy Bergeron, Selectman, Town of Pelham
Ken Massey, Hudson Representative to District
Steve Williams, Nashua Regional Planning Commission
George Woodbury, Hollis Representative to District
Ray Peeples, Litchfield Representative to District
Karen White – Planning Director, Town of Bedford

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COMMUNICATIONS – None

UNFINISHED BUSINESS – RESOLUTIONS - None

UNFINISHED BUSINESS – ORDINANCES – None

NEW BUSINESS RESOLUTIONS - None

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NEW BUSINESS – ORDINANCES – None

HELD IN COMMITTEE

R-04-12

Endorsers: Mayor Bernard A. Streeter
Alderman-at-Large Brian S. McCarthy

**ADOPTING THE PROPOSED AGREEMENT AND CHARTER
OF A REGIONAL**

WATER DISTRICT

DISCUSSION

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Chairman McCarthy

Tonight we have some guests from the Regional Water Charter Committee. I would actually like to invite those members of the Charter Committee that are here to come forward and sit with the committee.

I guess probably what we should do first is going around and do introductions as I don't think everybody knows everybody at this point.

The committee and the members of the Regional Water Charter Development Committee introduced themselves to one another.

Chairman McCarthy

We do transcribe the minutes verbatim generally and I would ask the members of the Charter Committee since our assistant doesn't recognize your voices to identify yourselves when you speak.

The committee spent Monday evening and last evening reviewing the Charter, and I think former Alderman Britton may have spoken to some of you about some of the results of that. I actually want to pass out some notes from the last couple of nights. What we will do I think is go through these – it is clear there is one issue that is probably likely to be contentious, and after we have gone through the notes I think I would like to come back and tackle that one first.

There were a number of other issues that came up that I actually thought fell into the category of good catches in a couple of places, and things that we might want to discuss where I think the Charter will actually be better off for it.

There is one issue of the definitions that was significant, which is that Nashua has a tremendous number of multi-family properties which apparently count as only 1 connection apiece in general, and there is some concern over the representation of the actual customers who live in those units when there are multiple units per connection.

Probably the easiest thing to do is let you read through it for a minute. Would you rather read it or that I step through them?

George Woodbury

In reference to this first item here, I guess it raises the question of how you would then treat bulk purchasers such as Hudson and Milford – if you open this up so that an apartment complex, everybody that is buying water in that apartment complex through the one meter is represented then Hudson's citizens become all represented.

Alderman Deane

I was under the impression that the whole idea of the Charter was to represent the best interests of the consumer. We have large complexes as well as multi-family homes in the city where 1 meter feeds the entire building. We have a development down off of West Hollis Street called Ledgewood Hills, which I believe operates like that. If there was ratepayer representation there it wouldn't work properly because you would leave the rest of the consumers out of the picture. That is my concern.

George Woodbury

I am not saying that this is not a good idea I am just saying it opens up this other issue that you then also must address and make a determination of how you will deal with those customers also.

Alderman Deane

They should be dealt with equally if they are consumers of the system.

Chairman McCarthy

So you would favor if we did that making Hudson's vote weighted by the number of end customers as well?

Alderman Deane

Well if you want to adjust the weight it will adjust accordingly correct?

Chairman McCarthy

That is what I would think.

Ken Massey

That would just effectively mean that Hudson changes from 1 vote on rates to over 5,500, which then would make us the second largest customer of Pennichuck or in this case the District.

Alderman Deane

If your numbers are correct I imagine it would.

Ken Massey

As of the end of this fiscal year we had approximately 5,200+ connections, and there is enough development that will push it up over that 5,500 I think by the end of the next fiscal year.

Kevin Waterhouse

This would also severely impact Windham in that the contracts that represent most of the customers would be housing units from 5 up to 155 units that are based on 1 customer at this point as 1 ratepayer so I think what we would really be doing is we would just be magnifying the numbers we are talking about, but the actual weighted vote would probably change very little.

Alderman Deane

My concern is consumer representation. We have a situation in the city where we have these units already in place – what are we to do? We will have consumers of the system that will have no formal representation – if you are a landlord that owns a 4 family building and 15 people live in that building and the landlord gets the bill, the landlord is the ratepayer although in a roundabout way even though the water is supplied to the tenants they do pay for it. If the

ratepayer is the landlord then the consumers that use the system have no representation.

Alderman Johnson

That scenario sounds good. I was thinking about that today about the ratepayer/the consumer, but you know people in apartment buildings if you ask them what is going on with the water a lot of them probably don't know. A lot of them when you talk to them at the time of voting, and I spent many a time at the landfill and talked to many people and they would say I am a renter, I don't pay taxes. If they don't see the water bill they don't realize that they pay taxes through their rent and they pay their water through their rent and they don't understand the impact of it. I think it should be the landlord's responsibility somehow to work with their tenants because a lot of times you talk to our renters and they don't even look at the bills because they don't have it because it is all included a lot of times in their rent.

You are talking ratepayers versus consumer, and I think there really has to be a clear understanding on where you want to go with the consumer because you will blow these numbers up in each and every direction. Nashua will carry this even further, and I think Nashua really should because it is Nashua and we are at the brunt at everything, but you have to really take a look on where you want to go with consumer and multi-family and apartment buildings. I'm really concerned with this consumer and how we will define it.

Michael Scanlon

I will agree to the point where I believe if you start looking at the actual people in a 4 family – just by looking at Hudson goes from 1 vote to 5,200 votes. I probably – I don't believe that the percentages will change enough to really make a difference. I guess my argument on a person that rents in a building is simply they are not a taxpayer in the community, but they have the right to vote. Those people that are – even though they don't directly pay that water bill it goes to a landlord, he will have the right to come to a water district meeting, he will have the right to be a representative on that water district unless the City of Nashua chooses not to allow him to be, I don't know – I look at the town of Bedford as a good example. We have about 500 customers today, we are anticipating over the next few years to go up to about 1,000 – I certainly would look at a person who was on a private well if he had a concern that he would have the right to express that concern even though they are not a consumer of the water system and they are a resident of the Town of Bedford and this is going to be part of the town and -- I don't believe that by tweaking these numbers just because you have 4 people in 1 building and it is only 1 meter will really change it a whole lot. I believe it would add a lot of confusion to the whole system.

Alderman Bolton

I actually don't think this is something we can sit here and solve. I think until you find out how readily available the numbers would be and then if they are readily available take a look at them, and see what that means. Maybe it doesn't make a difference then why are we wasting time – if it does make a difference we ought to think about whether that difference is meaningful or not. I

think the case of Hudson takes even more thought because it is somewhat in a different category from all the other communities being that it is just buying the water that once it buys the water then the distribution system within Hudson is not part of as I understand it at least not part of what this entity would own and control. As I say I think we ought to ask whoever we have to ask – Regional Planning Commission or local government in each community or something to see how readily available we can get the information.

Chairman McCarthy

Is the bulk water contract with Hudson tied to a rate or is the rate specified in the contract itself?

Ken Massey

We have a negotiated contract with Pennichuck for the bulk water at a per 100 cubic feet rate.

Chairman McCarthy

Under the terms of that contract if the district changed the rate for water it would not have an impact on water bills in Hudson correct?

Ken Massey

Until the next contract.

Michael Scanlon

Just to add another thing, when we first looked at the district on looking at how you would vote or how the allocation would be, one of the arguments or concerns that came up was shouldn't it be by consumption of water. The Town of Merrimack was a good example. They have the single largest consumer of water in the whole district. That is Anheuser Busch and they are only 1 connection. Is it really fair? Hudson is another good example in that they are only considered 1 connection, but certainly they are a large user of water. These issues were discussed, these issues were looked over and over, and we really I believe at the end came up with what we thought was the most fair representation – it would be by and the most easiest way to determine – I don't know if Pennichuck would tell you that this 1 meter services 25 different homes. I don't know if they have that data available or if they just have – maybe Karen can help me with that, but I don't believe that we could even define that.

Jeremy Lamson

I don't believe Pittsfield would have the data readily available on the number of apartment buildings that are served. If you were trying to talk about various units it is not data that Pittsfield has readily available.

Chairman McCarthy

We would get it from our Assessing Department who actually knows the number of units and whether there are water connections for each of the properties. It may be available, but not in the form you think it is.

George Woodbury

I guess the last comment I would make is that the real issue here that has been pointed out is proper representation of the people that are consumers of the water, and the decision as to how you are going to provide representation for those people is based on each community making a decision internally as to how they want to best do that. If Nashua internally wanted to ensure that every citizen that received water from Pennichuck whether they were represented by a meter or not participated in the process they could so do. That is the other way to look at this is to make sure the representation is fair within each community.

Chairman McCarthy

I think the issue is over whether the vote by connection really should be vote by meter or vote by number of units that are connected.

George Woodbury

I understand that, and of course in the back of my mind as I am sure is in everybody else's mind, we have been reading the newspaper this underlying thought that Nashua needs to increase their representation on a proportionate share vis-à-vis the other communities, and one of the things that I have attempted to point out is that the end result of what has been proposed may dilute that representation rather than increase it. That is why I brought the subject up.

Chairman McCarthy

I think the answer there is that we are trying to make it proportional. If by happenstance it turns out that we have less residential units connected proportionally than other communities I think probably so be it.

Alderman Deane

Have any of the representatives of the towns talked to their constituents about representation?

Ray Peeples

To the best of my knowledge what Litchfield has done to this date is the Board of Selectmen has been briefed after every meeting, we have an agenda item where we do committee reports, and we brief the Board of Selectmen. Basically the way we planned at this point to handle the water district is that we would determine how we were going to appoint our director inside and the

discussions have run from having a small committee, like the conservation commission as a committee, to forming a water district committee and they would have the director and alternate come out of that through an appointment from the Board of Selectmen. About 48% of our residents are on Pennichuck water as well as we hold the wells for the Town of Hudson. Water is wheeled through Hudson back and forth through Litchfield. We had intended primarily to do that through a small committee and send our two representatives, the Director and the Alternate, to the board.

Internally the Board of Selectmen so far in the discussion we have had have found that to be a workable solution. We are waiting right now to see what the outcome here in Nashua is before we put it to a bigger body.

Alderman Deane

That is what the elected, political board has in mind, but have any of the citizens approached your board with issues pertaining to this? Are any of them aware of the representation that is being proposed?

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Ray Peeples

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As a matter of fact Alderman Deane we have passed two referendums a year ago; one to start this work with the Charter and the second was to join this. At this point the Board of Selectmen are in the position to sign this document and join the district by a vote of our governing body.

Alderman Deane

So the citizens of Litchfield approved this – the two approvals you have aren't for final approval – did the citizens give you whatever you want to do go ahead and do it?

Ray Peeples

We put a Warrant Article on it last year to the voters for us to pursue and join a water district and we would be sending representatives from the town of Litchfield to do that and when we explained it to the voters at town meeting we explained that we didn't know what that governance was going to be for the district, but we thought it was in Litchfield's best interest to give the Board of Selectmen that power and that was done by a vote of our governing body so we could sign this Charter today.

Alderman Deane

The document wasn't even really formed as yet and people are giving you the go ahead to do whatever?

Ray Peeples

That is right.

Alderman Deane

So the document could have – there could be a 50% rate hike every year and the people would – you don't think they would come back – they don't want to know what the resource plan was?

Ray Peeples

Well we would never have a 50% rate hike. The PUC would probably squash that very early on, but that is exactly what the voters in the town of Litchfield did was to give us the power to sign this document or a document and enter into a water district if we felt it was in the best interest of the town of Litchfield.

Alderman Deane

That is what you are doing. Thank you.

Michael Scanlon

Nobody from our community has contacted me in regards to the Charter. We haven't had the public hearings yet, we will be doing that in March, and I would imagine comments will come then. Town Council – after we have the public hearing, we have the right to commit to a Charter.

Chairman McCarthy

What will you do in March if there are significant comments from your public hearing?

Michael Scanlon

That is a good question I guess. We certainly would want to listen to that input and we certainly would want to consider that input. To be quite honest with you we have been working on this Charter for about 20 months, we have made it on line, we have referenced to all of our Councilors, I would have expected a lot of the input if they had any real problems with it to have come to me by now and I could have brought it back to the Charter district. I don't believe that the town of Bedford will require substantial changes to this document and I look forward to getting approval.

Jeremy Lamson

Pittsfield is kind of in a similar situation with Ray where they could vote to join, but in the time I have been working for the town of Pittsfield I have not really heard any comments from anybody including the board when I have shone them the drafts regarding the membership.

Ken Massey

Hudson on most of the meetings that have occurred where the Charter has had a change in it I brought it up before the Board of Selectmen. There are copies of the Charter that are available in the library and in the Town Clerk's office that are available for people to pick up. On the Hudson web site there is a link to the National Regional Planning Commission's Charter Committee site so that citizens can see the latest drafts. There is also on our web site a pointer that says if you have any comments or suggestions please contact the Board of Selectmen, and in the 6 months that I have been working on this committee I have yet to have anybody from the community come back and say anything.

Up until now the plan was to hold the public hearing upon the completion of the document, and at the moment it is scheduled for the first meeting in April. At that point in time we would open up for public input. I think the question you have already addressed relative to what if they have major changes – in my mind from the town of Hudson the critical component for us because we are slightly different than some of the other towns in that the major portion of our water does not come from Pennichuck it comes from the three wells that we currently own that are located as Mr. Peeples said in Litchfield, and we simply supplement our water and primarily in the spring and summer months with water from Pennichuck, but during that same period of time we also wheel water from Pennichuck to Litchfield and to Pelham so the key to us has always been the representation and the ability for Hudson to have a voice at the table. I think I have been consistently on record at the Selectmen's meetings that as long as the representation is the way it is I could support the townspeople Hudson joining the district. So far I have yet to hear any pushback on that position.

Alderman Johnson

We are really in the process right now of taking a look at the Charter – really the finished product I would say for the first time. It seems that it is taking us a while to digest it. I guess part of my question is if we made any changes are you going to be able to take it to the people?

Ken Massey

My position has always been that if the representation, the governance clause, changes from what it is today in any significant way I would not recommend to the Board of Selectmen and to the townspeople that Hudson join the district. The other changes, there are some that have been mentioned and I think that based on what I heard I could sell that to the town but I will not be able to sell a significant change in the governance that is currently in the Charter to the Town of Hudson.

Alderman Johnson

First of all before I even ask everybody the same question if any changes come within the governance are they going to be able to support it or ask their towns to support it? I would like to ask the question – Pittsfield I know is all the way up and kind of separate and there was discussion at one time that you wanted to own your own part of the water company.

Jeremy Lamson

Yes, they had voted both to authorize the town to pursue acquiring the former Pittsfield Aqueduct company, which is now part of Pittsfield or joining the Regional Water District and I believe that what Pittsfield is looking to see is which way is the best interest for Pittsfield because they are not entirely certain how would be the best way to run – if Pittsfield ran it by itself or had it run as part of a larger district.

Alderman Johnson

Would you be able to support any changes in the governance part of the Charter? As I said we are just starting to digest this Charter and we are really going through each and every section of the Charter. I want to make sure – I am putting it on the table tonight – who will be able to support it if we make any changes especially in that area and if they are not going to be able to support us.

Chairman McCarthy

I think Paula that it is actually a little premature to ask that question. We are proposing that the Charter be amended by the Charter Committee. In the end, the Charter Committee can accept or reject that and we can accept or reject the end product that comes out of the Charter Committee.

Alderman Johnson

I don't think it is premature? I don't think it is premature at all because we've just are starting to digest this whole Charter that has been worked on for a while and we have now seen the finished product of it and I want to know exactly where we are going.

Chairman McCarthy

But until we have had a discussion of the governance model and what the proposed changes would be I think it is unfair to ask anybody if they would blanketly just support changes ...

Alderman Johnson

We already got one answer from Hudson as to whether they would support it or not. I am just kind of curious if we changed it a little bit more in our favor if in fact this will be rejected more likely so than not. I think it is a fair question.

Kevin Waterhouse

With all due respect I have a fair question to ask back. When we passed the draft of this Charter in November and said that we were going back to the governing body for public hearings in

Nashua why wasn't anybody there along with the public? Windham sent citizens that were concerned. They were there to ask questions. The Board of Selectmen knew what was happening, they had been given the Charter before and had digested it. If they had questions they would have been there. Why wasn't Nashua there?

Alderman Johnson

We did have representatives there. We did have citizens there and some of us also had other meetings that we had to attend. It is not like we don't have other committee meetings that we don't attend and other affairs that we have to go to. When we send our representatives out they bring things back to us, but this is the first time I have had a chance to really digest this formal Charter. We have new members on the Board also. We just can't be at every meeting. We have other responsibilities, and as far as the new members this is the time for them to start learning about this Charter. I think it is very unfair for you to point fingers at us. I am not going to accept that. I asked a very basic, simple question about who will be able to accept any major changes on Nashua's behalf. Don't start pointing fingers at us. I don't appreciate that. It was a simple question. Thank you.

Fred Britton

Mr. Chairman I think it would be good to hear first of all any proposed changes so our fellow Memorandum of Agreement members, our fellow committee members can hear what the proposed changes may be and then be able to comment more intelligently on what is being proposed.

Jeremy Lamson

I was just going to answer the previous question. I don't believe I actually did answer it. I believe it would depend very much on what the changes are, but a change that was made it significantly more representation for Nashua would probably leave Pittsfield to look more at purchasing the Pittsfield Aqueduct Company.

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Alderman Deane

I just wanted to bring up the remark that was made by the gentleman from Hudson pertaining to the governance scenario when we are talking about the consumer – the way I read it is if you have had no citizen input or no comments or concerns or whatnot from your constituents in your towns then solely the approval or disapproval of changes are being decided on with what you want to do not what your constituents want. Am I correct to read that because you haven't had any contact with anybody, and you have been speaking with your other board – these are changes that your governing bodies are making and the citizens have had no input to date into the – so the changes that you will vote on if you will vote for or against or whatever you plan on doing are solely what you want to do – am I correct to assume that?

Ken Massey

No. The answer is no. What I want to do is not what will happen. What I am is the representative from Hudson and I bring back to Hudson the progress of the Charter with my observations and recommendations, but ultimately the Board of Selectmen will have to vote on whether or not to accept the Charter and that will then be a minimum of three Selectmen that will have to vote to accept it. Before we have that vote we will have a public hearing, and at that public hearing we will also make those comments. I would simply say that I have been on record since the beginning that if the governance model substantially changes from what it is today I would not recommend to the Board of Selectmen that we accept the Charter. No it would not be me who makes the final decision it would be the Board of Selectmen.

Alderman Deane

But you are making decisions at the Charter Committee by voting aren't you?

Ken Massey

That is correct, but I am representing the town and I bring back those representations to the Board and if they choose to have a different direction that they want me to take they would give it to me. To date I have not been given any charge other than the way we continue to represent the town.

Jean Guy Bergeron

I would just like to go over maybe 2 things with different questions that have been asked. First I would like to start by saying Pelham did sign the Memorandum of Understanding; we did pass a Warrant Article to pursue a water district. The Board of Selectmen were always issued copies of all the minutes of all of the meetings, which have been over a year. The Fire Chief also got all of the copies. As far as I know there are 391 connections. I don't know what that represents in customers – to this we had discussed that and I never got to see detailed information from Pennichuck, but the papers that I was provided showed 391 connections. I think the reason why Pelham is interested is for the quality of water, the quantity of water, the price of the water, local control – I think that is why we are all here, and a seat at the table.

At every Selectmen's meeting the Selectmen had a right if they had any concerns from the minutes that they present it, and they never had any questions. As far as the customers I have been doing this for over a year and I haven't heard from a customer. I just wanted to answer your questions. Thank you Mr. Chairman.

Ray Peoples

I want to follow up on Paula's question and maybe to reinforce the smaller towns', position. When I first joined this committee I picked it up from one of the other Selectmen because he had

other duties he had to attend to. It took a little while for me to come up to speed, but something that I had learned very early on was Nashua had sent some very intelligent people to represent them as well as the other communities. This document is flourished out of a crucial of unbelievable heat. You have so many diverse communities that are represented. We have 391 connections, we have 1 connection, we have 1,048, we have 21,000 on Nashua. It is hard to believe that this document could exist because it came out of so many different ideas and different points of views and different wants and needs. Litchfield's wants and needs are vastly different than Hudson's and Nashua's, but we did find common ground. One of the places that was a huge sticking point – I can remember there must have been 3 hours of debate over it was on the governance issue. How we finally arrived at the model that is in this document, and it seemed very fair to let each town handle their governance internally, send the point person to the table so you didn't have 60 people around this table trying to make a decision you had 16. After working on this document as long as we did it seemed that was a very, very intelligent thing to do because it is very hard to get a quorum when you have that many people. It is hard to get them all standing up and marching in the same direction, which is what you need to run a company. The more people you put at the table the harder that will become.

To follow up on Paula's question if there is a major change in the governance, I don't know what that might be, but right now I think it is pretty fair and it was the best we could do, and I really believe it was the best we could do with the knowledge that we had around the table and the people we had working on it, I am in the same place as Ken Massey, I am not sure that I could recommend that to the town of Litchfield if there was a vast change to that.

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Alderman Deane

I wanted to comment on that. We had a meeting last evening and had some discussion pertaining to the governance model as well as the ratepayer vote and the weight vote. I was trying to understand how the two different types of representation in the vote were put together by the committee. We brought up different scenarios associated with what fell under the privy of the weighted vote as well as what fell under the privy of the director vote. Come to find out that it appeared as though – I believe Alderman Bolton brought u p some scenarios where there were important issues where we would only receive 1 vote and there were other issues where we would have the weighted vote, and it was told to us last evening that if we were to be ganged up upon by the towns where we didn't have the weighted vote then we could retaliate by using the weighted vote against the towns. I was thinking about that last night when I got home and I am like that to me doesn't appear to be representing the consumer. That is representing political interests. The whole idea of the Charter was to make sure that the ratepayer/consumer was represented. When I heard that theory as a possibility it made me step back and think something is terribly wrong here.

The idea was to put the Charter together and have the communities and the City work together in the fairest and most equitable way and to get the vote and then that was brought up. It just appears to me that perhaps the way this is set up, the governance model is set up, if the city has the availability to curtail the bonding or curtail capital improvement to towns or expansion of the

system because the city didn't get what they wanted when they only had their 1 vote, the towns ganged up on them – who wins by doing that?

The whole idea of the local control was to represent the consumer/ratepayer and if that scenario exists as we were told last night that it does then I think that needs to be addressed.

Chairman McCarthy

I don't think that is the way the model was presented last evening with all due respect.

Alderman Deane

It absolutely was.

Chairman McCarthy

It was presented in the realm of what we believe is that everyone would generally do what is in the best interest of the district. If they do not, if in fact some of them from towns decided to gang up on Nashua and become abusive then Nashua has the authority to correct that at the time that rates and capital improvement plans are adjusted. I don't think it was proposed last evening that was likely to be the model that was used. I do want to comment however on the discussion that we had with the governance model last night is I think there is a point in there that should not be lost, and that had to do with our original model was Nashua would have a commission of some sort that we have not yet decided how it comes into existence, but that commission would appoint a director and an alternate from its membership who would then be instructed how to vote at the water district. The problem with that is that you can't anticipate what the actual vote is likely to be. If there are amendments made to an item that is before the Board of Directors or under any of those circumstances it makes it very difficult to ensure that what is done by the 1 representative actually represents the will of the committee.

I think the request was that specifically on votes by – the request was not to change the way the voting would work in votes by customer, but to make sure that there are more voices in the voting by municipality and that the members of the commission are basically allowed to be there and participate in that vote so that when there are things that have to be done at the meeting, and if not something that can be pre-directed, the collective will of that body is carried out. I actually think if you go back and look at our governance model from the original proposal of months ago that was the model we had ironically in the vote by connections. That was removed when we simplified the Charter in October at the advice of council and that we no longer had multiple from the towns in that weighted vote scheme.

I understand that it is a significant change to the governance model. I don't think anybody from Nashua has said they want to have control – well they said they would love to have control over the Board of Directors in voting by municipality, but would settle for not doing that – they said we want to make the representation in such a way that it makes the argument more coregent prior

to the vote and protects Nashua's interest.

Fred Britton

I would like to respond to Alderman Deane's comments. It is a very important point you bring up, and I am the one actually that made the comment, and I would like to address the context of it. There were several Aldermen talking about the fact that perhaps the smaller communities could get together on the board as they are voting as members and outvote Nashua consistently for whatever reason. I made the point that when we are voting by customer we have the ultimate authority to say no to rates, bonding, and the CIP plan, which are very important items. We could negate the votes. If this was something that the towns wanted to do, which I don't think they want to do, everybody has had respect and a joint mission here that we are all trying to accomplish. What I pointed out was that we had an opportunity to show our power and authority through 3 different areas. Of course we don't want to do that we want to work together. Thank you.

Ken Massey

I don't think we should lose sight of a single important issue in this whole movement towards creating the district – the single two critical elements in the district are the revenues to run the district and the expenses that get spent in fulfillment of delivering water to our customers, and the two critical elements in revenue and in the delivery of that water Nashua has complete and total control because the way the votes are currently structured the rates and the capital improvement plan all are weighted by customer, which means that on any given vote if Nashua votes all of the other votes combined are not enough to outweigh the Nashua vote so Nashua in this whole process will control the revenue stream and the expenses in terms of the capital improvements. If you want to look at where we were relative to the governance we struggled all through the spring and summer of last year on a board of directors and a ratepayers board and it wasn't until the compromise that occurred in October happened that the light bulbs IU think went on for everybody and recognized as we probably as Mr. Peeples from Litchfield has said had a winner in the fact that nobody got everything they wanted, but everybody got something that they could go home to their own constituencies and sell to them. Make no mistake about it if you think any of the other communities are totally happy that the rates and the capital improvement plan are going to be controlled by the vote from Nashua be under no allusions all of us basically I think swallowed a little bit but we recognized that if we wanted to get something that would go that was a reasonable compromise. The key is revenues and Nashua is going to have the controlling say on what the cost of delivering water is and Nashua will have the controlling say on what capital improvements are going to be made to the system. Thank you Mr. Chairman.

George Woodbury

I made the same statement at the public hearings in December that as we look at this Charter and as I look at my town, Hollis, there are two very distinct issues here that we have to wrestle

with; one is the rates and how the investment is made in the infrastructure that supports getting the water to the customers, but on the other side of that is the supply issue, the availability of clean, clear water to deliver to our customers. It doesn't matter how good your infrastructure is or how high or low your rates are if you don't have a clean supply of water you have a problem. It is around that issue that we need all 14 communities to ban together. It is around that issue where we need common policies and guidelines and planning documents that will control how we do things so that we don't pollute the very water that we drink. That is what Hollis' interest in this whole document is. The last thing that we would want is for Nashua to be dictating to us what our planning documents and zoning guidelines and how we use water in our town. What we looked at in this document was a balance, our ability to have a strong say in those issues that govern things that we do visa vie the supply and for you all to have a very strong interest in those things that govern the ability of you to safely deliver the drinking water to your customers and to keep their rates reasonable. I think that is what we came up with.

Kevin Waterhouse

Windham looks at the issues very similarly to Hollis. We don't have an overabundant of ratepayers. What we seen from joining the regional water district is much more than just about what you said – only about the consumer. If it were only about the consumer Windham wouldn't be at the table. We're trying to look much further down the line as to what the supply of water to all of Southern New Hampshire is going to be in the future – are we going to protect it because we did not see a private company doing the protection that we thought was necessary. It is not how many users Windham has right now it is what will be – we've got great wells out there, but what will happen in the future? Are we going to have sustainable drinking water – not for today but for the future? That is why Windham feels that the compromised, the willingness to beat it out and make sure that we are all being represented in a fair way allowed Windham to take a look at this obvious veto power that Nashua does possess when voting by ratepayer, but to say we still feel that a voice at the table would not be a mute voice, but would actually be able to represent the whole community of Windham and hopefully all of Southern New Hampshire so that we can work together. I have been very, very pleased – a little surprised that we have been able to work with as little animosity among the towns, and I am rather surprised to hear the Aldermen going through scenes of well we can't possibly work together, we can't make this work so why don't we start changing the governance to make sure that we will always get what we need.

Michael Scanlon

I would like to go back to a couple of comments that Alderman Johnson had made. I am a little disturbed that I keep hearing that – what disturbs me is that when I hear comments that Nashua needs more of this and that – this is a regional water district – this is for all the people that are users of this resource that belongs to all the people of New Hampshire. I don't believe the City of Nashua should control it, I don't believe the Town of Bedford should control it; quite frankly I don't know that a private corporation should control it either. I think when we look at this we need to think outside of our municipal boundaries, we have to say obviously what is in the best

interest of the consumer of water in the region – I have to imagine it is in the best interest of the ratepayer in Nashua. I will tell you that I personally believe that the way this Charter is structured with the weighted votes that Nashua gets on 3 of what I would consider very prime issues I think Nashua has too much control.

If the Aldermen in Nashua propose any changes to this governance model that gives Nashua any more control over this district first of all I will not support it on the Charter Committee and if the Charter Committee should pass it I will not support it in the Town of Bedford. I believe the City of Nashua needs the Town of Bedford as much as we need the City of Nashua as much as we need the Town of Hudson as much as we need the Town of Windham, Hollis. Everybody sitting around this table has concerns. Everybody around this table has made some major – one of the things that bothers me about this is from the very first day we talked about this the representatives from Nashua and I believe in complete good faith basically told this committee that Nashua would cast 1 vote at the Board of Director table, they had no desire to have 6 people voting, and I believe Brian can correct me if I am wrong, have 3 vote one way and 3 vote the other and basically nullify Nashua's vote – I think that is the way you put it. This was a huge concession to the City of Nashua what you are reading in this document today.

I will also say that every town Councilor in the Town of Bedford was given copies of our minutes, was given copies of our Charters, I brought it up at different meetings, asked for their input, and I disagree with you that you had no chance to look at this document until a few months ago. I believe this document was made available to all the Aldermen in Nashua. If you chose not to read it, if you chose not to look at the minutes and keep yourself informed on this issue, which I believe is a very important issue, then I say shame on you and you have a lot of catching up to do. I think if you read the minutes and you go through everything that was discussed at some of these meetings you will find out that most of these discussions were made. This governing and anybody can correct me if I am wrong, but probably consumed 75% of our time if not more. This issue was talked about – as a matter of fact we talked about this issue to the point where we stopped talking about this issue, went and finished the rest of the document and came back and with the help of attorneys I think we came up with something that I can certainly support.

I will tell you again that I believe that the City of Nashua has the right to control the water rates for the Town of Bedford. How would you like to tell the people of Nashua that the Town of Bedford controls your water rates? Do you think that would be an easy sell? That is what I have to do to the people of Bedford. How would you like to tell the people of Nashua that the Town of Bedford controls whether we can bond capital improvement plans? That is the job I have to do in the Town of Bedford. How would you like to tell the people of Nashua that the resource plan is dictated to by the Town of Bedford? Again those are the three things that everyone else around this table has to bring back to their communities and sell to their communities. We have bent over backwards to make sure that Nashua being the largest consumer of water had certain advantages over other communities. I will tell you point blank that if you come back and make major changes to the governance model of this document I will not support it and I doubt that anyone that sat around that table for the last 21 months will support it as well. I would be very, very surprised.

Alderman Deane

I just wanted to respond to what you had to say earlier. The scenario that was brought up last evening was brought up by Fred Britton. We didn't sit here and hem and haw about how the towns or the city would work against one another. That wasn't the idea of the conversation. When we were speaking about the governance model a question arose and that was brought up. It is not like we were going out of our way looking for some sort of confrontation with anyone. As far as the remarks that Mr. Scanlon made, I would like to clear something up for you. The decisions that are made in this city are made in this room by the 15 members of this elected board. If we send representatives out to represent the board the decisions or remarks pertaining to their input into whatever they are working on still, if we are entering into an agreement, have to be approved by this board. I went to some of those meetings. I went to the public hearings at the high school. I went to a couple of meetings up in Bedford. I looked at this Charter for the minutes that I believe Karen White was mailing out with about 900 people copied with it. I received it. We didn't have any meetings for 6 months and I don't know how the Town of Bedford governs or what your responsibility is up there, but we have 89,000 people that live around here. We have a lot of concerned citizens because I believe you met quite a few of them at the public hearing. I also tend to believe my own opinion that the committee got sick and tired of listening to them and tired of their input and it was made very clear by the Chairwoman that evening, which is kind of discouraging. Fortunately we have a lot of citizen input in this city. We have people that follow local issues. We have people that send us letters and e-mails and call us at our homes concerned about this issue or many, many others, and those are the people that we represent.

Unfortunately whether you like the changes that we may put forward concerning any part of the Charter we always have to look out for our interests as well as what our constituents have concerns with. It is not just about us, and our constituents are the consumers. They are the ratepayers. They have concerns. We're getting the phone calls now they need another \$300,000 – I haven't seen anybody come forward with any money – the city has already spent \$298,000. Now we have another \$300,000. We haven't done any rate modeling. Nobody knows what the cost of the water company will be. I have people call my house asking when we buy the water system what is my water bill going to be? Geeze I don't know we don't know how much it is – that hasn't been settled yet. We need to do some rate modeling. Does anybody know what the cost of the water is going to be? The amount of the cost of the water system? Have anyone's citizens asked them that question – will this affect our water rates? I have to answer to a lot of people as well as everybody else in this room and we have to make educated decisions. If we have issues with what goes on in the Charter regardless of the timeframe and all the hard work you put into it – I appreciate it, but there have been a lot of changes.

We just got back into this. The Board just changed. We have 5 new members. WE have 5 new voting members on this Board. If you had 3 of the members that still existed that don't support the Charter or purchasing the water company and then you have 5 new members that are just starting to educate themselves on the Charter there is 8 votes. You need 8 votes on this Board

to pass something. You have to understand our position as well. It is not just about the point of people not looking into things. There have been a lot of changes in this document and we brought up issues last night – in fact Alderman McCarthy commented on how some of these should be addressed by the Charter Committee and they are more than grammatical changes.

... **tape flipped** ...

Ray Peeples

... compromise by Nashua as well as the other member communities. It occurred to me that the most important thing is none of those. The most important thing is the thing that we seem to be overlooking here – it is not how it is governed it is what we are governing; it is the fact that we need to be able to bring the water to the people for life – it is a foundation element. The fact of the matter is southern New Hampshire only has a finite supply. Right now the Pennichuck Corporation today doesn't know what that source is, they don't know what the resource sustainable load is – they have no idea. I do know from serving on the Planning Board and the Conservation Commission for the town of Litchfield that if you sent a letter to the Pennichuck Corporation saying that I am putting in X houses and I need water that you will get a letter back in pretty sure order that says sure no problem we got water for you. That is the total thought process that they put into it.

I hope the Board of Aldermen will have a chance to review this document and a chance to see our side of the issues as well. I think that the consumer today with this Charter is represented better than he ever is because you can't walk into Pennichuck to the Board of Directors as a ratepayer today and get any action, but you will certainly be able to come in – any one consumer could walk into this Board of Directors and get their attention and if they brought more than 1 they would certainly get more attention.

It is a fine balance and a hard one to strike. I think if you can put yourselves in our shoes a little bit as well as we have been trying to put ourselves in yours that you will find that walking both roads although a little painful isn't unpassable. I think that we can get this committee and this Charter off the ground. I think we can own this water company and run it. I think to answer Mr. Deane's question by running it I would suspect the rates might even go down a little bit in the long run. Certainly they will protect them in the long term. Would hope that those things and the communities working together could be the foundation for other things like this as we move forward in this region and we continue to expand. I would just urge the Board Aldermen to look at both sides of the issue. I would like to thank the Nashua residents that have come up to me after the last few meetings and said thanks for listening to us, you guys really aren't operating in a vacuum up there. I have received quite a few compliments from some of your citizens afterwards of hey you took care of the issue for us great. Thank you.

George Woodbury

Just by way of background I am a retired military officer and before I left the military I ran an 11.6

million gallon per day water treatment plant. The interesting difference between what you are doing here with Pennichuck and what I was doing is that I also ran the wastewater treatment plant and I owned everything in between. I water I produced if it was too hard or if it was too acidic and it did damage to the pipes or the hot water heaters it created problems in my wastewater treatment plant like the Pennichuck water has done to the Milford Wastewater Treatment Plant. I was responsible for that. As a result of that we looked not at what the cost of producing water was, but what the true lifecycle cost of that water was from cradle to grave. As a further result of that what we did was improved the quality of water we produced because in terms of the total expense it reduced our costs. In answer to the citizens that are asking you whether or not their water rates will go up or down it really depends to a large extent as to how you will look at your responsibility when you produce that water.

The second thing I would ask you to bear in mind when answering that question if you go back and read the Rizzo report that you had prepared for the city one of the things noted in that report was that there was roughly 21.5 million worth of investment in the management of the watershed that has not been done, that there should be approximately \$2.5 million worth of investment on an annual basis into that protection that is not in the budget now. One of the very reasons why this city should take over the Pennichuck Water Works is so that they can pay attention to those needs as opposed to paying attention only to the bottom line. The real answer to the ratepayers is do you want to have quality water into the future, do you want stable rates into the future or do you want to keep your prices down low today and face a crisis sometime in the future. That is what the citizens of Nashua need to be concerned with is how do they balance those and then have a sort of rate structure that will allow you to do the things right today so that you can preserve your water well into the future and keep those rates reasonable well into the future.

Kevin Waterhouse

I couldn't have said it better. That is exactly what I wanted to say.

Ken Massey

Just a couple of comments. I don't hold out Hudson as an exact model for this because we are in a slightly different situation I think than Pennichuck is going to turn out to be, but I will tell you that when we first decided that we had enough of the rate increases that Southern New Hampshire formerly known as Consumer Water Company was charging the ratepayers in Hudson we did decide that we were going to try and purchase it if we could go eminent domain if we had to. Fortunately we were lucky that Southern New Hampshire was interested in selling. As we went through the due diligence on what it was going to cost that was the point at which we figured out what we could do in terms of rates. All we did to sell the purchase to the citizens of Hudson at that time was that we would commit to a 10% rate reduction. We did that only because once we had access to the books of Southern New Hampshire we knew exactly what the cost of running the system was going to be and what we were going to have to charge in terms of rates to recover those costs.

We have been very lucky for the last 6 years we have been running on that same 10% rate reduction. Does that mean we are good stewards not necessarily, but it should tell you one thing that a private water company for profit was making an incredible amount of profit if we can sustain for the last 6 years a rate that is 10% less than what they were charging the last year they were there. That is the one issue.

To answer Alderman Deane about what it will cost I don't know what it will cost. We may turn out if you do your due diligence on the eminent domain that we can't afford to purchase it based on what the PUC would set as the fair market value of this company, and if that is the case then we have to say that we made a great try, but we can't impose that kind of a rate increase on any of our ratepayers.

Finally none of us should ever lose sight of the fact that the Memorandum of Understanding says that at least Nashua has to vote favorably on the Charter. This Charter will not become a reality unless Nashua votes whatever the final outcome of it is. All the way along the line you should just see that the communities have tried to do everything possible to accommodate our own constituents and yet at the same time recognize that Nashua is a significant player. As Mr. Scanlon and many people have said in the past we can't do this without Nashua, and I don't think Nashua can do it without us. Nashua is a critical and I said it at the last meeting I think Nashua is a critical success factor to make this happen. Thank you Mr. Chairman.

Chairman McCarthy

Anybody else? How do you want to proceed from here?

Alderman Bolton

I think there were some issues you thought that might be easily resolved. Let's try some of those.

Chairman McCarthy

We will take the Charter Committee's model and come back to this governance issue at a later time. One of them is an issue that I have actually brought up before, and I think we need to just look at the wording. The resource plan has to focus on the maintenance of the existing system first and the expansion of the system second. Also the capital improvements plan – we had done some work on the wording of the duration and the update cycle for the plans. While it is reasonably clear for the resource plan the language around the capital improvements plan may not be so clear and we should probably clarify that.

There was a discussion on the boundaries section and maybe somebody remembers some history of this that I don't. The question was asked of why we need a map and not just a reference to the set of communities. I think it is what Appendix A is what it actually is. I think that section could be a lot simpler and not lose anything.

Ken Massey

Mr. Chairman when you talked about a map what were you talking about a schematic of where all the pipes and things are located?

Chairman McCarthy

No there is – Article 4 actually describes that we have a map that shows the boundaries of the district by the boundaries of the communities. It seemed like language that is probably an artifact from somewhere else when we picked up the draft that – it seems like if you just reference Exhibit A as the towns that constitute the boundaries of the district that all of the need is served there.

Fred Britton

Mr. Chairman I remembered a little more than what I discussed the other evening on this issue. We were talking at one time about how a community is represented by its ratepayers and you could have small towns that had less than 50 ratepayers and you may have to carve a little section of that town of city out to show where those ratepayers were. That was part of the discussion and then there was more discussion well it is really the whole town – they are the ones that are voting on it so I also think to a certain extent Alderman McCarthy you are right – I know some of these definitions we found in other documents and thought they should be in there, but I know some of that centered around the discussion of how you define those ratepayers and where they are.

Chairman McCarthy

I think you also just jogged my memory and Karen can add to this if this wasn't what she was going to say that we need to exclude from the service area the areas covered by the village districts that due to the non-compete clause.

Karen White

There were two issues; first of all for towns say for example Merrimack, Pennichuck has a franchise area and the remainder is Merrimack Village District so simply showing a boundary of the entire community didn't accurately represent the district's holdings. The same is true for Milford where they have a municipal utility and Pennichuck controls a certain area. The same is true in Bedford where Manchester Water Works holds a franchise on the eastern portion and the remaining $\frac{3}{4}$ is Pennichuck. That is why we thought it would be helpful to have a map.

The other issue that came up was Pennichuck has its services corporation, which provides service to a number of individual and community systems that may be owned – say for example a cluster subdivision in Bow may own its community well, but the Pennichuck Services

Corporation manages it. There was discussion of having a separate map to identify if the district acquired the services corporation and we still did that kind of work identifying those systems that the district did not own but in fact managed for private individuals.

That is why the jargon perhaps could be cleaned up, but why it doesn't work just to provide an outline of the communities.

Alderman Bolton

How are we going to acquire the services corporation?

Karen White

Well that may not be a discussion for tonight, but you can tell we weren't sure which way it would go.

Alderman Bolton

The eminent domain statute that allows you to acquire the assets of a public utility doesn't even apply to the services company.

Karen White

Please understand that at the time we were writing this we weren't sure it would go to eminent domain.

Alderman Bolton

Right.

Kevin Waterhouse

In fact Windham is against eminent domain. We would like to see the Regional Water Committee formed and we would like to see the Regional Water District enter into negotiations with Pennichuck and use your threat of eminent domain as the carrot and the stick to see if they would try to reach a decent agreement with us.

Chairman McCarthy

They are not particularly fond of carrots.

George Woodbury

In terms of the resource plan I think you left out one item. The first purpose in the resource plan

is to determine what is the resource and the second plan is how do you manage or protect the resource and the third is how do you expand the resource.

Chairman McCarthy

Okay. I think it was just a – we want to be assured that maintenance is the priority over expansion.

George Woodbury

Absolutely.

Chairman McCarthy

The other issue with the boundaries section is that it still refers to the Pennichuck Regional Water District and that needs to be cleaned up. In the membership section there was a comment about what happens if a community withdraws after we have made an investment in infrastructure in that community and I think that was addressed with the fact that we would still be charging them the rate unless they want to buy the assets from us.

Alderman Bolton had raised the question of while you are a member of the district you have to waive your rights to take the property of the district by RSA:328, does that mean that after withdrawal you are free to take the district's assets or ..

Unidentified Speaker

You would have to pay for them, but sure.

Karen White

Basically nothing can prevent a community from filing a Chapter 38 eminent domain for something within their municipal boundaries. Whether the PUC would grant it is questionable, but this Charter can't supercede the rights of communities under Chapter 38 if they are not a member of the district.

Alderman Bolton

But if they have been a member of the district they can – by contract I presume we can have moratorium periods – you wouldn't be able to do it for a year or two years or – I don't know if that makes sense to do or not, but we're contracting while members not to do that and is someone going to be in the position of continually calculating when is the best time to opt out or .. I don't know if it is an issue or not.

Karen White

It is fairly burdensome and expensive. We figured that once in it is quite likely that people wouldn't be opting out on a whim because their communities would have to appropriate what Nashua is experiencing right now, the cost of eminent domain, which kind of takes the whimsy out of that sort of thing.

Jeremy Lamson

Well I think I might be representing the community that would most likely have that problem and I really couldn't see it because I really couldn't see Pittsfield trying to go through the eminent domain process to take something from the district.

Alderman Deane

I need some help with this for a second. Say we put 15 miles of water line up in Bedford and feed 2,000 homes and the regional water rates are say \$1 a gallon and they find out that they can buy water from Manchester for \$.50 a gallon so they opt and say hey thanks for the pipes, thanks for the dreams see you later – Manchester ties into their water lines but they have our pipes and Manchester water.

Chairman McCarthy

No they have their pipes because they would have to take them. If we still own the pipes then we own the right to bill the connected parties for delivering water.

Unidentified Speaker

The intent has always been that if a community – first of all if a community didn't want to join they would have the right to do that and we would allow them to purchase their system outright, but if a community wanted to withdraw it would have to purchase those assets unless they just wanted to become a customer of the district. If they didn't want to be a member of the district and just wanted to be a customer that was fine, but if they wanted to go out and use those pipes those pipes belong to the district. If the district paid for them they would have to compensate the district in order to use those pipes.

Ray Peeples

I think a good example of that is that Pennichuck sells some portion of the Litchfield Water and we own the distribution system to get that water to Litchfield so we charge Pennichuck a rate to wheel the water from Taylor Falls Bridge over to Litchfield. The rationale behind that is we own the distribution system. If you want to deliver water to a customer through our system you will have to pay a rate for it. I think that would answer the question you have. If Bedford ever decided they wanted to get their water from Manchester because they could get the rate of the

water at a cheaper rate they would still have to pay the district the cost of wheeling that water through the pipes. I would tell you that I don't think that Bedford could afford to pay both the distribution costs to the district and the water rate to the City of Manchester. I don't think they would get a cheaper rate in total.

Alderman Deane

But in your scenario in turn it is the users, the ratepayers in Litchfield that pay the expense that Pennichuck absorbs through what you charge them correct?

Ray Peeples

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Pennichuck negotiates a rate with Litchfield.

Alderman Deane

That is correct but they are using your pipes so they are charging them for using your system, but in turn the ratepayers are paying what you are charging Pennichuck to get the water over there. It is not costing Pennichuck anything it is costing the people of Litchfield money.

Ray Peeples

Litchfield is paying Pennichuck what Litchfield wants to charge for their water/. The good news is that not all the water for Litchfield comes from Pennichuck it comes from the wells that are located in Litchfield's property.

Unidentified Speaker

Litchfield 98% underlain stratified drift aquifer – great town to live in when you want water. It is good for the district. When you extend water lines typically what happens is it is not going to be the district that is extending the water lines it is usually a developer that comes into an area, wants to develop this area and pays to lay all that pipe in. That part of the system is paid for by the developer. Through our capital improvements that the resource plans and stuff that we have in the document if the town of Bedford wished to move a project ahead like a replacement or something like that they could do that, but again those things are done with the funds that were generated in that town. The district really isn't on the line for that.

Alderman Deane

Yeah but the resource plan has not been developed yet so that is still to be determined right?

Unidentified Speaker

It is in the capital improvements plan and the mechanism for that is in there.

George Woodbury

I would only say that the same thing is mimicked in the electric utility industry where you have alternative suppliers.

Karen White

To answer Alderman Deane's question if this district expends funds to build 17 miles of pipeline in Bedford the district owns those water pipes and should Bedford ever decide that it wished to withdraw from the district and get its water from Manchester Water Works using those pipes Bedford would have to pay the district back for the cost of those pipes.

Ray Peeples

The exception to that would be if Bedford chose to build their own independent pipeline and abandon those works.

Karen White

If Bedford used its own municipal funds to build a length of pipe then the Town of Bedford would own that link of pipe. If the district used district funds it would belong to the district.

Michael Scanlon

Just to go back something that was said earlier as well. If you look at the pipes in the Town of Bedford and with the exception of one pipe that runs up New Boston Road Pennichuck has spent virtually no money. It has all been born on the developers. When the developer comes in and says I want to build a subdivision with 50 homes, we say we want municipal water in there and the developer has to pay for it. Everything that is done – I believe Pennichuck has some very small contributions here and there. Then Pennichuck comes in, accepts the water system, and it is given to Pennichuck. Then their responsibility after that is to maintain the water system forever, but the reality is if you look at the town of Bedford today if we chose to withdraw from the water district a year after it was formed we would have to pay the regional water district for all those pipes. We would have to go through the same thing the City of Nashua is talking about with eminent domain. Those pipes would be valued and the regional water district would be compensated for something they never paid for in the first place they have only maintained for the last 5-10 years.

I don't really see the regional water district being in the business of expanding the water system throughout these towns. I can't say it is not going to happen. Certainly there might be a reason for them to do it, it is profitable, it is sensible for the district, but for the most part any expansions that occur I really see that as the initiative of the communities involved and it will be on their

expense to do it and then once that expense is done those communities in my opinion won't have much of a choice but to turn it over to the regional district because we are not going to want to maintain – if we put in a 5 mile water pipe the town of Bedford doesn't want to get into the water business so unless we turned it over to the regional district and they took it over we would have to maintain it. I would see as expansions happen and those expansions would obviously benefit those communities so those communities would pay for it, but at the end of the day it would be the regional water district that would be owning those lines. If some time in the future we wanted to get out of the regional water district we would probably have to pay for those pipes that we paid for in the first place.

Chairman McCarthy

Actually you would, but you would get the money back because with the ownership of those pipes is a responsibility to reimburse the original developer proportionally for additional connections that come on later.

Michael Scanlon

For ten years. After ten years then you don't have to pay for your connections.

Chairman McCarthy

On the representation article I will skip the first couple of those. There was an issue brought up that I think we have discussed before about whether the CEO should be entitled to vote, and if you have an issue where the Board of Directors is split right down the middle do you really want to leave it to the CEO or not.

Unidentified Speaker

We discussed it and I thought it was pretty unanimous that we felt the CEO should cast 1 vote and he would cast 1 vote even by a vote by ratepayers I believe.

Alderman Bolton

Just something you don't usually see in government – similar to a private sector where CEO of a corporation will be on the Board of Directors and run the Board of Directors. You don't usually see a municipal employee running meetings of elected officials.

Chairman McCarthy

We try to keep anyone who actually understands the operation out of the decision making process.

Alderman Bolton

Actually I was a municipal employee once and I do have some expertise to that. I have not forgotten at all.

Chairman McCarthy

Another point when we were discussing our representation strategy and one of the ones that is proposed is to use elected officials who exist already as representatives to the district it occurred to me that we may have conflict provisions that would preclude a Director from Nashua from accepting the salary from the district, and the Charter doesn't allow the salary to be waived at the moment. We should probably put a provision in for that.

Jeremy Lamson

I would probably agree. I am hoping that I don't end up getting assigned directorship for Pittsfield, but should that happen where I am currently serving as the Town Administrator I could not get paid by the district and by the town for work that I am doing as Town Administrator.

Chairman McCarthy

The next one on Article 9 on hearings – we thought that we ought to specify that the hearings be held in the area where it makes sense. It doesn't make any sense to hold hearings on the core system in Pittsfield nor to hold hearings on Pittsfield in Nashua. We probably ought to straighten that out.

Under surplus revenue credits – this one may require some discussion – the point was brought up, several points about the way they are distributed – that basically we have it set up to be proportional to revenue and given that the existing condition is the rates are not uniform nor is the expense of running the system uniform across geographies you basically have a situation where potentially the most expensive part of the system could get the most benefit out of the surplus revenue credits where if you have one of the higher rates you probably have it because you have one of the higher expense rates as well, but you have a higher revenue and the surplus credits are distributed by revenue so you may find that while it is basically the rest of the system that maintains any surplus that the distribution may favor a community where the system is actually losing money.

I think that deserves some discussion.

Steve Williams

I think we talked about this at the Charter Committee. I think it would be very difficult to isolate all costs to a given ratepayer simply because you get into the whole issue about depreciation costs, charging accounts – you might want to think about it, but I would suspect that the

accounting nightmare to have individuals account for every spec of time they were on this ratepayers dime or on that ratepayers dime would turn into monumental and more headaches than it would be worth with accounting problems.

Chairman McCarthy

I think you may find that it is more related to the cost of the infrastructure however. Clearly there is sufficient justification to have differential rates now so in order to do that and present a rate case that would sustain that Pennichuck must actually have enough information to break those down by segments. I think what we probably want to do is write some language in the Charter that lets us be as fair as the data allows us to be in the operation with those credits. The other piece of that was if somebody withdraws the current language is we give it out proportional to what the balance is in the accounts, which means let's say for the sake of argument that 4 towns had gotten \$500 each into their account and one of them had chosen to do a project with that \$500 and another town withdraws and leaves \$2,000 the one whose account has been drawn down to zero does not get a share of that whereas everybody else does, which just seemed actually puzzling to me. It would have seemed like we would have done that by the same revenue proportion at least that we divided it by.

Does anybody remember why we did that differently?

Karen White

I know as far as apportioning the revenues we had discussed trying to do it community by community but my recollection was that as Ken Massey said we decided we would simply take the overall surplus revenues of the district.

Chairman McCarthy

This is not that. This is ..

Karen White

And then put then into each account – not try and determine surplus revenue by ...

Chairman McCarthy

That is not the section that we are talking about at the moment. It says "In the event that a member voluntarily withdraws from membership in the district as provided for in Article 5 the member shall lose its surplus revenue credits, which shall thereupon be redistributed to the remaining members pro rata according to their existing account balances at that time." If a town withdraws and there is only one town who hasn't spent all the money in their account they get all of it.

Karen White

I see your point. I don't believe that is what was intended.

Chairman McCarthy

We will probably want to talk about that one. Also Alderman Johnson had brought up the fact that one of the allowable things is a capital project, but the definition of capital project is actually fairly loose and is up to the definition of the community itself so I suspect a new park around the fire hydrant probably qualifies at least in the Charter's language so we may want to tighten that up so that it applies specifically to water projects that would otherwise be in the capital improvements plan.

Article 17 should be the Conflict of Interest Provisions. Under Conflict of Interest Alderman Johnson had suggested that we might want to disqualify as Directors people who have a history with the real estate transactions involved in the watershed particularly those descended from Pennichuck and its subsidiaries. I don't know how anybody feels about that.

Unidentified Speaker

I am not sure what you mean to be honest.

Chairman McCarthy

I think the intent is particularly representatives of say developers that have worked with Southwood should probably not be and have been the beneficiaries of some of the transactions in the watershed should not be directors of the district.

Unidentified Speaker

Because they were employed by a company that may have built a house ten years ago?

Alderman Johnson

Or several houses – maybe a whole development.

Unidentified Speaker

Are you talking about 1 person? We should make sure we understand.

Alderman Johnson

I am talking about everybody in general now.

Michael Scanlon

This would come back to me that every community has the right to decide how directors are appointed and have the right to appoint those people that they feel best represents each community's interest and I think if you start putting limitations on what each community – who they can appoint I believe you will start mucking other people's waters. There has been a lot of talk that maybe elected officials or past elected officials shouldn't sit or employees of a community shouldn't be able to sit on the Board of Directors. I think every community needs to look at themselves and decide who they believe is their best representative and if a person worked for a construction company ten years ago that built some houses on some former Southwood land I am not sure that that is necessarily a bad thing. Maybe it could be and maybe in our opinion we wouldn't want to appoint that person, but I don't know why the Charter should limit that.

Alderman Johnson

Being an elected official here and people think I didn't do my homework – I did my homework on this – perception is everything and we want to try to make this water district as clean as possible.

Michael Scanlon

The perception we heard at the public hearings is elected officials shouldn't be sitting on that.

Alderman Johnson

Absolutely but there is also and I have also heard from the public hearing outside the public hearing that we shouldn't have employees of former or future of developers sitting on this district either because perception is horrible and since a lot of homes are now sitting on our precious water that we have lost I don't think it is in the best interest of this district.

Unidentified Speaker

Do you think developers, lawyers or anybody else who represents developers shouldn't be allowed to sit on Zoning Boards or Planning Boards?

Alderman Johnson

You know when we had the Industrial Authority Committee I was the only one probably of the whole Board that didn't vote for the slated candidates because you know what they fell into that category and I felt it was a total conflict of interest and I took my lone star vote and I was proud of it.

Ray Peebles

I am glad you voted that way Paula it sounds great. I come from the conservation side of the house pretty much totally so protecting the resource in any way shape or form is really what I am here to represent Litchfield. I think by protecting the resources we are protecting the citizenry. I agree with Mike that each town will put its person that it feels best forward that best represents the community forward. Personally I can't see the Board of Selectmen in Litchfield appointing a developer to that job. It may be somebody that is employed by a developer that builds waterlines or something like that I could see that is a definite conflict of interest, but most likely after our candidate is interviewed and he is not going to be one of those kind of people and I can't imagine any of the other communities doing the same, but that decision needs to be left at home.

Karen White

There is a conflict of interest policy set of standards in the Charter and I think as long as that is adhered to that addresses the question.

Chairman McCarthy

Thank you. The other issue that came up in that section is let's say we are doing work that requires the acquisition of an easement or a lot just in the incidental course of business and that lot happens to belong to one of the directors – the way the article is currently written it precludes us from paying for that real estate to acquire it.

On the resource plan, there was a request that the section on the two hearings be amended to state that one of the two hearings be amended to state that 1 of the 2 hearings would be held in Nashua.

On the sale or development of real property there is one small issue, which is there is another section in there that talks about notification, which should include electronic posting the way we did in the other sections at the last meeting.

Alderman Bolton had brought up an issue that we would actually own a lot of small pieces of property like the lots the pumping stations sit on, rights of way and easements, etc., and that it is extremely burdensome to have to put those decisions – if we approve the capital improvement to replace a main and as part of that we need to buy a small lot next to the existing pumping station to build a new pumping station and then disperse the lot that has the existing pumping station on it, those probably should not require votes of the Board of Directors if the Board has already voted to approve the capital improvements plan that motivates doing those so there needs to be some exclusion for those incidental real estate transfers.

The other issue was one that I think I have brought up a couple of times and we have never found an answer to and it was brought up by members of the public here, which is distinguishing surplus real estate and how we dispose of surplus real estate from that which is critical to the watershed. Having looked at it again what I would suggest we do there is to put some minimum

standards in the Charter for what the resource plan has to define as critical. I had suggested that it include at least all those things that are within 400 feet of the edge of wetlands for the supply, which would be basically comparable to the State's well protection standard and say that just off the top anything that lays within 400 feet of there must be defined as critical and cannot be disposed of as long as it is a critical part of the water supply. Things that are outside of there we can make much easier to dispose of given that those are the lands that we would consider surplus. Have a strong definition in there that separates what is watershed land from what is office parks we might come to own or other real estate that is not of interest to the district.

George Woodbury

This is an area that I think there will be a good bit of agreement around. Clearly from my community's perspective establishing some sort of a minimum I think is critical. I would suggest to you though that you could expand that beyond 400 feet because it really is very dependent on the underlying geology and the soil types. Where in certain dense clay less soils that 400 feet is excessive but in areas which are gravelly and sandy as they discovered down on the Cape 1,000 feet is not excessive. I would agree with you and suggest that we could put some language in there that says it is minimum but could be expanded based on hydrological surveys and other data that may dictate that it should be larger.

Chairman McCarthy

Yeah I would agree with that. I would want a minimum definition that says the resource plan has to be serious but should be as serious as it can be.

Lastly Alderman Bolton had commented on the amendment section that and I think we had this debate that amendments should be referred to the governing bodies of the member communities. I think looking at it functionally since Nashua gets to vote on it by connections if we simply require that it be referred to the governing body before we cast our vote we have that authority on our own, but whether the other communities want to do that or not I think we should at least talk about again.

Karen White

There had been some discussion when we worked on amendments a few months ago and we had originally required that 2/3 of the governing body of the municipalities had to ratify it. Then we backed away from that on advice from our attorneys as perhaps being a bridge too far. It might make any amendment impossible to pass.

Alderman Bolton

My normal reaction is when you enter into a contract and then there is a proposal to amend the contract you want to get a vote on that amendment. This sort of is well we enter into it and then it can get amended and so forth without necessarily every member who originally entered into it

being in favor of that amendment.

Karen White

That was exactly our original thinking and then we started thinking about realistically could we ever get 2/3.

Michael Scanlon

I agree with Karen when we originally did this I was supportive of each municipality that originally joined with the governing body would have to approve any changes, but I think when we talked about it also we talked about exactly what you just said the fact that the governing body I would envision that we would tell our representative that before you vote on any changes to this document those changes should come back to the Town Council for discussion and allow our input before those changes are made. I believe that is probably a suitable way to handle it because again when we talk about representation each community will decide how this representation will be handled and I believe we would have the authority to say before you vote the council will tell you our opinion and you will vote our way on a change on that amendment. I believe Nashua would be in a position to do the same thing. Basically Nashua has the veto authority over any proposed change anyway since you are voting by ratepayer as well as by vote of member.

Alderman Bolton

Actually I think this is probably more of an issue for the other communities than it is for Nashua because as I read it if Nashua votes no, no amendment can pass and that will be true for an awfully long time. The percentages would have to change dramatically.

Michael Scanlon

That is one of the reasons for ...

Alderman Deane

Excuse me – Point of Order – you have to be recognized by the Chair. We have to transcribe the minutes and she will have difficulty.

Alderman Bolton

It would have to change drastically before Nashua drops below a third of the voting by customer situation. It occurred to me when I read it so I brought it up.

Jeremy Lamson

I would say that whether or not it is in there no matter who represents Pittsfield at the district

they would have to have the support of the Board of Selectmen before they could vote in favor or against any proposed amendment. I don't really think it is going to matter whether it is included in the Charter itself or not.

Chairman McCarthy

The only difference is the way the Charter is currently written Nashua is the only community that has veto authority over an amendment. If we went to the other wording any of the communities would – whether you want that or not, but ...

Jeremy Lamson

I can tell you that it does make things very interesting because I was a year ago sitting with the regional district that had to have a vote by all 10 members in order to approve something and it made it very interesting when one of the members started showing signs that they might have a disagreement over the deal that we had to all agree to in order to purchase the Mt. Carvry Landfill so yes it is great but I don't know with so many more members and so many larger numbers that a unanimous decision would be practical.

Chairman McCarthy

I actually have some experience with an association where changes to the by-laws require 100% consent; dissolution of the organization requires 85%.

Michael Scanlon

I just wanted to say I agree with Jeremy that I think you get to the point where you could have 1 community that is just trying to get their way on something else that could potentially block a very good amendment to the Charter and – I have no problem if we want to remove that Nashua – we don't vote by 2/3 we just vote by members so Nashua doesn't have the right to kill anything. We can do that. I am sure most of us will support that.

Chairman McCarthy

I don't think that was exactly what we suggested.

Michael Scanlon

Maybe I misunderstood what was said earlier. I think it is important to understand that again this is a regional district and if there are 1 or 2 communities that don't necessarily think a change is good but 85% of the members believe it is a good idea I believe it is probably a good idea and the district needs to be able to move forward. It is intriguing though to say I like your theory of 10% to change and only 85% to dissolve. That is an interesting concept.

Chairman McCarthy

There is one comment that I had written down somewhere else that did not make it on to this sheet, which was and I think this is what we had intended that a quorum for purposes of a vote by connections be 50% plus 1 of the connections not 50% plus 1 of the directors.

Michael Scanlon

I think that is probably fair Brian. I don't think anybody though that voting by connection would be done without Nashua being present. I personally wouldn't have a problem clarifying that.

Alderman Bolton

I have a related one in that area. Whatever rules of procedure there are should not require a second or put in another way if Nashua is trying to get a vote on one of these things where it is vote by customer the possibility of bringing that vote forward should not require a second so as Nashua's proposal not be voted on.

Chairman McCarthy

Good point.

Fred Britton

Roberts Rules goes away.

Chairman McCarthy

I guess I would encourage us – if we want to state that in the Charter I would encourage us to say that motions never require a second because personally I think anybody's motion should be considered and voted on.

Alderman Deane

You would adopt Mason Rules?

Chairman McCarthy

No I would just say that at a minimum the rules can't require a second.

Ray Peeples

In reference to Mr. Bolton's statement about a second that was as I recall a hot topic of

conversation for a while. We figured that if there was any proposal that was worthwhile that this district should move on it and Nashua couldn't convince 1 other person to go along with it then it probably wasn't a good proposal so that is where that second got laid in there. I don't see that as a terrible thing. We are looking at protecting not only Nashua but all the other communities as well and if there was a proposal put forward that many communities were dead against and they couldn't even get a second for discussion purposes there had to be a problem there and you need to go look at that. I would tend not to remove the ability to have a second and I think your director would have to do a little campaigning maybe to get the particular article on the table.

Alderman Bolton

That defeats the purpose of this voting by customer situation and giving Nashua the authority it has. Seconds are not mentioned in here, in the absence of seconds not mentioned in here, but it is something that it occurred to me that it would be a way to defeat the mechanism that is created. I didn't understand you were trying to defeat the mechanism that you had created, but I never knew that this had been discussed before. I don't think that if there are things that are meant to be voted on by customer we ought to get the chance to vote on them.

Ray Peeples

I think what was discussed originally was anything that was brought to the table should have a second and any community that was bringing that to the table should at least be able to convince one other community that it was a good idea. I don't think it was meant to defeat anything.

Chairman McCarthy

I don't actually remember having any discussion of seconds. I remember in the original governance proposal where there was an issue where one board could bring issues to the other board to be voted on and that would be the ...

Ray Peeples

That is right they had to have one other community to go along with them. I am sorry I confused that.

Jeremy Lamson

Just to point out too the last meeting we did have I made a motion that nobody else was interested in, but somebody was generous enough to second it to get it on the floor and I would imagine that even if we did require seconds that would probably happen to most motions.

Ken Massey

The law of unintended consequences – if we go to 50% plus 1 then that means that instead of the other communities having no ability to – let me back up again – right now it says that a majority of the members present would vote and if Nashua wasn't there that would be one thing, but if you went to 50% plus 1 of the connections then it means effectively Nashua could always veto any other member's ability to put an amendment on the table or a motion on the table. Either way somebody has got veto power depending on how you want to do it.

Chairman McCarthy

I am not sure I understand –

Ken Massey

If you said that 50% plus 1 of the connections had to be voting and that you didn't require a second ..

Chairman McCarthy

That was only establishing quorum for purposes of a vote by connection. I think if half the board of directors is there they can go ahead with any other business that doesn't require a vote by connections.

Alderman Bolton

Actually Mr. Chairman I believe it is 60% is what it says.

Kevin Waterhouse

So if Nashua convened alone and called for a vote by connections they would have 50% plus 1.

Chairman McCarthy

I think you have to have a quorum of – in order to hold a meeting you have to have a quorum of the board of directors. In order to take a vote by connections Nashua has to be one of the directors that is present.

Kevin Waterhouse

To follow up on that even though we don't have anything in the Charter that does talk about seconds I think that any proposal put out that was so honourous that it couldn't get one other community to even want to discuss it would probably not get discussed.

Chairman McCarthy

It is not a question of discussion it is a question of once it is seconded Nashua gets to vote on it and if it is a vote by connections that does give a – it basically as Alderman Bolton points out does remove all of Nashua's control, however, I would point out that unless the Board never intends to do anything again that requires a vote by connection it is correctable.

Alderman Bolton

The point is to avoid getting into these do nothing situations. I am going to punish you because I am going to make sure we can never do anything again. The point is to .. **tape flipped** ..

.. If you get to a point where your only response is to stalemate everything you have not created a good mechanism for doing business.

Chairman McCarthy

Isn't that the case with any deliberative body that requires seconds?

Alderman Bolton

What is so particularly interesting here and why this issue occurred to me was there, as I read it, there is an intention that there are certain things that will be vote don by customer, and voting on by customer basically given how many customers there are in the distribution, basically means that Nashua is going to have control over those areas – they vote for them and the pass, they vote against them and they don't pass. If the thought is to give Nashua that kind of control and if the thought of when you are voting by customer you are not just 1 person you are not just 1 director, but you are all of those customers in different numbers throughout the different communities that to me strikes against the normal procedure in just ordering the debate that says amongst equals you ought not even be getting into a debate until you get two people thinking it is worthy; one to make the motion and one to make a second. To defeat the intention of the Charter by a rule of order that is not even in the Charter I think is inappropriate. That is why I raised the issue. If the idea is that these things get voted on by customer then the representative of the great majority of customers and the super majority of customers ought not to have that position overrutable on some technical rule because someone adopted Roberts Rules of Order.

I suppose when a matter – you can get complicated right you can say when a matter requiring vote by customer is before the body then seconds can be achieved on a similar vote by customer or – you can tangle yourself up in a lot of complexities, but I think that if the idea is that there are certain things that Nashua is going to have the say on we ought to have the say on.

Karen White

That was the idea.

Michael Scanlon

One of the things that you look at by vote of customer you are right anything that goes to vote by customer how Nashua votes is how it will go pass or fail. I think the requirement of getting a second from 1 of say 15 other communities now including you have the Chairman of the Board who is a voting member who I would assume would have the authority to second a motion, maybe not since he would be presiding, but I really just one scenario – the City of Nashua’s representative would make a motion that everybody’s rate triples except for the City of Nashua’s. Should that be something that could get voted on without any other community being able to say wait a minute? Literally at any meeting I would like to make a motion that everybody’s rate triples except for the City of Nashua so everybody can subsidize our water rates for the City of Nashua. Is it fair that no other community could say wait a second. If it is that outrageous that not a single other person would support it it seems as though that is a very important check for a lot of other consumers of this water who just don’t happen to live within the boundaries of the City of Nashua.

Alderman Bolton

Mr. Scanlon I don’t disagree with some of the remarks you made very early on in this discussion that for many of the communities these provisions are going to be burdensome. When you have to explain that water rates in Bedford are almost going to be at the mercy of Nashua to a large extent I am trying to think why you would agree to that and what other model would have worked better. I understand the frustration in that. What I am pointing out is Rules of Order are just meant to facilitate the debate. When you have a board of equals the requirement of seconds is in there just to save time, that it is clear that if only 1 person wants to discuss something it cannot eventually pass so there is no point in discussing it, but ...

Michael Scanlon

Just a question to that – why would that be different if you are voting by customer?

Chairman McCarthy

Because it can pass with only 1 director in favor of it.

Alderman Bolton

Because it can pass and that is the point.

Michael Scanlon

But if you can't have discussion why even discuss it?

Alderman Bolton

Mr. Scanlon could you not interrupt me? I didn't interrupt you. The point is Rules of Order are just to structure debate, just to save time, just to make things orderly. If you want to put in here something that requires greater burdens on Nashua I suppose you can seek to achieve that. I just do not think that by Rules of Order we ought to overrule what is written in the Charter and I want to make sure that doesn't happen. The fact is as I said before it is different when voting by customer because the thing can ultimately pass so if you want to be in there and say something get in there any say something and debate and influence and do whatever you expected to do when you negotiated these provisions, but I for one – if there is some intention that Nashua does not get the benefit of this section because there are going to be these technical rules of order that snucker Nashua out then I am very suspicious.

Chairman McCarthy

I have to say that the discussion that we had on the governance section if you recall we had a number of models in which we voted by customer but it also required that at least 2 directors vote in favor and eventually the compromise that was made to satisfy Nashua was to go to the strict vote by customer and it looks to me like we now have a loophole that undoes all of that compromise and that is troublesome.

Ray Peeples

I want to apologize to Mr. Bolton. I did confuse that. We spent a lot of time going through those different governance models and that was part of that. I did role that into this inadvertently.

Jeremy Lamson

Correct me if I am wrong we are talking about Rules of Procedure that would be set by the district after the Charter was agreed and what the Rules of Order would be right?

Chairman McCarthy

Yes, but you basically have a situation where effectively adoption of Roberts Rules would undue a right that is essentially ..

Jeremy Lamson

I am just saying that I understand, but I'm just wondering if the Rules of Order – that wouldn't preclude that the Rules of Order could be changed if the scenario that we are discussing ever actually happens. That wouldn't be bound and set in the Charter, which is where if the Rules of

Order were set in the Charter I would see the real problem being.

Chairman McCarthy

I would agree with you in general. I think basically if the section on voting by customer said that you can't have a rule that precludes getting to a vote under that section that would in fact preserve the rights that we want to preserve.

George Woodbury

I think Mr. Bolton has raised a very interesting technical – I think you are absolutely right in what you say. The question I would ask of you is given the comments here that in theory Nashua could say let's raise everybody's rates by a factor of 3 and we will keep ours the same how would you or would you propose something to resolve that or to protect communities from that kind of a scenario?

Alderman Bolton

It is an interesting question. The Charter comes to us in a form that allows for that and it is somewhat daunting to think that other communities are going to agree to this scenario. I guess I am not here to protect other communities, but it does make it interesting, and apparently other communities seem willing to accept this. I am not sure Bedford is in an entirely better position if Nashua can get Atkinson to go along with this or something – it is still two communities very remote from Bedford can end up setting Bedford's rate so I don't – it is ..

Chairman McCarthy

Triple everybody's rates and give Atkinson water for free.

Alderman Bolton

It is an interesting situation. What occurs to me is if we are supposed to have these rights I want to make sure we really have these rights.

George Woodbury

It would seem to me that the general philosophy of all of us as we approached this was a sense that we are committed to what is in the best interest of the district. Clearly you are thinking like a lawyer who tries to understand all the possible ramifications and consequences and that is what you are paid to be able to do. Some of us tend to be a little bit more like the Polly Anna's of the word and expect everybody to do the right thing and I think that was sort of some of the thinking there that Nashua would not do something like that knowing full well that they would be dependent on the rest of us to do other things.

Chairman McCarthy

Then if you assume Nashua would not do something like that then we don't have the need to have a second do we?

George Woodbury

That is right.

Ken Massey

Mr. Chairman the Russians have a proverb called *Dovera no Provera*, which translated is trust but verify. I think sometimes we have to protect us all from our own self-interest. I am not ready at this point to make any declaration on this, but I would really have to think about it in terms of its play out in the real world.

Chairman McCarthy

That same group are strong proponents of mutual assured destruction.

Alderman Bolton

Maverick had a saying, which was trust everyone, but cut the cards.

Chairman McCarthy

Where do we want to go from here? I guess I was looking for guidance on the remainder of the meeting primarily.

George Woodbury

I think we have identified a few areas that we all are not uncomfortable with changing. Maybe the next step in this process is to try to sort through that as a committee and figure out how much movement there will be and then present that back to the city.

Chairman McCarthy

I think at some point we have to have another discussion of the governance model and whatever proposed change there is to it. I just want to remind everybody on both sides of this issue there are only two in the end possible outcomes; one is public ownership and one is private ownership. The Charter is simply a tool in making that decision in the long term. I think we need to suspect that there is no further progress that can be made on that this evening, but I think we need to step back and think about what is on the table and see where we may be able to find common ground.

George Woodbury

I would suggest Mr. Chairman that at this stage at least that the members of this committee have a good sensitivity to our sensitivity to those changes and it will allow them to re-look at this given those known sensitivities.

Alderman Deane

Vice versa you know our sensitivity as well.

George Woodbury

Absolutely.

Ray Peeples

I would urge the Board of Aldermen to take it up and get to some conclusion before we take this back to the committee only to make it more expeditious for the other towns much like Mr. Massey over in Hudson we would like to have a public hearing as a Board of Selectmen before we make a move on this and whatever we take to public hearing we would like to be a final version. We distributed this Monday night to all the Board of Selectmen so they can go through it again and chew on it themselves and so far nobody has had any changes. It would be nice if we could take this back to committee one more time and be done with it.

Chairman McCarthy

I think that is why we have worked to get the list that we presented to you this evening. I think that most of the changes that are in there are in fact I think everybody will agree are for the better. I don't actually believe that it in fact generates a lot of work to try and get resolution of those in the draft. That will still leave us with the governance issue on the table, which is why we wanted to bring that up tonight and make sure the district – I would at least like to bring this to a fairly hasty conclusion in terms of what we want to report back to the Charter Committee to make or not make changes so that the rest of the process can take its course.

George Woodbury

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One of the things that was brought up tonight, that you brought up, was that if during the course of discussion that there were amendments and changes made to something that was going to be voted on the concern was whether or not the members of the group that represented and came to the final decision as to how Nashua should vote wouldn't have an opportunity to really – I don't have a problem with those people sitting in the room and having a break in the meeting so you can caucus with those folks. I think the notion of still having a solidified vote is fine. I think we have said all along if there are 60 people in the room or 100 people in the room it is a public meeting so it really doesn't matter. I think we can resolve that.

Ken Massey

The only thing I would ask – I have scheduled a meeting with the Board of Selectmen on the 23rd of March at which we were going to make our final comments for reporting back to the Charter Committee, which is scheduled to meet on April 1st. I would be most interested in having Nashua's recommendations that they are going to bring to the Charter Committee so that I can incorporate those comments into the meeting of the board.

Chairman McCarthy

I think we will try to get very quickly some proposed language around most of the issues that we have discussed tonight and get those distributed so that people will have a chance to ..

Ken Massey

Again I would echo George's comments. I think most of the things we have talked about tonight are not in my mind deal breakers. I think we just have to – it will still revolve around the governance issue.

Alderman Deane

Do we have meetings scheduled next week?

Chairman McCarthy

We have a public hearing scheduled on Wednesday and we have a meeting scheduled for Thursday where we will be talking with our financial advisors. I believe Tuesday is taken up for the Budget meeting. Is that correct Alderman Bolton?

Alderman Bolton

Yes.

Chairman McCarthy

And Monday is Finance. We are fresh out of evenings.

Alderman Deane

Could we piggyback the budget meeting? That is just one item right, isn't that the presentation of the documentation Carol provided on the special revenue?

Alderman Bolton

There is that and there are two pieces of legislation.

Chairman McCarthy

The transfer of \$300,000..

Alderman Deane

Oh yeah that will take a while. Well I think we need a good meeting or so just to deal with his governance issue.

Chairman McCarthy

I think we need probably to meet as a committee to talk a little more about the governance issue, and I think we need to meet with the Charter Committee again after that to talk about the governance issue, but in the meantime I would actually like to get some approval from the committee to put forth some language for the rest of the list so that we can pass that on and everybody can get to take a look at it.

Alderman Bolton

I think you ought to write all that up.

Chairman McCarthy

I can try and do that.

Alderman Deane

You are going to write the proposed language changes up and bring it back to this board then we will review it and vote on it and send it forward.

Chairman McCarthy

Yeah. Do we have any other business to conduct?

PUBLIC COMMENT PERIOD

Mike Lowe, 6 Sheffield Road

I was thinking the only thing I noticed was you say that the other people can be – other say water commissioners can be at the regular meeting, but what if you have a non-public session? You need to put something in here that says that they can attend that too. That was the one thing I noticed. Please and thank you.

ADJOURNMENT

MOTION BY ALDERMAN DEANE TO ADJOURN

MOTION CARRIED

The Pennichuck Water Special Committee meeting was adjourned at 9:25 p.m.

Alderman-at-Large David W. Deane
Committee Clerk