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## Dozens turn out for Pennichuck ward meeting

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By TOM WEST, Telegraph Correspondent

NASHUA – City officials continued to pitch their proposal to buy Pennichuck Water Works during an informational meeting attended by about 60 people at New Searles Elementary School on Tuesday night.

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As they did at a session at Elm Street Junior High School on Monday, officials reiterated their theme that the city's purchase of the water system would be financed through revenue bonds and wouldn't add to the local tax rate.

Ward 5 Alderman Brian McCarthy, who chairs an aldermanic committee on the proposed purchase, and Mayor Bernie Streeter also continued to slam an advertisement Pennichuck has run in The Telegraph, claiming the city's schools and infrastructure will suffer if voters approve the purchase.

Residents will go to the polls Tuesday to decide whether the city should pursue the purchase of the utility and the eventual establishment of a regional water district that would be governed by an elected group of water commissioners.

Informational meetings on the issue are scheduled throughout the city this week.

In its advertisement, Pennichuck says government should stay out of the water business and can't afford to spend about \$100 million to buy a company that it lacks the expertise to run efficiently.

In addressing the crowd Tuesday, Streeter and other officials said the utility's ad was "blatantly false."

"It's deceitful," the mayor said. "I'm sure you're concerned about adding to the city's debt limit, but that will not occur if Pennichuck is purchased."

The impetus for the city's campaign is the proposed purchase of Pennichuck by Philadelphia Suburban Corp., the nation's second-largest water company. Philadelphia Suburban wants to buy the utility in a stock-for-stock deal estimated to be worth about \$95 million.

McCarthy and other officials say the public purchase of the company would benefit ratepayers because they would, in effect, become the owners of Pennichuck and could borrow money at lower interest rates than a private entity for the purchase and long-term capital improvements.

A measure that would authorize the water district to issue revenue bonds will be introduced in the Legislature this month and has already drawn the support of most area lawmakers, said Streeter and Alderman-at-Large Fred Britton.

Most at Tuesday's session seemed supportive of the proposed purchase, but there were skeptics at the meeting who said they haven't been provided enough information by the city to vote "yes" on the measure next week.

Frank Henry of Greenwood Drive said officials don't even know what Pennichuck is worth and "if we turn you lose with a 'yes' vote we're buying a used car essentially. We could be buying a pig in a poke without really knowing what we're buying."

McCarthy acknowledged that some questions about the utility's valuation remain unanswered. A consultant is studying the issue for the city, but the answers won't come before Tuesday's election, he said.

McCarthy said if voters reject the proposal next week, the city will drop its plans to try to buy the utility. But officials will still push for improvements to the system as the state Public Utilities Commission considers Pennichuck's merger with Philadelphia Suburban, he said.

The PUC is expected to rule on the merger proposal by Feb. 28.

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