

THE STATE OF NEW HAMPSHIRE  
BEFORE THE PUBLIC UTILITIES COMMISSION

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Sale of Assets and Liabilities to VILLAGE DISTRICT OF EASTMAN

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LIST OF EXHIBITS

1. Letter To ECA 1-4-13
2. Announcement of Community Forum 11-7-12
3. Now You Know the rest of the story 4-18-13 ELECTRONIC ONLY

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**Jan. 4, 2013**

Fellow Members,

I write to urge you to attend the Special Meeting of the Village District of Eastman scheduled for Wednesday evening, January 9th, 2013 at 7:00 p.m. at the Grantham Hall. The warrant articles for discussion relate to the possible acquisition of the assets and liabilities of the Eastman Sewer Company (ESC) by the VDE. All residents of Eastman are VDE customers and who are registered voters in Grantham, Enfield, and Springfield are eligible to vote. Even if you are not a sewer user you have a vital stake in this matter which is critical to the future of the Association.

The Boards of the Eastman Sewer Company and the Eastman Community Association voted to proceed with the proposal subject to approval of negotiated terms and conditions. The Commissioners of the Village District have voted (2 to 1) to proceed subject to a general agreement of their users and final review of the proposed deal.

We recently mailed a packet of information to Eastman residents with [historical data and a review of the Community Forum](#) on this topic held a short time ago. Below are a few

facts important in your consideration of this matter. I hope you will review them and contact Brian Harding at the ECA Office (863-4240), Bill Weber at the VDE office (863-651-1111) or myself (863-5811) with any questions you may have.

The ECA has run the sewer system for 12 years. The Company has no employees and has been operated by a Board and administered by several ECA employees on a part-time basis. Actual day-to-day operations are performed by an outside contractor. It is anticipated that the existing VDE staff would take over the administrative responsibilities and that a new, volunteer Sewer Advisory Board would make recommendations regarding ongoing sewer operations and capital projects.

Since the formation of the Sewer Company, all costs have been borne exclusively by sewer customers. This was the case when the company was owned and operated by the developer, and it has continued this way since the company was purchased by ECA in 2001. Sewer customers would continue to pay all sewer expenses under the proposed agreement between the ECA and the VDE.

The reasons for the proposed acquisition are:

To remove the Sewer Company from regulation by the state Public Utilities Commission, which is designed to regulate large companies such as PSNH;

To save significant overhead charges and inordinate amounts of time required to initiate and obtain PUC approvals for loans, rate increases, capital expenditures, and like;

Pro-forma savings as a result of the combination should reduce costs for items such as real estate and utility taxes, insurance, professional services (legal, accounting, and consulting), and other operational costs which would be covered by existing VDE liabilities. Any VDE administrative time attributable to the sewer operation will be charged to the sewer account.

Assuming all of the capital projects now underway or proposed by the Sewer Company are completed using current estimates, the resulting total annual charges for sewer users would increase from \$368 per annum to about \$650 per annum, well within the reasonable costs for such services.

Another option would be to form a separate Village District for sewer users. This would reduce anticipated cost savings from the proposed combination, e.g., two organizations requiring duplicate costs for many items. In addition, it would add another formal governing body here at Eastman within which there would be only about 100 or so

eligible to vote given current registration data.

The importance of the sewer system and its operation to the health, safety, environmental and financial security of our entire Community cannot be ignored. In the end, we as members will bear the ultimate responsibility regardless of which entity has day-to-day control.

I hope you will take the time to participate in this most important meeting. Thank you for your interest in our Community and best wishes for a happy and healthy New Year.

Sincerely,

Maynard Goldman,  
President, Eastman Community Association

## **Exhibit #2**

### **Special Community Open Forum**

**Saturday, November 17th**

**9 a.m. at South Cove Activity Center**

The Eastman Sewer Company and the Village District of Eastman are proposing a merger. Both wish to stress that this is an important educational and informational meeting to discuss the rationale for the merger and to get feedback. The close proximity of the sewer system to our lake and the need to upgrade a 30+year-old system make this a community issue, not just a sewer-user issue.

While only about a third of households in Eastman are connected to the sewer system and are (and will continue to be) responsible for the expense associated with its operations and capital improvement projects, the long-term health of the system requires some capital projects that may affect the land usage within Eastman.

Come join us for a presentation and question-and-answer period, and learn about this merger and the vital capital improvement projects.

**Eastman Sewer Company Board of Directors and**

**Village District of Eastman Commissioners**