

STATE OF NEW HAMPSHIRE
PETITION FOR VALUATION PURSUANT TO RSA 38:9

CITY OF NASHUA

Docket No. DW-04-048

DEPOSITION of ROBERT R. BURTON

Taken by Notice at the law offices of UPTON &
HATFIELD, LLP, 159 Middle Street, Portsmouth, New
Hampshire, on Thursday, February 9, 2006, commencing
at nine in the forenoon.

Court Reporter: Marcia G. Patrisso,
Certified Shorthand Reporter
NH CSR No. 83 (RSA 331-B)
Registered Professional Reporter
Certified Realtime Reporter

CITY OF NASHUA v. PENNICHUCK WATER WORKS
Deposition of Robert R. Burton

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1 STIPULATIONS
 2 It is agreed that the deposition shall be taken
 3 in the first instance in stenotype and when
 4 transcribed may be used for all purposes for which
 5 depositions are competent under New Hampshire
 6 practice.
 7 Notice, filing, caption and all other formalities
 8 are waived. All objections except as to form are
 9 reserved and may be taken in court at the time of
 10 trial.
 11 It is further agreed that if the deposition is
 12 not signed within thirty (30) days after submission
 13 to counsel, the signature of the deponent is waived.
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1 MR. DONOVAN: Before I swear in the
 2 witness, Mr. Upton and I had a discussion about my
 3 request that the individual witnesses for Veolia be
 4 sequestered prior -- so that I would have only one
 5 present in the room at a time. Mr. Upton disagreed
 6 with me to that effect, offered to have them testify
 7 as a panel, which I decided not to do.
 8 But my understanding is that you're
 9 not going to present them other than with the others
 10 present who are not being deposed?
 11 MR. UPTON: I'm sorry. I don't
 12 understand the last part of that.
 13 MR. DONOVAN: You are not willing to
 14 present the Veolia witnesses --
 15 MR. UPTON: I am not.
 16 MR. DONOVAN: -- other than with all
 17 of them present?
 18 MR. UPTON: I am not.
 19 MR. DONOVAN: And at least counting
 20 heads, I see a number of individuals present. And I
 21 assume all of the deponents --
 22 MR. UPTON: The three witnesses are
 23 here, just so that you'll know: Paul Noran, Dave

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1 does that compare with the proposal that the city
2 accepted?
3 A. I'm not the best person to answer that
4 question for you.
5 Q. Okay. And if we go to 6.3,
6 "Management and Staffing Approach, Veolia Water
7 Alternative Proposal." If you could help me
8 understand how this differs from the proposal as
9 accepted by the city?
10 A. The main difference is we would have
11 had much more responsibility in the areas of both
12 customer service and capital program management,
13 which would require staff in those areas to do that
14 work.
15 Q. Well, this talks about, apparently,
16 hiring a customer service manager. And they
17 mentioned Laurie -- Lora McCormick from
18 Indianapolis, correct?
19 A. Yes. That would require an on-site
20 person to be over that.
21 Q. And so under the base proposal there
22 wouldn't be an on-site person over that; is that
23 correct?

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1 A. Under the base proposal, the customer
2 service people would work under the office manager.
3 That was our base staffing proposal.
4 Q. Okay. Who would the office manager
5 be?
6 A. To be named later.
7 Q. To be named --
8 A. To be named later.
9 Q. Right. And the qualifications of the
10 office manager would be what?
11 A. Would be developed at the time of
12 hire. We have not written specific job descriptions
13 for that position.
14 Q. If you'd look at the last page of
15 Exhibit 81. This is apparently the alternative
16 proposal organization chart; is that correct?
17 A. Yes.
18 Q. And in this organization chart, as I
19 understand it, the customer service line item that
20 appears here on the last page of Exhibit 81 would
21 not be a separate division, if you will; it would be
22 underneath the office manager; is that correct?
23 A. In the base proposal?

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1 Q. Yes.
2 A. In the base, that is correct.
3 Q. Are there other -- what about the
4 capital projects manager, Keavin Nelson?
5 A. Uh-huh.
6 Q. In the base proposal does that
7 position also exist?
8 A. In the base proposal he exists as a
9 resource to the project, but in the base proposal it
10 would not be an on-site capital management manager.
11 Q. So that would be a resource that would
12 be available on a time and materials basis but not
13 part of the base contract; is that right?
14 A. That would be correct.
15 Q. So are there other positions that do
16 not appear in the base proposal that are here in the
17 last page of the alternative proposal?
18 A. Just --
19 MR. UPTON: Would it be helpful for
20 you to see the --
21 THE WITNESS: Yeah. Do you have a
22 copy of the base?
23 Q. Not handy. But other ones --

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1 A. Just from my recollection, those two
2 lines are the two that would be different.
3 Q. Right.
4 A. And you'd have to look at the two to
5 see the difference. I don't have it in front of me.
6 Q. Okay.
7 A. It's been a while since I've looked at
8 this.
9 Q. So the capital projects manager line
10 would not be there as a separate division, and the
11 customer service line would not be there as a
12 separate division, correct?
13 A. I don't believe the customer service
14 line is there as a separate. The capital projects
15 may still be shown as a resource because there would
16 be some capital projects folks working on the
17 project from time to time.
18 Q. Okay.
19 A. But I'd have to look at the actual
20 chart.
21 Q. All right. Now, to what extent
22 would -- well, from a corporate standpoint my
23 understanding is Nashua would be operated as part of

1 the Veolia Water North America-Northeast, LLC,
2 business; is that right?
3 A. Yes.
4 Q. And there would be a number of
5 employees who would be based in Nashua, correct?
6 A. Oh, absolutely.
7 Q. And they have you down there as the
8 production manager, correct?
9 A. Yes.
10 Q. And how would the other resources of
11 the other Veolia companies outside of Northeast and
12 how would staff within Northeast but outside of
13 Nashua be used?
14 A. On a case-by-case basis based on
15 expertise or the need to use them. Some staff's
16 used all the time, such as payroll functions, things
17 like that. You know, we wouldn't have an entire
18 payroll department in Nashua, that kind of thing.
19 Q. So where would the payroll be based?
20 A. Our main payroll department is in our
21 corporate office.
22 Q. Which is?
23 A. Houston.

1 Q. Are there other functions that would
2 be located centrally or someplace outside of Nashua?
3 A. Yeah; those listed as outside of the
4 mainline, the resources on that sheet, they would be
5 located in other locations.
6 Q. You mean the business manager?
7 A. If you start with the project manager
8 and go straight down from him, all of that would be
9 on-site, but under this alternative proposal, which
10 the city did not even accept, except for Mr. Keavin
11 Nelson would be on-site as needed, everyone outside
12 to the left and to the right of the project manager
13 are resources to the project.
14 Q. So, for instance, human resources
15 would not be located in Nashua, correct?
16 A. Correct.
17 Q. Where would that be located?
18 A. Mr. Schnack's office, I believe. And
19 this is a guess, I believe is Norwell, but I don't
20 know that for sure.
21 Q. Norwell?
22 A. I don't know if he works out of our
23 main office in Norwell or not.

1 Q. Information manager. Is that the same
2 as IT?
3 A. Similar, yes.
4 Q. And where's he located?
5 A. Mr. Washburn works out of our
6 Indianapolis office.
7 Q. Bill Fahey, asset manager. What does
8 that mean?
9 A. He is -- that's what he oversees,
10 asset management functions in our company such as
11 RCM, such as CMMS, our maintenance management
12 systems. That's what he oversees.
13 Q. And where's he located?
14 A. Once again, I don't know specifically,
15 but I believe he's in our Norwell office. I believe
16 each of these folks have resumes in the appendices
17 as well.
18 Q. The business manager, Jill Beresford,
19 is she located in Norwell?
20 A. Yeah, that's my assumption.
21 Q. What's the function of the business
22 manager?
23 A. I believe their main function is to

1 oversee the finances of the project.
2 Q. So --
3 A. Accounting.
4 Q. -- accounting? So the accounting
5 functions would not take place in Nashua; they'd
6 take place in, probably, Norwell?
7 A. There would be some accounting
8 functions, but everything rolls up from a corporate
9 standpoint.
10 Q. What do you mean by "rolls up"?
11 A. Financial statements. Nashua has
12 financial statements; the Northeast, LLC, has
13 financial statements.
14 Q. What does EHS&S stand for?
15 A. Environmental Health, Safety &
16 Security.
17 Q. And that's Benn Bullock?
18 A. Yes.
19 Q. And where's he located?
20 A. His office is in the Northeast. I'm
21 not sure where it's at. It would be the people
22 on-site that do safety, but he's our safety manager
23 for the Northeast, LLC.

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1 Q. So that would be both drinking water
2 safety as well as employee safety?
3 A. Yes; environmental health.
4 Environmental would be the drinking water side,
5 health, safety and security.
6 Q. Do you know that under the contract
7 that Veolia has with Nashua who's responsible if
8 there's an environmental violation?
9 A. Who's responsible of an environmental
10 violation?
11 Q. Yes.
12 A. I believe it's tied to different
13 scenarios as to whether -- what was the cause of the
14 environmental violation.
15 Q. Well, if --
16 A. I don't have the contract in front of
17 me.
18 Q. Well, if there's a drinking water
19 standard that's not met, Safe Drinking Water Act
20 standard that's not met, who's responsible for that?
21 A. If it's due to our operations or our
22 negligence, it's ours.
23 Q. And if it's not?

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1 A. If it's not due to our operations or
2 our negligence?
3 Q. Yes.
4 A. Then it's not our responsibility.
5 Q. That would be Nashua?
6 A. That's my understanding of the
7 contract.
8 Q. It would be Nashua's responsibility?
9 A. Once again, I don't have the contract
10 in front of me.
11 Q. Okay. If there's a problem with the
12 operation of any of the computers in Nashua, who
13 would fix it?
14 A. That would have to be worked out based
15 on how things end up in the transition. Once again,
16 we don't have full -- we don't have access to these
17 facilities, so we made assumptions on a lot of
18 things.
19 Q. Sure.
20 A. But at this point there's different
21 things we could do with that.
22 Q. Such as what?
23 A. Such as hire someone locally on staff;

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1 such as contract with a consultant locally on staff;
2 such as bring in someone from within our company
3 outside of Nashua, consultants outside of Nashua.
4 That would be a business decision to make at that
5 time.
6 Q. It looks like you've been handed the
7 base proposal, the flowchart; is that correct?
8 A. Yes, it is.
9 Q. Does that help you with comparing it
10 with the flowchart at the end of Section Six,
11 Exhibit 81?
12 A. Yes, it does. I have no need to
13 change my recollections at this point.
14 Q. If I could see it for a moment.
15 A. You absolutely may.
16 Q. Thank you.
17 A. As you can see, the customer service
18 line is not there. Those folks are moved underneath
19 the office manager; and then the capital side,
20 they're listed as supplemental services. They
21 should all be the same.
22 MR. DONOVAN: We can mark this. We'll
23 make a photocopy of it.

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1 MR. UPTON: You don't need to unless
2 you want to.
3 MR. DONOVAN: I'd like to.
4 MR. UPTON: I'll go and do it right
5 now.
6 MR. DONOVAN: We'll call it Exhibit
7 82.
8 MR. UPTON: I'll make one for the
9 exhibit right now.
10 MR. DONOVAN: Yeah.
11 (There is a pause.)
12 (Burton Exhibit No. 82, Veolia Water
13 Detailed Organization Chart - Base Proposal,
14 received and marked for identification.)
15 MR. DONOVAN: And you can mark this.
16 (Burton Exhibit No. 83, Operation,
17 Maintenance and Management Agreement Between the
18 City of Nashua, New Hampshire, and Veolia Water
19 North America-Northeast, LLC, dated January 2006,
20 received and marked for identification.)
21 Q. (BY MR. DONOVAN) I'm going to show
22 you what's been marked as Exhibit 83, which is the
23 Operation, Maintenance and Management Agreement