

Will city takeover bid hold water?

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NASHUA – Pennichuck Corp. claims in its advertising that there's a groundswell of community opposition to the attempted takeover of the water company, but more than three-quarters of the candidates for alderman support the city's effort.

Fifteen of the 19 candidates who responded to a Telegraph survey – nine incumbents and six challengers – favor continuing on the eminent domain path that eventually would lead to a hearing in front of the state Public Utilities Commission.

Four challengers are skeptical of the endeavor and want to stop it, and one candidate couldn't be reached for comment.

Pennichuck touts a survey conducted for the company in which two of every three residents polled said they were more likely to vote for candidates who oppose the takeover.

But in seven of nine wards, no alderman candidates fit that bill. Supporters of the city's effort are running unopposed in five wards, and both candidates back the city's approach in two other wards.

Pennichuck CEO Don Correll said he wasn't familiar with the positions of all the candidates. But he said some of the aldermen and candidates he has met are "prepared to have a dialogue" on the issue. "I'm pleased those who are candidates for the first time are interested in knowing the history and the Pennichuck side of the story, if you will," Correll said.

Mayor Bernie Streeter said the company has spent thousands of dollars fruitlessly to turn the aldermen and the community against the takeover effort.

"I wouldn't be too happy with the results," he said. "I'd be looking for another ad agency."

Streeter said elected officials reflect what they hear in the community, and that the community still supports the effort.

Driving the election?

The Pennichuck takeover will be one of a constellation of issues considered

by voters when they go to the polls Nov. 8. Aldermen said they haven't seen any outcry from the public demanding they change tack.

Ward 8 Alderman David MacLaughlin, who is running unopposed, said Pennichuck ownership was one of the top questions raised by residents when he was gathering signatures to get his name on the ballot.

"My visits during those one-on-ones firmed up hundreds who were wavering," he said.

Jack Kelley, a candidate for an at-large seat, said the issue is one of the four or five that people bring up when he's campaigning, along with taxes and insurance costs for city workers. Many people seem to believe the city should stay the course and complete what it set out to do, Kelley said.

But Robert Hallowell, a candidate for an at-large seat, said he's questioned about the acquisition nearly all the time. And he said the "vast majority are against it."

Ward 2 Alderman Richard LaRose, another unopposed incumbent, said whether the issue drives the election remains to be seen.

"Will it play a role in the election is hard to say," he said. "My guess is no, but it may be a sleeper until the very end of the campaign."

LaRose said he sees no reason not to pursue the takeover.

"The city should continue its effort to acquire (Pennichuck)," he said. "It is a natural resource that should be locally controlled."

Dueling spending

The election follows months of advertising in The Telegraph and on cable TV by Pennichuck attacking the priorities of city officials.

In return, supporters of the takeover have claimed company officials are only looking out for shareholders, not the residents who pay the water bills.

The city has earmarked \$1.2 million to spend on the acquisition since 2002. The city has spent almost \$940,000 through Sept. 22, with the remainder in reserve, according Carol Anderson, the city's chief financial officer.

The largest checks have been written to the city's law firm in the case, Upton & Hatfield, for \$274,606, and to consultant George Sansoucy LLC for \$372,777, according to Anderson.

And the company is spending even more.

Pennichuck spent \$1.2 million on the eminent domain proceedings in 2004, the most recent figure available, after spending \$235,000 in 2003, according to the company.

The Pennichuck-backed SmartWater organization has become involved in the election. It sent out a survey to candidates for the board of aldermen.

The eminent domain case has moved at a glacial pace since a lightly attended referendum in January 2003, when more than 75 percent of those who voted supported the city's effort. The PUC won't get to the heart of the matter – whether it's in the public good for the city to take over the utility – until January 2007.

Incumbents, challengers

All of the incumbent aldermen on the ballot want the city to stay on track, based on a survey conducted via e-mail and phone calls. Ward 7 Alderman Lori Cardin, for one, said her support hasn't wavered.

"My position may be even stronger than in 2003," she said. "We have seen that the ratepayers may see lower rates in the future" under public ownership.

The challenger for the Ward 7 seat also supports the case, but Richard Flynn said the city has to do a better job getting information to the public.

"I wish I had more access to dollars and cents," he said.

Ward 9 Alderman Robert Shaw is another incumbent firmly behind the ongoing effort.

"Having the water company owned by the city, but managed by private management and operations and maintenance companies, provides the best of both worlds with a public-private partnership," he said.

Gregory Williams, who's challenging Shaw in Ward 9, said he favors stopping the municipal effort.

Williams said he's still collecting information about the project, but it seems to him the original drive for the takeover aroused by Pennichuck's proposed merger with Philadelphia Suburban Corp. has disappeared. Foreign ownership and fear of seeing the city's water trucked away are non-issues, he said.

"I don't feel we need to take the water works at this time," Williams said, adding his position would change if the original concerns reappeared.

There are four candidates in Ward 1, and one of them, Mark Cookson, opposes the city's effort. He said he has concerns about the tax dollars being

spent.

"I am not sure it is the right thing to do," he said.

George Farrington, another challenger for the seat to represent the city's northwestern neighborhoods, said the city should continue on the eminent-domain path after having come so far. Farrington said the price set by the PUC if it sides with the city would be the deciding factor in whether he supports the acquisition.

Incumbent Ward 1 Alderman Kathryn Vitale also supports the city's position, while challenger Claire McHugh was the only candidate for alderman who couldn't be reached for comment.

Voices of opposition

Two of the five candidates for at-large seats are not enthusiastic about the takeover.

Fred Teeboom, a former alderman, has been the most actively opposed to the idea, which he had fought since the beginning. Teeboom filed an unsuccessful lawsuit in January 2003 before the citywide referendum, arguing the city didn't provide adequate information about the issue.

"I'm extremely skeptical," Teeboom said.

He said city administrators make promises of millions of dollars in savings for ratepayers, but that the numbers don't appear to take into account future capital expenses and promises that communities where Pennichuck owns property would receive payments in lieu of taxes.

The acquisition could occur, but at what cost to ratepayers, said Teeboom, who also has clashed with Pennichuck in the past.

"I'm not a friend of theirs," he said. "I'm not a spokesman for them."

Hallowell complained both the city and the water company are doing a disservice to Nashua residents.

"Both sides are playing a game with our money," said Hallowell, who has opposed a city takeover since the idea was raised.

"It was a gut reaction to a foreign company coming over and they would own our water," he said, adding local ordinances should be strengthened to preserve water buffers and local water rights instead.

Hallowell wants a second referendum that would include particulars laid out for voters, from the governance structure and costs under municipal

ownership as well as benefits and risks of taking over the water works.

"I think it needs to be out in the open," he said.

Kelley, a board of education member running for an at-large seat, met with Correll on Tuesday afternoon, but remains convinced the city needs to continue its efforts and complete what it set out to do.

Alderman-at-Large Steve Bolton favors the purchase in part because consultants have said ratepayers could save up to \$2 million a year in management costs. Bolton said he has spoken with Pennichuck officials, but hasn't heard any reasonable offer that would persuade him to stop the acquisition effort.

Lobbying or meddling?

Streeter has complained that the company is trying to influence the election and is having lobbyists meet with aldermen. At a recent press conference on the steps of City Hall, the mayor blasted the company for sending out a political message to its water customers.

But others don't share his view.

Alderman-at-Large David Deane said Pennichuck officials are "free to do as they please."

Hallowell said that too often politics forces people into camps that never talk to one another. He believes the lines of communication should be open and the two sides should be looking for an agreeable settlement.

"I think my job as a public official is to get as much information as possible," said Hallowell, who has spoken with the Pennichuck CEO and aldermen in favor of the acquisition.

Shaw said Pennichuck's advertising, including the efforts of SmartWater, targeting city residents will play a role in the election.

"While their efforts might be legal, they do not appear to be in the best interests of the ratepayers," Shaw said.

But Bolton said the company's participation is part of the process in a representative democracy.

"I believe that Pennichuck and its representatives have the same right to be involved in the political process as anyone else," Bolton said.

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