

City of Nashua

*Petition for Valuation Pursuant to RSA 38:9*

DW 04-048

Nashua's Response to Staff Data Requests – Set 4 Round 1

Date Request Received: February 27, 2006 Date of Response: March 20, 2006

Request No. 4-72

Respondents: George Sansoucy, P.E.

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Req. 4-72 Regarding Nashua's response to Staff 1-32, dated June 10, 2005, Mr. Sansoucy states Nashua believes it is in the public interest to foster a regional approach to water supply.

- a) Does Nashua believe PWW's business plan does not foster a regional approach?
- b) Please identify how does Nashua's proposed municipalization of the PWW water systems promotes consolidation of regional water systems?
- c) Please identify features unique to a municipal entity that make it better able to achieve regional goals than a private water utility.

Response: Nashua believes PWW's business plan does not foster regional approach. Although PWW's stated goal is to become a regional utility, all that it has accomplished is the purchase of unconnected operates satellite systems throughout the region. It is not a regional public utility. PWW never will be a regional utility because it will never be able to purchase the various city and town-wide systems necessary for it to become a true regional utility. The systems acquired by PWW are not connected as a general rule, will never be connected, and their operation, source of water, and costs are highly localized.

PWW's business plan actually is a detriment to regionalization of water in New Hampshire. It creates pockets of private ownership and private operation that interfere with the aggregation of connected municipal water systems. For regionalization to occur in southern New Hampshire, PWW would have to purchase Manchester Water Works and Concord Water Works, tie them together, and operate them as a unit with spokes that radiate from each of the systems. It is unlikely that PWW will ever have the opportunity to purchase Manchester and Concord to combine it with Nashua.

Conversely, the primary gateway to regionalization is the public ownership of the Nashua system and its hydraulically connected partners,

which should ultimately lead to operating connections and agreements with the other communities around Nashua operating under the same tax exempt, non for-profit status. Municipalization of Nashua promotes consolidation of the regional system through mutual aid and intermunicipal agreements. New Hampshire law allows for regionalization and intermunicipal agreements.

Ultimately, municipal entities are capable of forming a larger regional partnerships, better able to achieve regional goals through tax exempt financing, resource conservation, sharing, and development of operating and maintenance synergies beneficial to all members. For example, consider the formation of such authorities and districts as the Springfield Water and Sewer Commission, the Providence Rhode Island Water Supply Board, Massachusetts Metropolitan Water District, the Portland Water District, and the City of New York to see the long term benefits of regionalization through a municipal entity. While it is well known that New Hampshire municipalities are fiercely independent and that such independence is a hurdle to be overcome in order to create regionalization, mutual aid in the future is more likely than not to bring these communities together. What is clear is that with private ownership of Nashua and its hydraulically connected neighbors, regionalization unlikely to occur as it is so improbable that the Cities of Manchester and Concord will sell their water systems to a public utility.