
Pennichuck Water Works:

2003 Follow-Up Survey

Submitted to:

Pennichuck Water Works
4 Water Street
Nashua, New Hampshire 03060

Submitted by:

RKM Research and Communications, Inc.

December 24, 2003

PW 010318



*Using Research to
Guide Business Planning*

Memorandum

To: Laura Monica
President
High Point Communications

Donald Correll
President and CEO
Pennichuck Water Works

From: R. Kelly Myers
Director of Research

Subject: Follow-Up Survey for Pennichuck Water Works

Date: December 24, 2003

Key findings

- Awareness of the City's attempt to purchase Pennichuck Water Works is widespread. However, significant opportunities exist to continue to frame the issue in ways that favor the interests of Pennichuck Water Works.
- The recent advertorials printed in the Nashua Telegraph and Union Leader have contributed to a significant drop in support for the City's effort to purchase Pennichuck Water Works. Overall support for the City's position has dropped from 53 to 40 percent.
- Support for the City's position is lowest among voters who have read articles and advertorials in the Nashua Telegraph and Union Leader. Among voters who have not read any articles or advertorials, opinions remained unchanged, with 51 percent in support of the City's position. Among those who have read 3 or more articles or advertorials, only 26 percent support the City's position, while a solid majority (64%) oppose the City's effort to purchase Pennichuck Water Works.

PW 010319

EXHIBIT BC-6

- Support for the City's position continues to be based on the principle of local control.
- Opposition to the City's effort to purchase Pennichuck Water Works is rooted in concerns that would be *too expensive* (47%). Forty-two percent of opponents also express concerns about *tax increases*, and 39 percent are concerned about *rate increases*. About one-third of opponents (31%) believe that Pennichuck Water Works *has done a good job managing the City's water system*. These results generally suggest that support for the principle of local control erodes when the issue is framed in economic terms.
- Many voters express a preference for the City to reach a compromise with Pennichuck Water Works, whereby the City owns the water system and contracts with Pennichuck Water Works to manage and operate the system (42%).
- Voters' understanding of the term eminent domain has increased. However, few voters (19%) support efforts by the City to acquire Pennichuck Water Works through eminent domain. In fact, 53 percent of voters would oppose these efforts.
- An significant opportunity exists to continue to erode public support for the City's effort to purchase Pennichuck Water Works by raising concerns that: 1) the City's water system would be managed by an out-of-state company; 2) it would be very expensive; and 3) might require the use of eminent domain.

PW 010320

60% of Nashua residents disapprove of the way the city of Nashua has handled the attempt to purchase Pennichuck Water Works*

58% disapprove of the way Mayor Bernie Streeter is dealing with the Pennichuck situation*

83% agree that the Pennichuck issue will be important in the next election*

69% believe that the city should not continue with its efforts to acquire Pennichuck Water Works through eminent domain*

60% of voters would vote against the city controlling Pennichuck if an election were held today.*

Apparently, the mayor and some of the aldermen would like you to believe that they were given a "mandate" to pursue a hostile takeover attempt of Pennichuck Water. They even said in a May 8th letter to the editor that 77% of the citizens of Nashua supported the referendum - what they fail to tell you is that only 6,525 people voted in support which equates to about 13% of the citizens of Nashua.

What they don't want you to know is that in a recently conducted survey, 60% of residents polled said if an election were held today, they would vote against the takeover attempt.

The mayor also implied recently that they would be able to run the water company more efficiently than Pennichuck. These are the same people who are now facing a projected \$9.2 million budget shortfall, a potential double-digit tax increase and a reduction in important city services.

But don't lose hope. Voters should be pleased to know that five Aldermen didn't sign the mayor's May 8th letter to the editor. Maybe they are more in line with the viewpoints of a majority of taxpayers who:

- Don't support the costly, lengthy eminent domain dispute;
- Will consider it a voting issue in the next election;
- Will support candidates that oppose the city's efforts; and
- Disapprove of the way the mayor is handling it.

Join other concerned taxpayers at www.smartwater.org and tell the city you know the facts. Tell them to resolve this costly eminent domain dispute before it costs you millions more.



PENNICHUCK
CORPORATION

** April 2005 research conducted by RKM Research and Communications*

SmartWater.org

SURVEY SAYS... NEARLY 70% OF LIKELY VOTERS SAID THEY WOULD VOTE AGAINST TAKING PENNICHUCK IF AN ELECTION WERE HELD TODAY

“Tell the mayor to stop wasting taxpayer money. Leave Pennichuck as is.”

- Frank Polak

“City spending is out of control. Leave the water company alone. The city can't handle what it has, much less another business it knows nothing about.”

- Brian and Diana Upton

“Stop the insane takeover attempt! Money could be better spent. The city is not in a position to handle managing a water company. They are unable to manage the city and be fiscally responsible.”

- David and Rosemarie LaJoie

“I think (Pennichuck) should run the city, not the other way around!”

- Frank Anderson

Support for the city – and for its leaders – continues to decline as the costs associated with the city's hostile takeover attempt mount to well over \$1 million, with no end in site.

Nationally recognized RKM Research and Communications has conducted eight surveys on the takeover issue since 2003. In the most recent survey:

- By a margin of **more than 2 to 1**, residents oppose the city's effort to take Pennichuck;
- By a margin of **nearly 3 to 1**, residents oppose Mayor Streeter's handling of this issue;
- **More than 80%** say this is an election issue;
- By a **2 to 1 margin** residents are more likely to vote for candidates in November who oppose Nashua's efforts to take over Pennichuck.

It's time to stop wasting millions of taxpayer dollars on an eminent domain battle to take over a well-run company. You are not alone in thinking your money could be better spent. Talk to the candidates and tell them that you demand fiscal responsibility.

The numbers are clear.



PENNICHUCK
CORPORATION

SmartWater.org