

Professional Association

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August 1, 2006

OFFICES IN: MANCHESTER CONCORD PORTSMOUTH

AUG 0 1 2006

#### BY HAND DELIVERY

Debra A. Howland Executive Director and Secretary New Hampshire Public Utilities Commission 21 S. Fruit Street, Suite 10 Concord, NH 03301

Re: DW 04-048; City of Nashua—Taking of Pennichuck Water Works, Inc.

Dear Ms. Howland:

On behalf of Pennichuck Water Works, Inc. and related entities, I enclose for filing an original and seven copies of Pennichuck's Motion to Strike or Exclude Portions of the City of Nashua's May 22, 2006 Testimony. The Staff of the Commission does not object to this Motion.

Due to the size of the attachments, I am enclosing a CD-ROM containing the enclosed documents in electronic pdf format. I have served all parties on the service list by e-mail and first class mail.

Thank you for your assistance with this matter. Please call me with any questions.

Very truly yours,

Sarah B. Knowlton

**Enclosures** 

cc: Service List

Hannah McCarthy, CEO and President, Pennichuck Corporation Donald L. Ware, President, Pennichuck Water Works, Inc.

### STATE OF NEW HAMPSHIRE BEFORE THE PUBLIC UTILITIES COMMISSION

City of Nashua: Taking Of Pennichuck Water Works, Inc.

#### Docket No. DW 04-048

### MOTION TO STRIKE OR EXCLUDE PORTIONS OF THE CITY OF NASHUA'S MAY 22, 2006 TESTIMONY

NOW COME Pennichuck Corporation, Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., Pittsfield Aqueduct Company, Inc. and Pennichuck Water Service Corporation (collectively, "Pennichuck") in the above captioned action and state as follows:

#### Introduction

1. This motion arises out of the City of Nashua's ("Nashua" or the "City") attempt to turn long-standing Commission procedures on their head by filing its case in chief through the form of rebuttal testimony. On May 22, 2006, the City filed rebuttal testimony from six witnesses, presenting for the first time detailed testimony that should have been filed nearly two years ago — on November 22, 2004 — as was required under this Commission's order that the City present its direct case on why the proposed taking is in the public interest and whether the City is qualified to operate a water utility. See Order 24,379. The Commission should strike or exclude from the record Nashua's rebuttal testimony of the witnesses identified below because the late submission of such testimony violates the procedural schedule in this case, Pennichuck's due process rights, and established case law regarding the scope of rebuttal testimony.

### **Background**

Nashua initially filed its eminent domain petition under RSA 38:9 on March 25,
 In its petition, the City averred that it had initiated the taking of PWW's assets based on a

resolution adopted by its Board of Aldermen. This resolution identified as the primary reason for the taking of the assets the City's desire to maintain "an adequate supply of clean, affordable drinking water [as] essential to the viability of any community." See Exhibit A to Petition. The Board's resolution further stated that "in order to obtain an adequate supply of clean, affordable water for drinking and other purposes, substantial actions must be taken in the future to re-invest the revenues of the water company in the enhancement of the system, in the maintenance of the system, and in protection of the source of supply of the system." Id.

- Although the City's petition was initially unsupported by testimony despite

  Commission rules to the contrary, it ultimately filed testimony on November 22, 2004 after being ordered by the Commission to do so. The City's direct case, which consisted of testimony from five witnesses, addressed the City's technical, financial and managerial capability to operate PWW and how the public interest would be served by the taking. Consistent with the aldermanic vote that initiated the eminent domain process, the City's testimony prominently identified Pennichuck's stewardship of its watershed as one of its primary reasons for this eminent domain action. See page 2 of testimony of Direct Pre-Filed Testimony of Brian McCarthy ("[i]n recent years there has been concern about its [Pennichuck's] growing real estate operations and what some believe as its failure to protect the watershed through those real estate operations."). However, the City did not provide any details or facts in support of this statement.
- 4. Pennichuck engaged in discovery on the City's testimony, in part by taking the deposition of Katherine Hersh, the community development director for the City. At her July 2005 deposition, Ms. Hersh testified at length about the City's concerns regarding Pennichuck's

<sup>&</sup>lt;sup>1</sup> The Commission had "require[d] Nashua to file testimony on its technical, financial and managerial capability to operate the public utilities as requested and how the public interest would be served by the taking." Order 24,379 at 11.

stewardship of the watershed, dating those concerns at least as early as the time of the Philadelphia Suburban merger. See e.g., Hersh deposition, p. 15, attached hereto as Exhibit 1. In fact, nearly the first 50 pages of Ms. Hersh's deposition detail her concerns about watershed issues. For example, Ms. Hersh testified that "the resource [water supply] has not been protected as well as it had been and has degraded", that the development of land through the Southwood Corporation and in the buffers was inappropriate, id. at 21-28, and that increased withdrawals of water by from the Merrimack River by Pennichuck was problematic. Id. at 41. Ms. Hersh's testimony went on to identify particular parcels of land and transactions that were of concern to the City.

- 5. The Commission's own records verify that the City has held these concerns since at least 2002. In November 2002, the City submitted testimony of its mayor, Bernard Streeter, in DW 02-126, the docket regarding the merger of Philadelphia Suburban and Pennichuck Corporation. As part of his testimony in that docket, Mayor Streeter submitted a report titled "Summary Report Comprehensive Review Pennichuck Water System Nashua, New Hampshire" prepared by Rizzo Associates. This report contains an entire section titled "Watershed Management" in which the City analyzes and criticizes Pennichuck's management of the watershed, and provides recommendations on watershed management issues. A copy of this section of the Rizzo report is attached as Exhibit 2.
- 6. Despite the fact that the City formally presented to the Commission in detail its concerns about watershed issues since as early as 2002, and identified watershed protection issues as primary in its reasons for initiating the taking of PWW's assets, the City waited eighteen months after the deadline for filing direct testimony on public interest issues in this case to provide any detailed testimony on watershed issues. Instead, the City chose to submit a direct

case that contained the barest of unsupported allegations, either hoping that that would be sufficient to support its case or, more likely, planning from the outset to lay in wait to provide the substance of its case in chief until Pennichuck had responded to the City's direct case.

- 7. Having waited until Pennichuck submitted its responsive case demonstrating in great detail that it had in fact been a good steward of the public water supply and that Nashua had not, and having also read the Commission staff's testimony stating that the City had failed to present any objective evidence that Pennichuck had harmed or mismanaged the watershed, on May 22, 2006 the City presented "rebuttal" testimony of three witnesses on watershed issues: Katherine Hersh, Brian McCarthy, and John Henderson. For the first time, the City provided in detail the purported basis for its claim in its original filing regarding Pennichuck's stewardship of the water supply.
- 8. It is a near certainty that Nashua will claim its May 22 testimony was merely intended to rebut the testimony of Eileen Pannetier of Comprehensive Environmental, Inc., who presented detailed testimony about Pennichuck's stewardship of the watershed. But as noted above, Pennichuck presented this testimony in response to the unsupported allegations in Nashua's petition and Mr. McCarthy's November 22, 2004 direct testimony about the watershed.
- 9. There is no reasonable explanation for why Nashua did not or could not have filed direct testimony on watershed issues in November 2004, the time for filing its direct case in chief. By November 2004, the City had had the Rizzo report in hand for over two years, which addressed watershed issues in detail. There was no reason that Ms. Hersh's testimony could not have been submitted in November 2004, given that her concerns dated back to at least 2002 and she was within the City's employ since then and was directly involved in the eminent domain case during that entire time. Similarly, Mr. McCarthy did not have to wait until May 22, 2006 to

detail his concerns about the watershed, particularly when he identified the watershed as a primary reason for pursuing the taking of PWW's assets in his November 22, 2004 testimony. The third witness, Mr. Henderson, an engineer with Tetra Tech, was presented by the City in its filing on January 12, 2006 as a part of the team of contractors hired by the City. However, Mr. Henderson did not mention anything about Pennichuck's stewardship of its watershed until four months later. Assuming there was any proper basis for Mr. Henderson to submit testimony regarding the watershed issue, which there was not, there is no reason that the City needed to wait an additional four months to submit a second round of testimony on an issue that the City had identified two years before in its initial petition and its direct testimony as being of primary importance to its case.

submitted the testimony of Allan Fuller as part of its May 22, 2006 rebuttal testimony. Mr. Fuller, a private citizen and chairman of the Pennichuck Brook Watershed Council, was apparently encouraged by the City of Nashua to present testimony on Pennichuck's stewardship of the watershed. However, just like other Nashua witnesses, Mr. Fuller's concerns about the Pennichuck watershed were well known to the City well before the City submitted its direct case in 2004. In particular, Mr. Fuller had submitted written testimony to this Commission in the Philadelphia Suburban docket well over two years before the City filed its petition in this case.

See December 8, 2002 testimony of Allan Fuller in DW 02-126. Yet in Mr. Fuller's own words, he did not submit testimony in this docket until May 22, 2006 "because I just did not have the time". See Mr. Fuller's response to Pennichuck Data Request 5-119, attached as Exhibit 3. Whether Mr. Fuller truly did not have the time to provide his testimony on the City's behalf in this case when the City submitted its direct testimony or the City simply chose to delay providing

substantiation of its more general allegations may never be known. What is known however, is that the City is counting on the Commission to allow Nashua to supplement its case at will and that the City believes that even a defendant whose property and very existence are at stake has no procedural rights before this Commission.

- 11. The City and Mr. Fuller's cavalier attitude about Commission deadlines and Pennichuck's due process rights has been evident throughout this proceeding. Setting aside Nashua's failure to file its direct testimony with its petition in March 2004, the Commission gave the City an additional eight months (until November 22, 2004) to pull together its direct case on public interest, and then another chance to significantly supplement its public interest case on January 12, 2006 by filing extensive testimony on its third party contract operator and oversight contractor. There was more than ample time between March 2004 and November 2004 for Nashua to assemble all of the information within its possession on watershed issues, identify potential witnesses who could support its position, and develop written testimony on why the watershed should be considered by the Commission as a public interest issue.
- 12. To submit this testimony on May 22, 2006 for the first time and under the guise of rebuttal testimony makes a mockery of the Commission's process. Nashua's May 22, 2006 testimony constituted an almost complete make over of its direct testimony, attempting to make a fresh start in the presentation of its direct case. In fact, if the Commission were to go back and read Nashua's Petition and its initial direct testimony filed on November 22, 2004, it would be evident that Nashua's case has changed dramatically from its initial filing. For example, Nashua's Petition and direct testimony is premised entirely on the operation of the water system by a regional water district. The City has never explained in testimony that it has abandoned its plan to have the assets owned and run by a regional water district nor has it modified its petition

to indicate which assets it really seeks or who would own those assets. Instead, the City's case – its plan for how it will own and operate the water system – is ever changing and essentially remade every time it files testimony. Pennichuck and other parties are left to respond to a continually moving target.

- 13. In addition to its late filed testimony on watershed issues, the City also submitted testimony on its qualifications to operate a water utility well past the January 12, 2006 deadline set by the Commission, which was already an extended time frame that was afforded to Nashua. In Order No. 24,567 issued on December 22, 2005, the Commission considered the issue of when Nashua must file testimony on its ability to perform billing and collections functions. The Commission ruled that "...we consider the billing and collections issue related to the issues of technical, financial, and managerial capability, regarding which Nashua, as determined above, will be filing testimony on January 12, 2006." Order 24,567 at 7. Despite this clear directive from the Commission, the City filed no direct testimony on January 12 on its billings and collections capabilities. Instead, it waited until May 22, 2006 to file testimony of its two employees who would be responsible for these activities. This testimony – of Nashua's Chief Financial Officer, Carol Anderson and Deputy Treasurer and Tax Collector, Ruth Raswyck was filed under the guise of a reply to the testimony of Bonalyn Hartley filed on January 12. 2006 and of Amanda Noonan, which was filed on April 13, 2006. The Anderson/Raswyck testimony provided for the first time basic information about how Nashua would perform billing and collections services, including matters as fundamental as the number of City employees who would perform these tasks and how the City would handle complaints from customers.
- 14. Just like the watershed testimony, there is no reason why Nashua could not have filed this testimony by the January 12, 2006 deadline as part of its direct case. Both Carol

Anderson and Ruth Raswyck have been in the City's employ during the entire pendency of this case and could have presented the City's plan for handling water billing and collection issues. Moreover, the City knew from Commission Order 24,567 that it would need to present testimony on its billings and collections capabilities by January 12. Instead of complying with this directive, the City has decided to play by its own rules, filing testimony without regard to the procedural schedule, Commission rules, or the rights of the parties.

- 15. The requirement that a party file direct testimony serves an important purpose in any litigation--to require that a petitioner submit its entire case once, in an orderly fashion.

  "Evidence which supports one's own case should be introduced during the presentation of the evidence in chief." 75 Am Jur 2d, Trial § 358. After the party with the burden of proof in this case, the City of Nashua presents its direct case, rebuttal (reply) testimony is typically permitted. "Rebuttal is evidence given to prove, disprove, explain, repel, or contradict the evidence of the adversary party." 75 Am Jur 2d Trial § 365; see also State v. Stewart, 663 A.2d 912, 927 (R.I. 1995); U.S. v. Sebaggala, 256 F.3d 59 (1st Cir. 2001); United States v. Laboy, 909 F.2d 581, 588 (1st Cir. 1990). It is not intended to give a party an opportunity to tell its story twice or to present evidence that was proper in the case in chief. 75 Am Jur 2d Trial § 374.
- 16. This is the rule in most tribunals, including the Superior Court. Superior Court Rule 70 states: "In all trials, the plaintiff shall put in his whole case before resting and shall not thereafter, except by permission of the Court for good cause shown, be permitted to put in any evidence except such as may be strictly rebutting; and the defendant shall, before resting, put in his whole defense, and shall not thereafter introduce any evidence except such as may be in reply to the rebutting evidence". The Commission has applied these same principles. See Re: Public Service of New Hampshire et al., 71 NH PUC 547, 548 (1986)("...rebuttal testimony is

testimony which responds to matters raised by direct testimony. Direct testimony constitutes a party's case in chief. The Commission will not countenance a party's attempt to present its entire case in rebuttal.").

- 17. Allowing the proponent to put in evidence for its case in chief through rebuttal can result in: (1) unfairness to an opponent who has justly supposed that the case in chief was the entire case which it had to meet; and (2) confusion created by an unending alternation of successive fragments of the case which could have been put in at once in the beginning.

  Wigmore on Evidence, Vol VI § 1873, p. 511(3<sup>rd</sup> Ed. 1940). "The principal objective of rebuttal is to permit a litigant to counter new, unforeseen facts brought out in the other side's case."

  Faigin v. Kelly, 184 F.3d 67, 85 (1st Cir. 1999); Lubanski v. Coleco Indus., Inc., 929 F.2d 42, 47 (1st Cir. 1991). "When a party knows that a contested matter is in the case, yet fails to address it in a timely fashion, he scarcely can be heard to complain that the trial court refused to give him a second nibble at the cherry." Faigin at 85-86; see also Lubanski, 929 F.2d at 47 (upholding the denial of rebuttal when the proffered rebuttal evidence was available to the plaintiff during her case in chief and the testimony she sought to rebut was not unexpected).
- 18. Here, Nashua was fully aware that both billings and collections and watershed issues would be contested matters in this case, yet it failed to present that testimony in the time prescribed by the procedural schedule. The net effect of this has been that Pennichuck has been left to respond to a moving target, in which Nashua changes its case to reflect the facts as presented in the direct cases of Pennichuck and the PUC staff.
- 19. Moreover, because Nashua waited until May 22, 2006 to present this testimony instead of submitting it earlier as it was required to do, Pennichuck has suffered actual prejudice.

  According to the procedural schedule, Pennichuck (and other parties) were entitled to submit two

rounds of data requests on Nashua's original direct case and, with regard to the City's January 12 filing, rolling data requests from January 12 through February 6, 2006, with responses due 10 days from the date of the request, and then a second round of discovery on that testimony on February 27. Thus, Pennichuck lost multiple opportunities to take discovery on what should have been in Nashua's November 2004 and January 2006 testimony, and the chance to submit its own testimony (on January 12, February 27 and/or May 22) to respond to Nashua's allegations. Because Nashua filed its testimony late, Pennichuck has been relegated instead to one round of data requests on that testimony, and the opportunity to address Nashua's allegations only as part of its capstone testimony, which presumably was intended to bring together all of the testimony that had previously been filed. This lost opportunity is not insignificant. For example, the extent of Nashua's capabilities to provide billing and customer service functions to approximately 25,000 retail water customers is central to the Commission's determination of whether the taking is in the public interest. Not having sufficient notice and opportunity to test Nashua's assertions on this critical testimony violates Pennichuck's due process rights and could do real harm to the company's customers. For these reasons, the Commission should not consider Nashua's late filed testimony of Katherine Hersh, Brian McCarthy, John Henderson, Allan Fuller, Carol Anderson and Ruth Raswyck and should strike or exclude it from the record.

20. Pennichuck has contacted other parties to this docket to learn their position on this Motion. To date, Barbara Pressly objects to the Motion, the Town of Merrimack takes no position, and the other parties have not responded.

WHEREFORE, Pennichuck respectfully requests that the Commission:

a. Grant this Motion to Strike or Exclude Portions of the City of Nashua's
 May 22, 2006 Testimony;

- b. Strike or exclude the reply testimony of Katherine Hersh, Brian McCarthy, John Henderson, Allan Fuller, Carol Anderson and Ruth Raswyck; and
- c. Grant PWW such other and further relief as the Commission deems necessary and just.

Respectfully submitted,

Pennichuck Corporation
Pennichuck Water Works, Inc.
Pennichuck East Utility, Inc
Pittsfield Aqueduct Company, Inc.
Pennichuck Water Service Corporation

By Their Attorneys,

McLANE, GRAF, RAULERSON & MIDDLETON, PROFESSIONAL ASSOCIATION

Date: August 1, 2006

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#### Certificate of Service

I hereby certify that on this 1<sup>st</sup> day of August, 2006, a copy of this Motion to Strike has been forwarded to the parties listed on the Commission's service list in this docket.

Sarah B. Knowlton

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

CITY OF NASHUA

Docket No. DW-04-048

DEPOSITION of KATHERINE E. HERSH

Taken by Notice at the offices of the Nashua City
Hall, 229 Main Street, Nashua, New Hampshire, on

Thursday, July 21, 2005, commencing at 10:50 in the

forenoon.

Court Reporter: Marcia G. Patrisso,

Certified Shorthand Reporter

NH CSR No. 83 (RSA 331-B)

Registered Professional Reporter

Certified Realtime Reporter

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Page 2		Page 4
1 APPEARANCES: 2 For the Petitioner, City of Nashua:	1	EXHIBITS
, , ,	2	NUMBER DESCRIPTION PAGE
, , , , , , , , , , , , , , , , , , , ,	3	
23 Seavey Street - P.O. Box 2242  North Conway, New Hampshire, 03860-2242		38 Flowchart118
Tierm convay, New Hampsinic 05000-2242	4	
By: Robert Upton II, Esq.		39 Nashua fire service document138
	5	
		40 Nested e-mails150
7 McLANE, GRAF, RAULERSON & MIDDLETON, P.A. 900 Elm Street - P.O. Box 326	6	
8 Manchester, New Hampshire 03105		41 Handwritten memo to Mayor Streeter
By: Thomas J. Donovan, Esq.	7	from Ms. Hersh dated 2/4/02154
9 Sarah B. Knowlton, Esq.	8	
10	9	
STIPULATIONS	10	
11	11	
12 It is agreed that the deposition shall be taken	12	
13 in the first instance in stenotype and when	13	
14 transcribed may be used for all purposes for which	14	
depositions are competent under New Hampshire	15	
16 practice.	16	
Notice, filing, caption and all other formalities	17	
18 are waived. All objections except as to form are	18	
19 reserved and may be taken in court at the time of	19	
20 trial.	20	
21 It is further agreed that if the deposition is	21	
22 not signed within thirty (30) days after submission	22	
23 to counsel, the signature of the deponent is waived.	23	
	<u> </u>	
		Page 5
Page 3		Page 5.
	1	KATHERINE E. HERSH,
Page 3  1 INDEX 2 WITNESS 3 KATHERINE E. HERSH	1 2	KATHERINE E. HERSH,
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Page 3  1	2 3 4 5 6 7 8 9	KATHERINE E. HERSH, having been duly sworn, was examined and testified as follows:
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	Page 6		Page 8
1		1	-
1 2	A. I worked for Vanasse, Hangen, Brustlin, VHB, as a consultant.	1	mathematics from Northeastern University.
3		2	Q. And do you have any graduate degrees?
	•	3	A. I do not.
4 5	A. It is. I was a senior planner.	4	Q. In your role as a planner for V
6	Q. Did you have a specialty there?	5	A. HB.
7	A. My specialty was working on municipal	6	Q HB, did you work on any water
8	projects.	7	projects?
9	Q. Any particular type of municipal projects?	8	A. I did not.
10	A. Transportation and land use projects.	9	Q. Any watershed projects, per se?
11	If you want examples	10 11	A. Not that I recall.
12	Q. Please.	12	Q. I understand that you and Mr. McCarthy
13	A I can give you examples. Sure.	13	brought a lawsuit relating to proposed development
14	For example, I was the project manager	14	in the Pennichuck Brook Watershed; is that correct?  A. That is correct.
15	for the Route 2 Corridor Study, Route 2 being	15	· · · · · · · · · · · · · · · · · · ·
16	Route 2, New Hampshire; I was the project manager	16	<ul><li>Q. And do you recall what year that was?</li><li>A. I do not recall the exact year.</li></ul>
17	for the Loudon Road Corridor Study in Concord; I was		,
18	the project manager for the Piscataqua Trail Project	18	Q. And both of you were serving as aldermen at the time?
19	in Manchester. Projects like that.	19	A. That's correct.
20	Q. And did you also at one time serve as	20	Q. And briefly, what was the subject
21	an alderman?	21	matter of that lawsuit?
22	A. Yes, I did.	22	A. The subject matter was that the ZBA
23	Q. What were the dates of your service	23	granted a variance for a change of use. And our
		23	
	Page 7		Page 9
1	there?	1	issue was that there was no hardship and that the
2	A. I served as an alderman from January	2	variance should not have been granted.
3	1992 until August 2001.	3	Q. And what transpired with that case?
4	Q. So that means you must have resigned	4	A. Subsequent to that, the applicant
5	your position as alderman prior to the end of your	5	withdrew their application; withdrew their plan.
6	term?	6	Q. So it never did go to adjudication?
7	A. Correct.	7	A. It never did go to adjudication.
8	Q. And did you resign in order to take	8	Q. You and Mr. McCarthy brought that in
9	this position with the city?	9	your role as individuals, not as aldermen?
10	A. Yes, I did.	10	A. That's correct.
11	Q. And who would have hired you for that?	11	Q. And the concern you had with respect
12	A. The mayor makes the recommendation to	i .	to that development was what?
13	the board of aldermen, and the board of aldermen	13	A. Was its proximity to was its
14	votes on it.	14	intensity of development and its proximity to our
15	Q. It must be unlike Manchester where	15	drinking water supply.
16	<b>7</b> 1	16	Q. Generally, what does your current job
17	elected officials.	17	entail?
18		18	A. I am responsible for oversight of the
19		19	division management of the division which
20		20	includes planning department, building department,
21	3,	21	code enforcement, economic development and urba
22	$\mathcal{E}$	22	programs.
23	A. I have a Bachelor of Science degree in	23	Q. So there is a planning director in

	Page 10		Page 12
1	Nashua who reports to you?	1	about?
2	A. That's correct.	2	A. Yes. Yes.
3	Q. Similarly, there would be a code	3	Q. And you were the person who kept that?
4	enforcement	4	A. Yes.
5	A. Manager.	5	Q. And this is a document that was one
6	Q building	6	that you could update from meeting to meeting?
7	A. Building manager.	7	A. Yes.
8	Q. And what role do you have with the	8	Q. And it has various tasks and dates and
9	potential Nashua acquisition of Pennichuck assets?		persons who are assigned; is that right?
10	A. I am part of a group of staff that is	10	A. That's correct.
11	part of the discussions and the strategies.	11	Q. And who chairs those meetings that are
12	Q. I do see your name as part of a group,	12	referenced in Exhibit 21?
13	and we could get into that later, that serve on a	13	A. I would assume that the mayor would be
14	some type of a steering committee that meets	14	considered the chair of the meeting.
15	regularly; is that right?	15	Q. I understand he would certainly be the
16	A. If you're talking about the internal	16	head of it, but does he actually actively act as the
17	group of staff that meets regularly, yes. Yes.	17	chair, or is it someone else?
18	Q. At five o'clock on Mondays?	18	A. It's the dynamic of it depends on
19	A. Sometimes, yes.	19	what's going on; who takes primary who does the
20	Q. And sometimes the meeting's not held,	20	primary talking, depending on what the issue is at
21	but that's when it's scheduled?	21	the moment. So if it's a legal issue that we're
22	A. That's generally when it's scheduled.	22	discussing, then Attorney Connell would be the
23	Q. Right. And you're on it and the	23	person that would be taking the primary role. It's
J	Page 11	3	Page 13
1	mayor's on it and Mr. Sousa is on it?	1	not like someone's chairing it and
2	A. Uh-huh.	2	Q. In terms of Pennichuck matters, isn't
3	Q. Alderman McCarthy is on it, and who	3	there a point person within the city who receives
4	else is on it?	4	and tends to convey information back and forth?
5	A. Carol Anderson, the CFO, and David	5	A. I tend to do most of that.
6	Connell.	6	Q. That's what it seems like from the
7	Q. Anyone else on it?	7	communications?
8	A. The other person that sometimes	8	A. Right. I tend to do a lot of that. I
9	attends but doesn't always attend is the	9	try to make sure everyone's communicating. So for
10	representative from the fire department, who's Brian		example, when we were dealing with because we had
11	Morrissey.	11	so many issues at one point that we were dealing
12	Q. Who's responsible for keeping any	12	with at the same time, I put this together so that
13	notes or agendas with respect to that working group?		we would not forget the different issues. And so at
14	A. I can't say that there's a person	14	this point I might be the person that you might be
15	that's always responsible. For a while I was	15	considered that was chairing the meeting. I was
16	keeping some of the notes, particularly when there	16	basically facilitating getting through these issues,
17	were a number of different issues that were going or		but getting through these issues, period, I
18	at the same time. So I would keep I had a table	18	guess.
19	that I'm sure that was in the documentation that was	19	Q. When did your involvement with respect
20	upstairs, but it wasn't always kept.	20	to the Pennichuck matter begin?
21	MR. UPTON: It's 21.	21	A. I would say it began at the very
22	Q. I'm going to show you what was marked	22	beginning when Philadelphia Suburban first
23	as Exhibit 21. Is that the table you're talking	23	proposed the acquisition.
			proposed are acquisition.

	Page 14		Page 16
1	Q. And if I said to you that was sometime	1	A. I did not do extensive research.
2	in 2002, would that sound right?	2	Q. Was there someone else who looked into
3	A. That sounds right. Like April 2002.	3	that?
4	Q. So prior to that time, at least in	4	A. There were other people that looked
5	your official capacity, you didn't have any role	5	into that that I I don't know who particularly
6	with respect to the potential acquisition of	6	would have looked into that, but certainly there
7	Pennichuck assets?	7	were numerous discussions about what other people
8	A. No.	8	were doing across the country; but I can't tell you
9	Q. Did you have any informal involvement	9	who, particularly.
10	with that possibility?	10	Q. Did you have any personal involvement
11	A. Not that I recall.	11	reaching out to other municipalities who might have
12	Q. So it was that Philadelphia Suburban	12	dealt with a similar situation?
13	issue, the potential sale, that triggered your work	13	A. Yes. Yes.
14	involvement?	14	Q. And could you
15	A. That's the way I recall it, yes.	15	A. That dealt with a similar situation
16	Q. And how did that come to be?	16	with regard to?
17	A. My recollection is that I was called	17	Q. Either with respect to a private water
18	upon because of my knowledge of the land use issues	,18	company selling assets or with respect to
19	and that that was that has been more my focus	19	municipalizing water company assets.
20	on with regard to Pennichuck.	20	A. No.
21	Q. Called upon by yourself or called upon	21	Q. No?
22	by others?	22	A. No.
23	A. You'll have to clarify that.	23	Q. At some point the City of Nashua
	Page 15		Page 17
1	Q. All right. You used the word "called	1	decided to oppose the proposed sale by Pennichuck to
2	upon" because of your expertise in land use matters,	2	Philadelphia Suburban; is that right?
3	and I was wondering if that was a self-generated	3	A. Yes.
4	A. Sometimes it's self-generated; I would	4	Q. How did that come about?
5	assume that sometimes it's not.	5	MR. UPTON: Objection.
6	Q. Okay. And what did you what were	6	You can go ahead and answer.
7	the first sorts of things that you did in that	7	A. How did the
8	regard after you began to get involved?	8	Q. Decision-making go about to oppose the
9	A. I guess what I recall is and what I	9	proposed sale by Pennichuck to Philadelphia
10	continue to do is look at the issue with respect to	10	Suburban.
11	the land use, with respect to the buffers and with	11	A. You know, I don't recall. If you're
12	respect to the resource protection. So if there was	12	asking me for details on how that decision-making
13	something that needed to be written with respect to	13	happened, I don't recall.
14	the resource protection, I might be the person that	14	Q. Well, and I'm not looking at this
15	did the research on that or wrote that.	15	point for details, more of an overall view. Was it
16	Q. Would you have been also involved with	16	something that evolved over time, was there a
17	the more general issue of the concept of	17	particular event that triggered that decision?
18	municipalizing private water systems and what's	18	A. Actually, I do recall. There was an
19	happening in other parts of the country? Would that	19	article in the paper, and I recall expressing my
20	be part of what you took under your wing?	20	concerns to the mayor, and I recall that other
21	A. As far as doing research on what's	21	people expressed their concerns to the mayor. So
22	happening in other parts of the country?	22	that was the immediate response at that time.
23	Q. Yes.	23	Q. There was an article in the paper

	Page 18		Page 20
1	about what?	1	Philadelphia merger is all stuff that goes to
2	A. About Philadelphia Suburban making an	2	motivation. It is not relevant to the issue. And I
3	offer.	3	really don't want to say, "Stop answering," but I've
4	Q. There was an article in the paper	4	given you a lot of leeway already.
5	announcing that there was a plan to sell to	5	But if you want to explore it in that
6	Philadelphia Suburban, and that triggered you and	6	context, that's fine.
7	others expressing concerns about that potential	7	MR. DONOVAN: Okay.
8	transaction to the mayor?	8	Q. (BY MR. DONOVAN) Do you have in min
9	A. Correct.	9	my last
10	Q. And that's when you and other people	10	A. Ask me the question.
11	began working on that project?	11	MR. DONOVAN: Can you read
12	A. Correct.	12	(The reporter reads the pending
13	Q. Right. And the immediate goal what	13	question.)
14	was the result that or the goal that was being	14	THE WITNESS: And you're okay with my
15	sought at that point?	15	answering that?
16	A. The goal for the city?	16	MR. UPTON: Yes.
17	Q. Yes.	17	A. I believe that Pennichuck did not
18	A. The goal for the city has been and	18	always share that same goal. Did not always have
19	continues to be the long-term protection of our	19	actions that shared that that implied they shared
20	drinking water supply for our citizens.	20	the same goals.
21	Q. And in the context of the proposal	21	Q. And Pennichuck's actions which you
22	that you encountered in the newspaper with respect	ŧ	believe did not share the same goals as Nashua
23	to Philadelphia Suburban, what would be the	ŧ	related to watershed protection issues; is that
1	Page 19		Page 21
		4	
$\begin{vmatrix} 1 \\ 0 \end{vmatrix}$	consequence upon that proposal?	1	right?
2	A. The concern was that the purchaser, or	2	A. Correct.
3	the proposed purchaser of Pennichuck, would have	1	Q. Any others that you can recall?
4	different goals than the city; would not necessarily	4	A. I think that's the major issue.
5	share the same goals.	5	Q. In terms of providing safe and clean
6	Q. And had Pennichuck shared those same	6	and adequate water supply to the citizens of Nashua
7	goals with the city up till that point?	7	they shared Nashua's goals in that regard; is that
8	MR. UPTON: I'm going to object again.	8	right?
9	This is really getting into motivation. Again, it's	9	A. They shared Nashua's goals for the
10	got nothing to do with what is in the public	10	short term. And my concern has always been that
11	interest, whether this taking by the city is in the	11	they did not they were not necessarily as planned
12	public interest. I don't want to do this again, but	12	as they should be for Nashua's resource for
13	we're getting awfully close to the point where I	13	Nashua's needs in the future.
14	say, "Stop." Are you going to keep going on in this	14	Q. And that's because you're assuming
15	area?	15	that Nashua's water needs will be growing in the
16	MR. DONOVAN: Well, I think I mean	,16	future?
17	I think the particular question I'm asking is	17	A. No, that's because I think that the
18	getting right to the public interest or what her	18	resource has not been protected as well as it had
19	perception is of whether Pennichuck is serving the	19	been and has degraded.
20	public interest or not	20	Q. This is the watershed?
21	MR. UPTON: All right. That, I'll	21	A. That's correct.
22	allow. But you're the opposition that the city	22	Q. So what was it about the Philadelphia
23	had to the Pennichuck merger I mean, the	23	Suburban transaction that would make that concern

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any different than the concern you already expressed with respect to Pennichuck's lack of sharing of goals with Nashua?

MR. UPTON: I object to that question, Tom. That deals with what's wrong with Philadelphia and not with what's wrong with Pennichuck. If you want to deal with Pennichuck, that's fine.

MR. DONOVAN: Well, I think it's using as an example -- or probing the extent to which this witness in fact had -- it's probing the level of concern that Nashua had with respect to Pennichuck's stewardship in comparison with another opportunity.

13 MR. UPTON: You can answer, but try to confine your answer to what your concerns were with 14 15 Pennichuck as opposed to Philadelphia.

THE WITNESS: Thank you. I will.

17 I had expressed long before the Α. 18 Philadelphia Suburban proposal my concerns with the 19 stewardship -- with Pennichuck's stewardship in the 20 watershed; and in fact, introduced legislation in

21 the late 1990s for the Water Supply Protection

District Ordinance because I was concerned that the 22 23 resource was not being protected to the extent that

Page 23

1 it should be protected. 2

management plan.

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I -- my view is that that is Pennichuck's -- and certainly the city's as well -but Pennichuck's responsibility as the steward of the watershed, as the owner of the watershed company, that has been providing water and is projecting to provide water for the future, that they would be protecting the resource better than I believe they were protecting the resource. Some of the information that I had came straight out of their own management plan, their watershed

Generally your concern was with the development that had been ongoing through the Southwood subsidiary in what had previously been undeveloped lands owned by Pennichuck; is that right?

17 18 A. It's in that, and it's also in the 19 development of other properties that Pennichuck did 19 20 not own and Pennichuck never chose to pursue 21 ownership of and Pennichuck should have pursued 22 ownership of --

> Q. That were within --

Page 24

-- as a responsible steward. That were in the buffers that were established by the Sasaki report.

The Southwood development that you're concerned about took place pursuant to Nashua land use regulations; isn't that right?

I'd have to think about which ones, because there may have been variances or special exceptions that were granted. So I would have to --I would have to go back and look. I don't know.

The board of aldermen in Nashua had passed or amended its zoning ordinances over time to include a watershed zone; isn't that correct? I may not be using the correct term, but wasn't there a watershed zone?

A. We adopted a water supply protection district ordinance, which is maybe what you're talking about.

And what year was that? Q.

20 A. In the -- it was in the late 1980s.

21 I'm sorry, 1990s. 22

Q. And you were on the board of aldermen at that time?

Page 25

A. I was.

> Q. And you voted in favor of that?

A.

Q. And the Southwood development occurred outside of that watershed protection zone; isn't that right?

A. What Southwood development?

Q. The development that occurred within the Pennichuck watershed but outside of that resource protection zone.

11 A. Which development are you speaking 12 about?

Why don't you tell me the names of the Southwood developments that you can recall, and then I'll ask you about each one of them.

A. Parcel M is one of the parcels that was owned by Pennichuck that had a proposal for development of a million square feet which would have required a bridge to cross the wetlands. And they were clear in discussions with them that they would require special exceptions or variances from the water supply protection district ordinance to access that land, and that they intended to pursue

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	Page 26		Page 28
1	that. And in fact, Moe Arel was clear about that;	1	A. There are not. I am not as familiar
2	as a matter of fact, Moe Arel opposed the Water	2	with that with the intricacies of that area with
3	Supply Protection District Ordinance as it was	3	respect to the buffers or anything.
4	originally introduced to the board of aldermen	4	Q. All of that is within the Pennichuck
5	because he was concerned about the ability to	5	Brook Watershed?
6	develop his land. The city subsequently bought the	6	A. It is within the Pennichuck Brook
7	property from Pennichuck to prevent Pennichuck from		Watershed.
8	developing the property.	8	
9	Q. That's Parcel M?	9	· · · · · · · · · · · · · · · · · · ·
10	A. That's Parcel M.	10	have been that none of that land be developed; isn't
11	Q. All right. Let's talk about each	11	that correct?
12	other parcel that you are concerned about.		A. No, I don't know that to be the case.
13		12	Q. You have no opinion on that one way or
14	A. Another parcel that I am concerned	13	the other?
15	about is not owned by Pennichuck. It's the	14	A. I do not have an opinion on that. I
	Sanderson Farms' parcel. Sanderson Farms was	15	mean, I think it's important that particularly the
16	undeveloped for years and years. It borders on	16	buffers that Pennichuck has established for
17	Bowers Pond, and a proposal came to the city and was		Pennichuck's properties be I would think that
18	introduced to the planning board in 1998 to	18	Pennichuck would want to impose those buffers
19	subdivide that property and to build houses within	19	everywhere, on all properties; and that they should
20	150 feet of Bowers Pond.	20	have purchased those buffers and did not.
21	And Steve Densberger went to the	21	Q. Where else? We've talked about
22	planning board meeting and opposed the developmen	•	Parcel M and we've talked about Sanderson Farms.
23	and the planning board made amendments, made	23	Were there any others?
	Page 27		Page 29.
1	modifications to the plan to address some of the	1	A. Those were the major ones that I
2	remarks from Mr. Densberger, but they passed the	2	recall.
3	plan because it met the law. And subsequently,	3	Q. Were there any minor ones?
4	Pennichuck went to the PUC and filed a petition for	4	A. Well, there are other private
5	eminent domain, stating the importance of a 300-foot		developments that certainly have been of concern,
6	buffer from the ponds, and then subsequently reached		that have been of concern, that I have been
7	agreement reached settlement with the new owner	7	concerned about.
8	of the property. And eight houses were built within	8	Q. Are they within the 300-foot buffer?
9	300 feet of Bowers Pond.	9	A. Absolutely.
10	Q. So are you complaining that Pennichuck	10	Q. And what are they?
11	went to the PUC to try to take	11	A. Wendy's; CVS; the what's now Best
12	A. No. I am complaining that Pennichuck	12	Ford, which is the property that we petitioned the
13	did not my concern is that Pennichuck did not	13	ZBA. Those are the only ones I could think of right
14	seek to own that property long before it ever was	14	now.
15	proposed for development. Long before. They've	15	Q. I take it your concerns relating
16	known for many, many, many years the importance o	1	thereto have been ongoing since the early 1990s; is
17	buffers.	17	that right?
18	Q. Let's talk about the land off of	18	A. I can't give a date. I don't really
19	Exit 8, off of the Everett Turnpike . That's part	19	know when I became really aware of the
20	of the Southwood development, correct?	20	
21	A. That's correct.	21	Q. When was your lawsuit?
22	Q. Are there any parcels in that area	1	A. Oh, the lawsuit? I don't know what
23	7	22 23	year. I thought it was more in the mid to late '90s.
	uial vou have conceins aboul!	1.5	MIN

1 Q. But my point is that certainly by—a the time of the lawsuit in the mid-90s or so, you were particularly concerned about protection of the watershed.  A. Yes.  Q. And you were aware of what you perceived during that time frame of the inadequacies of Pennichuck to protect the watershed; isn't that right?  A. That's correct.  Q. But in your role as an employee of the City of Nashua, you never spent work time with respect to watershed issues prior to the Philadelphia Suburban transaction appearing in the sewspaper, is that right?  A. Well, I spent actually quite a bit of time in assistance, but I was not the primary person with regard to the acquisition of Parcel M. Q. Chay. That was after August of 2001?  A. I realize that. But I don't know whether it was -however, actually, there was a second piece that we did definitely purchase when I was in this position.  Q. Well, you got hired in August of 2001?  A. I realize that. But I don't know whether it was -however, actually, there was a second piece that we did definitely purchase when I was in this position.  Q. Well, wou got hired in August of 2001?  A. I realize that. But I don't know whether it was -however, actually, there was a second piece that we did definitely purchase when I was in this position.  Q. Well, wou got hired in August of 2001?  A. I realize that. But I don't know whether it was -however, actually, there was a second piece that we did definitely purchase when I was in this position.  Q. Well, would say we closed on that piece in July of 2003.  A. I would say we closed on that piece in Q. When was this?  A. I would say we closed on that piece in A. Yesh.  Q. By then, the  A. Or '04. I'm not sure.  Q. When was this?  A. Yesh.  Q. After the Philadelphia Suburban matter 1 telling about the taking of Pennichuck Water Works. That is many capacity as a fall can tell your prior text the was headern and your proposal whether it was headern and your proposal whether it was headern and your proposal whether it was headern and your proposal whether i		Deposition of Ka	<u> </u>	
at the time of the lawsuit in the mid-90s or so, you were particularly concerned about protection of the watershed.  A. Yes. Q. And you were aware of what you perceived during that time frame of the inadequacies of Pennichuck to protect the watershed; isn't that right?  A. That's correct. Q. But in your role as an employee of the City of Nashua, you never spent work time with respect to watershed issues prior to the Philadelphia Suburban transaction appearing in the newspaper; is that right? A. Well, I spent actually quite a bit of time in assistance, but I was not the primary person with regard to the acquisition of Parcel M. Q. That's the parcel that the city eventually purchased?  Q. Okay. That was after August of 2001: A. I realize that. But I don't know whether it was when I was an alderman or whether it was – however, actually, there was a second piece that we did definitely purchase when I was in my current position, and that was the additional 100 acres adjacent to Parcel M, and that was with L-CHIP funds, as well. And that was definitely when I was in this position Q. When was this? A. I would say we closed on that piece in July of 2003.  Q. When was this? Q. Oky Paut the idea – and you perceived during that time frame of the inadequacies defeuration to the watershed; isn't that the original Parcel M acquisition – i would seem to me that that was before the Philadelphia suburban transal different proposal defeuration that was the additional for the watershed, and certainly the lawsuit; the introduction of the Water Supply Totection District Ordinance and any public comments, which there ar numerous of, that I made as an alderman and are clear indication; and then the work acquiring – the newspaper; is that right?  Q. Okay. But the idea – and you perceived the watershed, and certainly the lawsuit; the introduction of the Water Supply Protection District Ordinance and any public comments, which there ar numerous of, that I made as an alderman of withe dear indication; and then the work acquiring of which		Page 30		Page 32
3 you were particularly concerned about protection of 4 the watershed. 5 A. Yes. 6 Q. And you were aware of what you 2 perceived during that time frame of the inadequacies of Pennichuck to protect the watershed; isn't that 3 right? 10 A. That's correct. 11 Q. But in your role as an employee of the 2 City of Nashua, you never spent work time with 15 newspaper; is that right? 16 A. Well, I spent actually quite a bit of 16 time in assistance, but I was not the primary person 18 with regard to the acquisition of Parcel M. 19 Q. That's the parcel that the city 20 eventually purchased? 21 A. Yes. 22 Q. Okay. That was after August of 2001? 23 A. I don't know the dates.  Page 31  1 Q. Well, you got hired in August of 2001? 24 A. I realize that. But I don't know whether it was when I was an alderman or whether it was when I was an laderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was in my current position, and that was definitely when I was in this position.  Q. When was this?  A. I would asy we closed on that piece in I was in this position.  Q. When was this?  A. I would say we closed on that piece in I was in this position.  Q. By then, the	1		1	A. Uh-huh.
3 you were particularly concerned about protection of 4 the watershed. 5 A. Yes. 6 Q. And you were aware of what you 9 perceived during that time frame of the inadequacies of Pennichuck to protect the watershed; isn't that 9 right? 10 A. That's correct. 11 Q. But in your role as an employee of the 12 City of Nashua, you never spent work time with 15 newspaper; is that right? 16 A. Well, I spent actually quite a bit of 16 time in assistance, but I was not the primary person 18 with regard to the acquisition of Parcel M. 19 Q. That's the parcel that the city 9 eventually purchased? 17 A. Well, I spent actually quite a bit of 17 time in assistance, but I was not the primary person 18 with regard to the acquisition of Parcel M. 19 Q. Chay. That was after August of 2001? 18 A. Yes. 19 Q. Well, you got hired in August of 2001? 20 Q. Okay. That was after August of 2001? 21 A. I realize that. But I don't know whether it was when I was an alderman or whether it was when I was an alderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or whether it was when I was an adderman or division director or and irrelevant of what was going on with regard to Philadelphia Suburban proposal became public; isn't that right?  A. I realize that. But I don't know  9 Q. When was this?  10 Q. Well, you got hired in August of 2001.  11 The potential for somehow acquiring Pennichuck occurred after the Philadelphia Suburban proposal became public; isn't that right?  A. I would asy we closed on that piece in 19 Just don't know the dates. But I can tell you that I have condending of Pennichuck Water Work		at the time of the lawsuit in the mid-'90s or so,		Q. So I'm trying to
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	1	had come and gone?	18	
Q. Okay. When the do you recall	19	A. I guess if that's the way the dates	19	•
20 go. I don't 20 when that idea started coming to be?	1		20	` '
21 Q. I'll represent to you that 21 A. I do not recall exactly when that idea	i		21	
22 Philadelphia Suburban deal hit the streets in the 22 started to become to be, but it seems that it was in			22	
100 % 110 0000	23	first half of 2002.	23	the very beginning of discussions when Philadelphia

	Page 34		Page 36
1	Suburban initiated their or that became public.	1	me?
2	Q. I take it when it became public, you	2	MR. UPTON: That's correct. And
3	made you had in mind these various concerns	3	you're very close to that place.
4	that and issues that whether it be Parcel M or	4	Q. (BY MR. DONOVAN) Do you recall whe
5	Sanderson Farms that were concerns that would be	<b>5</b>	the idea for acquiring Pennichuck first came up?
6	issues that could be solved if Nashua controlled the	6	MR. UPTON: If you know, you can
7	watershed; is that correct?	7	answer that question.
8	MR. UPTON: You're slipping back into	8	THE WITNESS: I think I already
9	motivation. I really don't want to do this.	9	answered that question.
10	MR. DONOVAN: No, it's public	10	MR. UPTON: You don't need to answer
11	interest.	11	it again.
12	MR. UPTON: It has nothing to do with	12	Q. Are you a Pennichuck customer?
13	public interest. Why it's in the public interest	13	A. Yes.
14	for us to acquire that corporation? Articulate for	14	Q. How's your water service?
15	me why that question has anything to do with the	15	A. It's fine.
16	public interest.	16	Q. Do you have any complaints?
17	MR. DONOVAN: I think I've given her a	17	A. No.
18	pretty good hint from I'm not trying to give her	18	Q. What is the reason that it is in the
19	the answer, but	19	public interest for Nashua to acquire the Pennichuck
20	A. You're going to have to repeat the	20	Water Works' assets?
21	question now.	21	A. I believe that the goals of public
22	Q. (BY MR. DONOVAN) Let me rephrase it		ownership is the long-term viability, affordability,
23	After the Philadelphia Suburban story hit the	23	quality, et cetera, of drinking water, and that is
	Page 35		Page 37
1		-	
1	streets, who were the people who were involved with	1	the sole goal when it's publicly owned.
2	the initial discussions within city government with	2	Q. What do you mean by "viability"?
3	respect to how to handle it?	.3	A. Availability of
4	MR. DONOVAN: What has that got to do	4	Q. You said "availability"?
5	with what's in the public interest?	5	A. Availability. The water is an
6 7	MR. UPTON: Well, that's just a	6	important resource for community residents, for
	MR. DONOVAN: That is just a "who"	7	community businesses, for the community at large, so
8 9	question.	8	it's important for the viability of the community.
10	MR. UPTON: I understand that. But	9	Q. And what would be the risk to the
11	you're launching into areas that have absolutely	10	public interest if Nashua did not acquire those
12	nothing to do with whether or not this taking is in	11	assets with respect to the availability of water?
	the public interest. You're doing just what the	12	A. The risk is that decisions if it's
13	commission said it didn't want you to do. You're	13	privately owned, that decisions are made based
14	getting into areas that are interested	14	not only based that the decisions are made
15	interesting to you for reasons other than this	15	partially based on profitability.
16	proceeding. And, Tom, I'm going to stop her in just	16	Q. And how does profitability risk there
17	a minute. I'm telling you. This is way you're	17	being enough water to serve the citizens of Nashua?
18	doing this again. You're going way beyond where yo	<b>.</b>	A. We're talking about long term, is my
19	need to go.	19	issue, and sometimes decisions are made for
20	MR. DONOVAN: I take it what you're	20	short-term returns that aren't necessarily the best
21	telling me is that based on the commission's	21	long-term decisions.
22	guidelines, there are things that you're not going to let me inquire into. Is that what you're telling	22	Q. Do you know what the water studies with respect to the long-term water needs are for
$\gamma$			

CITY OF NASHUA PETITION FOR VALUATION Deposition of Katherine E. Hersh Page 38 Page 40 the City of Nashua in terms of growth over time? 1 because on a supply/demand curve analysis, public 2 No. 2 ownership makes sure there will be plenty of water 3 But you just have a general concern 3 is that right? that there might not be enough water 50 years down 4 4 A. That's correct. the road to service the citizens of Nashua? 5 Q. I think you had a third ability that I 6 That's correct. Α. 6 forgot to write down in addition to availability and 7 You mentioned affordability. And I'm 7 affordability. What was that third one? All right. not trying to demean your ample skills, but I take 8 Maybe I misheard it. Those are the two prongs that 9 it the economics is not a subject matter of which 9 are why you feel it's in the public interest for you're an expert? 10 10 Nashua to own its water system? 11 You need to rephrase the question. 11 Yes. A. 12 Why is affordability better with 12 Q. Is that right? 13 public ownership? 13 That's what I think, yes. I might A. I didn't say it was better -- well, my 14 14 have added a third that I don't remember either. 15 concern is with public ownership, that the goals --15 And in terms of Pennichuck's efforts the goals of the public entity are to make sure that 16 16 in the availability front, your concern is that 17 water is available for the long term and it's 17 private ownership tends not to look out for longreasonably priced. 18 18 term interests of their customers, that the focus And what is it about private ownership 19 tends to be more on the short-term; is that right? 20 that means it would not be reasonably priced? 20 I'm not saying that for all private

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- 21 If you do not have -- it's a utility.
- 22 I mean, you don't have another source of water.
- 23 Unless we have another source of water, then we are 23

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outlook? 2 I feel they have not taken -- they 3 have not necessarily done a good job in making sure

observed from Pennichuck.

4 that the long-term is protected.

5 And that's based upon watershed Q. 6 protection issues; is that right? 7 That's based also upon comments from,

for example, Moe Arel saying that all we need to do is lower Lake Winnipesaukee by three inches, and 10 we'll have all of the water we need in the Merrimack River for Nashua for years to come. That, to me, is 11

endeavors at all; I'm saying that is what I have

You feel they have a short-term

Page 41

12 not a long-term watershed plan to assure the

13 protection of the drinking water supply. 14

That's also with respect to the decision to take 75 percent -- or the need to take 75 percent of the drinking water out of the

17 Merrimack River in the summertime, and the ability 18

to increase the amount of water that -- as 19

communities continue to grow and demand continues to 20

grow. And the ability to increase the amount of 21 water that they can take out of the Merrimack River

22 is solely dependent on a vote by the state

23 legislature. To me, that's not good long-term

Page 39

limited by what the prices are that we're charged; 2 by what the PUC would approve.

Q. That's the case with Pennichuck?

Α. That's correct.

3

4

7

22

23

5 Q. If Nashua were to control the water, 6 the PUC would not be in charge; is that right?

That's correct.

8 So how is that an improvement in terms Q. 9 of affordability?

10 I believe that there are long-term decisions that may be different than a public entity 11 12 would make and a private entity would make that

13 would meet those goals.

14 Okay. I'm trying to get back to affordability now. I'm not talking about 15 16 availability, I'm talking about the affordability --

17 Well, availability and affordability are directly related. It's a supply and demand. If 18 19 the supply is not there, and the demand is still 20 there, then it's going to be more expensive to be

21 able to get that resource.

> So that's why you think it's more -it will be more affordable with public ownership, is

	Page 42		Page 44
1	planning.	1	third of which they could operate but would require,
2	Q. So the 75 percent of the water that	2	I think, approval from the state legislature.
3	Pennichuck uses in the summertime is taken from the		Q. And how do you know that?
4	Merrimack River?	4	A. I don't know how I know that.
5	A. That's what I understand, yes.	5	
. 6	Q. And what's the basis for that	6	Q. And with respect to Pennichuck's
7	understanding?	7	inadequacies on the affordability front, I take it
8	A. The basis for that understanding is		from your prior testimony, because it has not
9	the Rizzo report and the Rizzo report. And that	8	adequately protected its supply, that means that in
10	is what I have always I may have also heard that	9	the future the demand may outstrip the supply. Is
11	from Pennichuck. I'm not sure.	10	that what you're saying?
12	Q. And what was the context in which	11	A. That is correct. And also, the cost
13		12	of maintaining the system. My understanding is tha
	Mr. Moe Arel made the comment about lowering Lak	•	the cost of maintaining the system also can increase
14 15	Winnipesaukee by three inches?	14	when the for example, the cost of treating water.
16	A. I don't recall the circumstances that	15	It is more expensive to treat water that if it
16 17	he said that.	16	requires more treatment than if it's cleaner when it
	Q. Okay. He said that to you?	17	gets into the treatment plant.
18	A. Yes. I have not been able to find	18	Q. Are you aware of any other drivers for
19	that. I have looked for that quote. I have not	19	increasing treatment costs beyond whether the input
20	been able to find that in any public documents in	20	water is clean?
21	the City of Nashua.	21	A. The other drivers for, I'm sorry,
22	Q. Did he say that while he was the mayor	22	treatment costs?
23	of Nashua or while he was president of Pennichuck?	23	Q. Yes.
	Page 43		Page 45
1	A. While he was president of Pennichuck.	1	A. Federal laws.
2	Q. And I take it you've spent some time	2	Q. Do you know whether there have been
3	looking for that?	3	any changes to federal laws
4	A. I have looked for it.	4	A. I don't know. I don't recall.
5	Q. And as I understand it, you're saying	5	Q. Right. Are you familiar with Clean
6	that one of your concerns from a public interest	6	Drinking Water Act standards?
7	standpoint is that Nashua's strike that.	7	A. With the standards themselves? No.
8	One of your concerns from a public	8	Q. Yes. And do you know whether they've
9	interest statement strike that.	9	changed over time?
10	One of your concerns from a public	10	A. My understanding is that they've
11	interest standpoint is that Pennichuck's taking of	11	changed over time, but I can't tell you when or how.
12	water from the Merrimack River is dependent upon the	ŧ	Q. And do you have any understanding how
13	whim of the New Hampshire legislature; is that	13	the changes over time have may require additional
14	right?	14	costs with respect to the treatment of water that is
15	A. That is correct.	15	delivered to customers?
16	Q. And what's your basis for your	16	A. My understanding is that that is the
17	understanding of that?	17	case. Hearsay.
18	A. They have approval for they have	18	•
19	three pumps my understanding I'd have to go	19	Q. Not just in Nashua but around the
20		1	country?
21	back and look up all the details of it O. Sure.	20	A. Hearsay. Right.
22		21	Q. Is there any employee of the City of
	A but my understanding of it is they	22	Nashua who would be an expert on the Clean Drinki
23	have three pumps, two of which they operate, and a	23	Water Act that I could ask that question of?

1 2 3 m	Page 46  A. I would I do not know for a fact.		Page 48
2	A I would I do not know for a fact		
		1	sediment actually, it's in the Watershed
3 m	Q. Okay. So no one immediately comes to	2	Management Plan there's been an increase in
	ind who has expertise in the Clean Drinking Water	. 3	sediment and a decrease in volume in the ponds.
4 A	ct?	4	Q. Which report is that?
5	A. I would expect that the wastewater	5	A. The watershed if I'm correct, the
	eatment plant is very knowledgeable in the Clean	6	Watershed Management Plan from Pennichuck.
7 W	ater Act.	7	Q. Okay. I can understand your statement
8	Q. The Clean Drinking Water Act?	8	that development within the watershed could create
9	A. Possibly.	9	more sediment or other impurities leaching into the
10	Q. And does that person participate in	10	ponds. What I'm having a harder time understanding
11 th	e any of the internal working group discussions	11	is how that would cause less volume of water
	ith respect to Pennichuck's acquisition?	12	arriving in the ponds.
13	A. I don't know that there is a	13	A. Because there's less there's a
_	articular person. I don't know.	14	certain amount of water that a pond holds. And when
15	Q. And you don't know that one way or the	15	you keep filling up the bottom, there's less amount
	ther because that person has not been involved with	16	of water for the pond to hold.
	e Pennichuck acquisition team; is that right?	17	Q. And that gets to the dredging issue?
18	MR. UPTON: She doesn't know it	18	A. Correct.
	ecause she's guessing, like I told her not to.	19	Q. Are you in favor of dredging?
20	THE WITNESS: Right. Exactly.	20	A. I don't have an opinion.
21	Q. But if I guess my point is: If	21	Q. Okay. Do you know whether
	omeone who had attended one of your meetings had	122	environmental regulations that are out there create
23 <b>e</b> x	spressed knowledge or expertise with respect to	23	considerable obstacles to dredging?
	Page 47		Page 49
1 C	lean Drinking Water Act matters, you'd know that,	1	A. Dredging requires a lot of permitting.
3	orrect?	2	Q. Because dredging itself raises
3	A. Yes.	3	environmental concerns; isn't that right?
4	Q. And no one has cropped up from any of	4	A. That is correct.
5 <b>y</b> c	our internal working group meetings yet who has	5	Q. Are you suggesting that had Nashua
	at expertise, correct?	6	been rather, had Pennichuck been a better
7	A. Correct.	7	steward, that Pennichuck would not need to acquire
8	(Discussion off the record.)	8	water from the Merrimack River?
9	Q. (BY MR. DONOVAN) Let me go back an	19	A. No, I'm not.
	sk a couple of questions about the watershed. Is	10	Q. You agree that that's a necessary
11 yc	our concern about Pennichuck's lack of stewardship	11	source of water for Nashua?
12 ov	ver the watershed that the volume of water will	12	A. No. I just don't know whether or not
13 de	ecrease, or the quality of the water will decrease,	13	it's a necessary source.
l	r both?	14	Q. You don't know one way or the other?
15	A. Both.	15	A. That's correct.
16	Q. How have Pennichuck's actions	16	Q. The Pennichuck watershed serves as a
17 de	ecreased the volume of water in the watershed that	17	water supply for not just the City of Nashua; isn't
18 w	ould end up in any of the Pennichuck ponds?	18	that right?
19	A. Any development in the watershed, or	19	A. That is correct.
20 pr	roximate to the ponds, adds has the potential of	20	Q. Who else takes water from that
21 ad	dding total suspended solids in the ponds. It's	21	watershed?
•		00	
	een clear, and I it's probably in the Rizzo	22	A. Hollis takes water from that

f	P. 50	1	
	Page 50		Page 52
1	From the Pennichuck watershed?	1	Nashua Conservation Commission and Planning Board
2	Q. Yes.	2	meeting minutes; is that right?
3	A. Hollis, Amherst, Merrimack, at a	3	A. That is correct.
4	minimum.	4	Q. And did you go back to research all of
5	Q. Did you say a fourth there? I	5	those?
6	didn't	6	A. I recollect that I did.
7	A. No, I said at a minimum.	7	Q. Do you remember when you prepared
8	Q. So Hollis, Amherst	8	this?
9 10	A. Merrimack. Q and Merrimack?	9	A. I prepared it probably well, I'm
11		10	not allowed to guess. I don't know exactly.
12	And if there's constraints on the	11	MR. UPTON: You can guess on that one.
13	resource in the future, how will the how would	12	THE WITNESS: Can I guess on this one?
14	one allocate, as among those communities, who woul get water from the Pennichuck watershed?		Thank you.
15	A. I don't know.	14 15	MR. UPTON: I'll let you guess on this
16	Q. Okay. Is that a concern of yours?	16	one.
17	A. Yes.	17	A. I probably prepared it within the last
18	Q. And using your Nashua community	18	year.
19	development hat, you'd want Nashua and their	19	Q. If you'd look on the last page of Exhibit 27
20	interests to predominate there; isn't that right?	20	A. Yes.
21	A. No, that's not necessarily correct.	21	
22	Q. You don't have a view on that one way	22	<ul><li>Q there's something in italics?</li><li>A. Yes.</li></ul>
23	or another?	23	Q. And it starts off, "Skip"; is that
2	Page 51		
1	•		Page 53
1	A. No, I think that would need to be	1	right?
2 3	no, I don't. I don't know.	2	A. Yes. That's correct.
4	(Hersh Exhibit No. 27, typewritten	3	Q. That's Mr
5	notes, received and marked for identification.)	4	A. Mr. Sansoucy.
6	Q. (BY MR. DONOVAN) Let me show you what's been marked as Exhibit 27. Do your ways		Q. So does that mean that you prepared
7	what's been marked as Exhibit 27. Do you recogniz this document?	ęь	this for Mr. Sancoucy's use?
1		1 7	this for Mr. Sansoucy's use?
ı X		7	A. Yes, I did.
8 9	A. Yes, I do.	8	<ul><li>A. Yes, I did.</li><li>Q. And then you go on to say, "Don Ware</li></ul>
9	<ul><li>A. Yes, I do.</li><li>Q. And who prepared it?</li></ul>	8 9	<ul><li>A. Yes, I did.</li><li>Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the</li></ul>
9 10	<ul><li>A. Yes, I do.</li><li>Q. And who prepared it?</li><li>A. I did.</li></ul>	8 9 10	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was
9 10 11	<ul><li>A. Yes, I do.</li><li>Q. And who prepared it?</li><li>A. I did.</li><li>Q. And when did you prepare it?</li></ul>	8 9 10 11	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"?
9 10 11 12	<ul> <li>A. Yes, I do.</li> <li>Q. And who prepared it?</li> <li>A. I did.</li> <li>Q. And when did you prepare it?</li> <li>A. I don't know the exact date.</li> </ul>	8 9 10 11 12	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct.
9 10 11 12 13	<ul> <li>A. Yes, I do.</li> <li>Q. And who prepared it?</li> <li>A. I did.</li> <li>Q. And when did you prepare it?</li> <li>A. I don't know the exact date.</li> <li>Q. What was the purpose for your</li> </ul>	8 9 10 11 12 13	<ul> <li>A. Yes, I did.</li> <li>Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission wa opposed to it"?</li> <li>A. That's correct.</li> <li>Q. "The commission has always claimed</li> </ul>
9 10 11 12	<ul> <li>A. Yes, I do.</li> <li>Q. And who prepared it?</li> <li>A. I did.</li> <li>Q. And when did you prepare it?</li> <li>A. I don't know the exact date.</li> <li>Q. What was the purpose for your preparing it?</li> </ul>	8 9 10 11 12 13 14	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed"
9 10 11 12 13 14	<ul> <li>A. Yes, I do.</li> <li>Q. And who prepared it?</li> <li>A. I did.</li> <li>Q. And when did you prepare it?</li> <li>A. I don't know the exact date.</li> <li>Q. What was the purpose for your preparing it?</li> <li>A. I was preparing it as background</li> </ul>	8 9 10 11 12 13 14 15	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed" A. Uh-huh.
9 10 11 12 13 14 15	<ul> <li>A. Yes, I do.</li> <li>Q. And who prepared it?</li> <li>A. I did.</li> <li>Q. And when did you prepare it?</li> <li>A. I don't know the exact date.</li> <li>Q. What was the purpose for your preparing it?</li> <li>A. I was preparing it as background information with regard to the PUC filing.</li> </ul>	8 9 10 11 12 13 14 15 16	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed" A. Uh-huh. Q. Is that a yes?
9 10 11 12 13 14 15 16	A. Yes, I do. Q. And who prepared it? A. I did. Q. And when did you prepare it? A. I don't know the exact date. Q. What was the purpose for your preparing it? A. I was preparing it as background information with regard to the PUC filing. Q. Which PUC filing?	8 9 10 11 12 13 14 15 16	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed" A. Uh-huh. Q. Is that a yes? A. Yes.
9 10 11 12 13 14 15 16	A. Yes, I do. Q. And who prepared it? A. I did. Q. And when did you prepare it? A. I don't know the exact date. Q. What was the purpose for your preparing it? A. I was preparing it as background information with regard to the PUC filing. Q. Which PUC filing? A. The current one. The eminent domain.	8 9 10 11 12 13 14 15 16 17	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission wa opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed" A. Uh-huh. Q. Is that a yes? A. Yes. Q. "I am still looking for quotes from
9 10 11 12 13 14 15 16 17	A. Yes, I do. Q. And who prepared it? A. I did. Q. And when did you prepare it? A. I don't know the exact date. Q. What was the purpose for your preparing it? A. I was preparing it as background information with regard to the PUC filing. Q. Which PUC filing? A. The current one. The eminent domain. Q. And this sets forth a number of your	8 9 10 11 12 13 14 15 16 17 18 19	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed" A. Uh-huh. Q. Is that a yes? A. Yes. Q. "I am still looking for quotes from Don Ware to this regard."
9 10 11 12 13 14 15 16 17 18	A. Yes, I do. Q. And who prepared it? A. I did. Q. And when did you prepare it? A. I don't know the exact date. Q. What was the purpose for your preparing it? A. I was preparing it as background information with regard to the PUC filing. Q. Which PUC filing? A. The current one. The eminent domain. Q. And this sets forth a number of your concerns about the Sanderson Farm property; is that	8 9 10 11 12 13 14 15 16 17 18 19 20	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed": A. Uh-huh. Q. Is that a yes? A. Yes. Q. "I am still looking for quotes from Don Ware to this regard." A. That's what it says.
9 10 11 12 13 14 15 16 17 18 19 20	A. Yes, I do. Q. And who prepared it? A. I did. Q. And when did you prepare it? A. I don't know the exact date. Q. What was the purpose for your preparing it? A. I was preparing it as background information with regard to the PUC filing. Q. Which PUC filing? A. The current one. The eminent domain. Q. And this sets forth a number of your	8 9 10 11 12 13 14 15 16 17 18 19 20 21	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed". A. Uh-huh. Q. Is that a yes? A. Yes. Q. "I am still looking for quotes from Don Ware to this regard." A. That's what it says. Q. And the reason you're looking for
9 10 11 12 13 14 15 16 17 18 19 20 21	A. Yes, I do. Q. And who prepared it? A. I did. Q. And when did you prepare it? A. I don't know the exact date. Q. What was the purpose for your preparing it? A. I was preparing it as background information with regard to the PUC filing. Q. Which PUC filing? A. The current one. The eminent domain. Q. And this sets forth a number of your concerns about the Sanderson Farm property; is that right?	8 9 10 11 12 13 14 15 16 17 18 19 20	A. Yes, I did. Q. And then you go on to say, "Don Ware has claimed that the reason they did not dredge the pond was because the conservation commission was opposed to it"? A. That's correct. Q. "The commission has always claimed that they had some concerns but were not opposed" A. Uh-huh. Q. Is that a yes? A. Yes. Q. "I am still looking for quotes from Don Ware to this regard." A. That's what it says.

1	A. That is correct.		Page 56
1 2		1	exhibit marked 29 and ask if this is an e-mail from
3	Q. When is the last time you spoke with Don Ware about this?	2	you to Mayor Streeter and others.
4		3	A. It looks like it is.
5	A. I do not recall that I spoke to Don Ware about this.	4	Q. Is it possible that this was sent from
6		5	another computer that you were using; perhaps a hom
7	Q. How do you know that Don Ware has made	ł	computer?
8	the claim that the reason they did not dredge the	7	A. Yes.
9	pond was because the conservation commission was opposed to it?	8	Q. And what you were doing was setting up
10		9	for the mayor a potential flowchart schedule for the
11	A. I do not recall exactly how I knew that.	10	upcoming PUC hearing process relating to the
12	Q. Who's Allan Fuller?	11	Philadelphia Suburban transaction; is that right?
13	A. Allan Fuller is a resident of Nashua	12	A. That is what it looks like I was
14	and chair of the Pennichuck Watershed Council.	13	doing.
15	Q. What is the Pennichuck Watershed	14	Q. And you were drafting a letter for the
16	Council?	15	mayor as part of that work?
17	A. The Pennichuck Watershed Council is an	16	A. Yes.
18	organization focused on an organization of people	17	Q. I take it the mayor was relying upon
19	who have concerns about the Pennichuck watershed.	18	your reference in this regard?
20	don't know their exact mission.	I19 20	MR. UPTON: You don't need to answer
21	Q. Are you a member of that?	l	that.
22	A. I do not attend their meetings. I may	21	Q. Did you create this document,
23	have signed at some point to say you know, signed	22	Exhibit 29, based upon your own efforts, or as an
		23	assignment?
	Page 55		Page 57
1	something.	1	MR. UPTON: You don't need to answer
2	Q. You and Mr. Fuller communicate with	2	that, either.
3	respect to Pennichuck Water Works matters?	3	MR. DONOVAN: And the basis for that
4	A. On and off.	4	is?
5	(Hersh Exhibit No. 28, e-mail to	5	MR. UPTON: It has nothing to do with
6	Ms. Hersh from Mr. Fuller dated 6/17/02, received	6	what's in the public interest; whether this
,	and marked for identification.)	7	acquisition is in the public interest. And I want
8	Q. (BY MR. DONOVAN) I'm going to show	8	to make sure I note my objection to both of these
9	you what's been marked as Exhibit 28, an e-mail from	1	exhibits, 28 and 29, as to relevance.
10	Allan Fuller to you and Mayor Streeter dated	10	Q. Is part of your job communicating with
11	June 17, 2002. Just from a date standpoint, does	11	other towns served by any of the Pennichuck
12	that help put in context the timing of the	12	companies with respect to water service?
13 14	Philadelphia Suburban announcement?	13	A. Yes.
i	A. Yes.	14	Q. And you've had a number of
15	Q. And he was sharing with you some	15	communications with those towns?
16	concerns about Philadelphia Suburban, and he was	16	A. Yes, I have.
17	sending it on to you and the mayor; is that right?	17	Q. Do you attend meetings of the Pen
18	A. From what I read.	18	strike that.
19	MR. DONOVAN: And I'll mark another	19	Do you attend meetings of the Southern
20	exhibit.	20	New Hampshire strike that.
21	(Hersh Exhibit No. 29, nested e-mails,	21	Do you attend meetings of the
22 23	received and marked for identification.)	22	Merrimack Valley Regional Water District?
43	Q. (BY MR. DONOVAN) I show you an	23	A. Yes, I do.

	Page 58		Page 60
1	Q. And that's part of your job?	1	responds strike that.
2	A. I have not been directed to attend	2	Your memo to Mr. Woodbury is offering
3	them, but I attend them.	3	the services of Nashua to Hollis with respect to
4	Q. And is there a particular contact you	4	district matters; is that right?
5	work with from the district?	5	A. That's correct.
6	A. I work with Karen White.	6	Q. And Mr. Woodbury e-mails back to you
7	Q. And Karen's day job's as town planner	7	saying, "I think that might be useful"; is that
8	in Bedford, but also has a liaison role for the	8	right?
9	district; is that right?	9	A. That's what the text says.
10	A. That is correct.	10	Q. And then the next message or rather
11	Q. And have you performed any services on	11	the next sentence mentions a concern about potential
12	behalf of the district?	12	liabilities that the town may have?
13	A. I attended a meeting in Hollis with	13	A. Uh-huh.
14	the board of selectmen, if that's what you're	14	Q. Is that correct?
15	referring to. Are you referring to that type of	15	A. That's what it says.
16	thing?	16	Q. Right. And you did receive that
17	Q. Yes. And what would be the reason	17	e-mail, didn't you?
18	or what would be the services you would offer?	18	A. Yes, I did.
19	A. If I am requested to meet with the	19	Q. Now I'm going to show you an exhibit
20	community or communicate with the community with	20	that was marked as Number 6, and this appears to b
21	regard to the regional water district, I have done		an e-mail from Mr. Sansoucy to you headed or
22	that.		entitled "Response to Hollis"; is that right?
23	(Hersh Exhibit No. 30, nested e-mails	23	A. That's what it says.
	Page 59		Page 61
1	between Ms. Hersh and Mr. Woodbury dated 5/5/04,	1	Q. And what's the date?
2	received and marked for identification.)	2	A. The date on this correspondence is
3	Q. (BY MR. DONOVAN) I show you what's	3	May 24, 2004.
4	been marked as Exhibit 30. As you know how e-mail	s 4	Q. So about three weeks or less after
5	work, the bottom message tends to be the earlier one	5	Exhibit 30?
6	and the top message tends to be the more recent one?	6	A. Three weeks after Exhibit 30; that's
7	A. That's correct.	7	correct.
8	Q. So if you look at the bottom message,	8	Q. And do you recall receiving this
9	this is one from you to whom?	9	e-mail?
10	A. To George Woodbury.	10	A. Not particularly.
11	Q. And who is he?	11	Q. Attached to it is a memo. You can
12	A. George Woodbury is from Hollis.	12	take a minute to look at it.
13	Q. Is he a selectman?	13	A. (Witness complies.)
1		ł	
14	A. He is not currently a selectman, and I	14	Q. Do you recognize that document?
15	do not know what his capacity is in Hollis.	15	A. Yes.
15 16	do not know what his capacity is in Hollis.  Q. Did he have some interest in the	15 16	<ul><li>A. Yes.</li><li>Q. And do you recall whether you provide</li></ul>
15 16 17	do not know what his capacity is in Hollis.  Q. Did he have some interest in the Pennichuck water situation?	15 16 17	A. Yes. Q. And do you recall whether you provide that to Mr. Woodbury?
15 16 17 18	do not know what his capacity is in Hollis.  Q. Did he have some interest in the Pennichuck water situation?  A. He was on the he was part of the	15 16 17 18	A. Yes. Q. And do you recall whether you provide that to Mr. Woodbury? A. I do not recall.
15 16 17 18 19	do not know what his capacity is in Hollis.  Q. Did he have some interest in the Pennichuck water situation?  A. He was on the he was part of the group of people that worked on the charter.	15 16 17 18 19	<ul> <li>A. Yes.</li> <li>Q. And do you recall whether you provide that to Mr. Woodbury?</li> <li>A. I do not recall.</li> <li>Q. And if you see in the second sentence</li> </ul>
15 16 17 18 19 20	do not know what his capacity is in Hollis.  Q. Did he have some interest in the Pennichuck water situation?  A. He was on the he was part of the group of people that worked on the charter.  Q. As it turns out, Hollis is not a	15 16 17 18 19 20	A. Yes. Q. And do you recall whether you provide that to Mr. Woodbury? A. I do not recall. Q. And if you see in the second sentence on that first page of the paragraph that reads,
15 16 17 18 19 20 21	do not know what his capacity is in Hollis.  Q. Did he have some interest in the Pennichuck water situation?  A. He was on the he was part of the group of people that worked on the charter.  Q. As it turns out, Hollis is not a member of the district; is that right?	15 16 17 18 19 20 21	A. Yes. Q. And do you recall whether you provide that to Mr. Woodbury? A. I do not recall. Q. And if you see in the second sentence on that first page of the paragraph that reads, "It is not certain at this time the district will
15 16 17 18 19 20	do not know what his capacity is in Hollis.  Q. Did he have some interest in the Pennichuck water situation?  A. He was on the he was part of the group of people that worked on the charter.  Q. As it turns out, Hollis is not a	15 16 17 18 19 20	A. Yes. Q. And do you recall whether you provide that to Mr. Woodbury? A. I do not recall. Q. And if you see in the second sentence on that first page of the paragraph that reads,

Summary Report -Comprehensive Review Pennichuck Water System Nashua, New Hampshire

Submitted to: City of Nashua

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# 4.0 Watershed Management

The 1996 Safe Drinking Water Act Amendment promotes "source protection" as a key component in protecting drinking water quality. Source protection is the first step in a multi-phased approach to protecting water quality and is accomplished through a watershed protection plan. Subsequent phases include treatment, disinfection and distribution system controls.

## 4.1 Watershed Management Plan

The Pennichuck Water Works Watershed Management Plan was published in August 1998. The management plan is summarized below:

#### 4.1.1 Watershed Characteristics

The Pennichuck watershed lies in five towns including Nashua, Merrimack, Amherst, Milford and Hollis. The watershed is divided into 10 subwatersheds as summarized in Table 4-1 and shown on Figure 4-1.

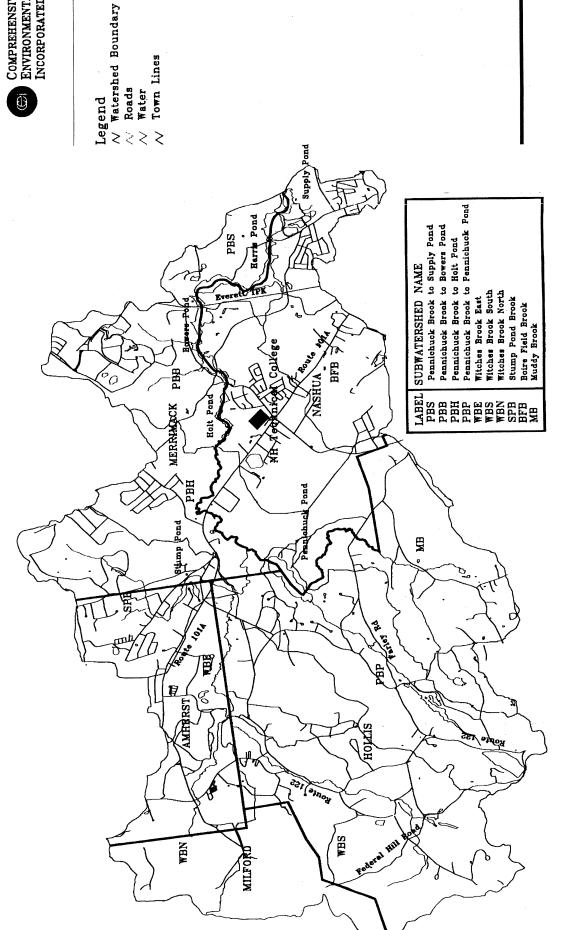
Table 4-1 Subwatershed Characteristics - Pennichuck Water Works Watershed

Subwatershed <sup>1</sup>	Land Area (acres)	Water Surface Area (acres)
PBS – Pennichuck Brook to Supply Pond	1285	140
PBB – Pennichuck Brook to Bowers Pond	2390	94
PBH – Pennichuck Brook to Holts's Pond	1508	0
PBP – Pennichuck Brook to Pennichuck Pond	1978	89
WBE – Witches Brook East	1365	0
WBS – Witches Brook South	3193	0
WBN – Witches Brook North	1425	0
SPB – Stump Pond Brook	1516	21
BFB – Boire Field Brook	1006	0
MBI – Muddy Brook	2317	7
Total Acreage	17,984	351

I See Figure 4-1 for Subwatershed Locations

Source: Pennichuck Water Works Watershed Management Plan, August 1998

COMPREHENSIVE ENVIRONMENTAL INCORPORATED



Watershed Map

900 1800

Approximate Scale

8970\_figures.cdr

The watershed drains to a series of ponds including Stump Pond, Pennichuck Pond, Holts's Pond, Bowers Pond, Harris Pond and Supply Pond. Table 4-2 below summarizes pond characteristics. These larger ponds and a number of smaller ponds make up approximately 351 acres of surface water in the watershed.

Water is taken from Harris Pond 12 months of the year and supplemented with water from Supply Pond for 6 months of the year. In addition, water from the Merrimack River is taken into Bowers Pond primarily during the summer months when pond levels are lowest and water demand is highest.

Table 4-2 Pond Characteristics

Drainage Area (acres)	Pond Surface Area (acres)	Pond Storage (MG)
1,516	21	Unknown
4,295	57	Unknown
14,171	23	Unknown
15,955	92	180 at full pond
17.199	78 at spillover	340 at spillover
17,598	16	Unknown
	(acres) 1,516 4,295 14,171 15,955 17,199	(acres)     Area (acres)       1,516     21       4,295     57       14,171     23       15,955     92       17,199     78 at spillover

Source: Pennichuck Water Works Watershed Management Plan, August 1998

# 4.1.2 Water Quality of the Watershed

Water quality monitoring was done at various times between 1991 and 1996 for bacteria and nutrients as reported in the Pennichuck Water Works Watershed Management Plan. Samples were taken at 13 locations including at four dams and in nine tributaries. Following is a summary of the water quality data:

**Fecal Coliform** Samples were collected for fecal coliform analysis from 10 locations in various ponds and brooks from 1991 through 1994 and from 12 locations in 1996. Table 4-3 presents a summary of the data. A threshold concentration of 200 colonies per 100 ml was used to evaluate the sampling data. Approximately 7% of the samples collected from the ponds and 20% collected in the brooks exceeded the threshold limit.

Table 4-3 Summary of Fecal Coliform Data 1991-1996

Table 4-3 Summary of Fecal Collid III Batta 1777		
Description	Ponds	Brooks
Number of Samples	449	409
Highest Concentrations, Colonies per 100 ml	540	4,600
Number of Samples Exceeding 200 colonies/100 ml	30	82
Percentage of Samples Exceeding 200 colonies/100 ml	7%	20%

Source: Pennichuck Water Works Watershed Management Plan, August 1998

**Phosphorus** Samples were collected for total phosphorus from 13 locations in various ponds and brooks during 1995 and 1996. A threshold value of 0.1 mg/l was used to evaluate the results from the sampling data. Table 4-4 presents a summary of the data. Approximately 28% of the samples collected from the ponds and 30% collected from the brooks exceeded the threshold limit.

Table 4-4 Summary of Total Phosphorus Data, 1995 and 1996

Description	Ponds	Brooks
Number of Samples	49	56
Highest Concentrations, mg/l	4.53	1.35
Number of Samples Exceeding 0.10 mg/l	14	17
Percentage of Samples Exceeding 0.10 mg/l	28%	30%

Source: Pennichuck Water Works Watershed Management Plan, August 1998

*Nitrate-Nitrogen* Samples were collected for nitrate nitrogen from 13 locations in various ponds and brooks during 1996. A threshold value of 10 mg/l was used to evaluate the results from the sampling data. Table 4-5 presents a summary of the data. None of the samples collected exceeded the threshold limit.

Table 4-5 Summary of Nitrate Nitrogen Data, 1996

Description	Ponds	Brooks
Number of Samples	18	21
Highest Concentrations, mg/l	0.52	0.74
Number of Samples Exceeding 10 mg/l	0	0
Percentage of Samples Exceeding 10 mg/l	0%	0%

Source: Pennichuck Water Works Watershed Management Plan, August 1998

#### 4.1.3 Pollution sources

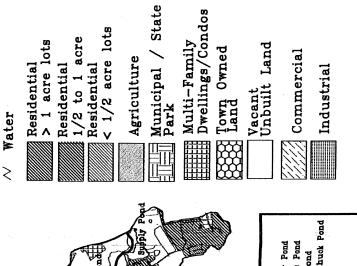
A number of land use activities in the watershed were identified in the management plan as potential sources of pollution. Figure 4-2 shows various land use activities that are potential sources of pollution to the water supply. These include:

Residential, >1 acre lots	Residential, ½ to 1 acre lots
Residential, < 1/2 acre lots	Agriculture
Municipal/State Park	Multi-Family Dwellings/Condos
Town Owned Land	Vacant Undeveloped Land
Commercial	Industrial

Land Use Map

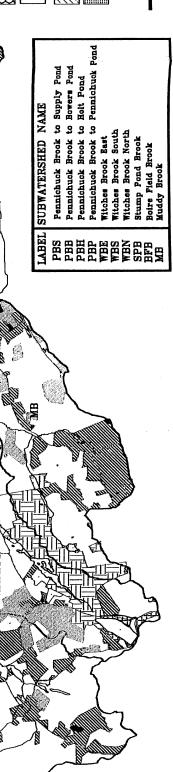
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Pond NASHU

MILFORD



Map based on data from NRPC.

# 4.2 Model Watershed Management Plans

The 1996 Safe Drinking Water Act Amendments established a nationwide commitment to safe drinking water based on watershed management and pollution prevention. The Amendments required that each State establish a watershed management plan which include the following steps:

Step 1	Organize a community planning team
Step 2	Delineate water supply watershed
Step 3	Inventory existing sources of pollutants and prioritize threats
Step 4	Prepare source protection plan
Step 5	Implement the plan and educate the public

After completing an inventory of the potential threats to the water supply, Best Management Practices (BMPs) can be implemented to prevent or control the threats. These BMPs can range from regulatory controls and public education to structural controls.

In order to assess the Pennichuck Watershed Management Plan it was compared to four other similar plans. These plans include:

- Lake Massabesic Watershed Management Plan Manchester Water Works, New Hampshire
- Little River Watershed Protection Plan Springfield Water and Sewer Commission, Massachusetts
- Wachusett Reservoir Watershed Protection Plan Massachusetts
   District Commission and Massachusetts Water Resources Authority
- Model Watershed Management Plan "Source Protection: A National Guidance Manual for Surface Water Supplies" by New England Interstate Water Pollution Control Commission

Table 4-6 on the following pages presents a summary of the comparative analysis of the Pennichuck Water Works Watershed Management Plan with that of the four plans listed above.

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Pennichuck Water Works Watershed Management Plan	Require post-development runoff equal predevelopment runoff Minimize partial lot impacts using Minimize partial lot impacts using mermable dividers, street buffer strips and modified landscaping Reduce transportation impacts of subdivisions by using narrow streets with grass swales. Use onsite infiltration whenever possible, including reclarge of roof leaders and other drainage structures to the drainage structures are minimize site disturbance Require grading plans, erosion control plans and inspect progress during plans and inspect progress during mainimize store in land inspect progress during plans and inspect progress during moistured always species for landscaping wherever possible and leave native vegetation in place as a buffer.	Determine sediment depths in each of the ponds and dredge as needed to provide sedimentation capacity	Buffer zone of 200 feet around tributaries to the ponds and 400 feet around the chain ponds	Work with Public Works Departments and the state Department of Transportation to avoid direct piping of runoff to streams Use infiltration technologies such as grassed swales and leaching catch basins Work with watershed Fire Departments to address spill issues Departments to compare spill issues bevelop a monitored demonstration roadway for comparison to an old style roadway
Source Protection: A National Guidance Manual for Surface Water Supplies NRIPC	ustries and residents assures such as waste lection; reduced bicide use; animal maintenance; use; of arruction activities dimentation control BMPs such as cent to waterbodies, yes, detention basins, wet s filtration of runoff filters, etc.	- Det	ave been recognized as highly recting critical areas around nicipalities or water supply own or acquire buffer areas to upplies transferring development rights or use of land are other methods of ershed land from development	Catch basin cleaning Controlled application of approved dust the suppressant materials avo Vegetated filter strips to reduce velocity and rover supersast infiltration of road runoff Proper road ditch management of Vegetated sweeping/road cleanup Proper management of road salt storage facilities - Dev Road salt application management road road salt application management road road road road salt application management road road salt application management road road road road road road road road
Wachusett Reservoir Watershed Protection Plan MDC and MWRA	tent practices for non new development for to 10 percent per lot mirols to reduce m water or drains ing authority under the frogram to include storm liling of hazardous		rom tributaries and of protected open ted, approximately autely 10% of open municipal agencies on of 10,500 acres and ownership to 25 k and shoreline from 18.1 percent to	of hazardous waste and langerous roads away from all controls for railroads oney emergency response IDC police to enforce ling transport of hazardous into with transporters to annual summary reports ortation activities all tues on roads storage supplies of salt
nded Protection Mer otection Plan J Sewer	usetts storm rrol booms for a spill into a water supply .	Monitoring suggests that runoff entering tributaries and reservoirs does not lead to a significant increase in bacterial or nutrient loading. Water quality of the reservoirs is monitored on a weekly basis	1 1 1	The Massachusetts Tumpike Authority has posted watershed limits and monitors traffic materials to less the reservoir.  - Evaluate structur - Pevelop interage plan and training plan and training plan and training cost and watershed materials and the secretivity and the submit of essertibing transports.  - Recourt transport and the reservoir in materials to be supplied to the submit of essertibing transports.  - Recourt transport and the reservoir in materials and the submit of esservibing transports.  - Recourt transport and the reservoir in the submit of esservibing transports.
t Plans – Exis		Monitoring suggests that run tributaries and reservoirs do- significant increase in bacter loading     Water quality of the reservoi on a weekly basis	sus	
Comparison of Watershed Managemen  Lake Massabesic Watershed  Management Plan  Manchester Water Works. NH	Storm water ordinance prohibiting industrial zones within critical areas     Plan reviews for storm water drainage systems		Outright or obtain conservation easements	Revised sand to salt ratios     Alternates to using sodium chloride     Snow removed from roads should be dumped outside of critical areas     Educate salt truck operators on optimum application rates and efficiency     Proper storage of road salt
Table 4-6 Comparative Criteria	Storm Water Management	Pond Eutrophication	Buffer Zones/Land Acquisition	Transportation Impacts

Comparative Criteria	Lake Massabesic Watershed Management Plan Manchester Water Works. NH	Little River Watershed Protection Plan Springfield Water and Sewer Commission, MA	Wachusett Reservoir Watershed Protection Plan MDC and MWRA	Source Protection: A National Guidance Manual for Surface Water Supplies NEIPCC	Pennichuck Water Works Watershed Management Plan
Agricultural Impacts	Only federal or state approved fertilizers and pesticides permitted in the watershed No fertilizer, except line or wood ash, shall be used on lawns or areas with grass on residential properties		Develop a model best management practice policy for use in local agricultural operations. Enforce existing VIDC regulations to prevent pollution from animal wastes. Evaluate and implement alternatives for eliminating water quality impacts of eliminating water quality impacts of eliminating water quality impacts of Eavlate impact of increased bacterial levels in the system. Support concept of new Massachusetts Department of food and Agriculture regulations protecting ground water supples from the use of herbicides and pesticides. Encourage the use of integrated pest management (PMA) program	- Erosion and sedimentation control measures such as conservation tillage, vegetated filter strips, cover crops, pasture management, and reduced irrigation Fertilizer management that includes calibration of application equipment, corp rotation, etc.  - Pesticide management that includes calibration of application equipment, possible substitute with a less toxic alternative, etc.  - Animal waste management that include impermeable floors for manure storage sheds, use of vegetative filter strips around animal facilities as a means of treating contaminated runoff	Provide education materials for agricultural landowners     Request buffer strips or zones from livestock concentrations     Purchase conservation easements where needed to protect from direct stream channel encroachment by livestock
Recreational Activities	Hiking, biking and fishing are allowed. However, kiosks setup at the recreation sites educate the public about protection of water.	Limited public and private recreation in the watershed Wo Trespassing" rule on the watershed land	Develop and implement a recreational     management plan that includes a permit     system and restricted access	Prohibit any use and access to finished water reservoirs and adjacent lands     Use limits on allowable contact with the feeding ributaries     Ratablishing prohibition zones where public access is not allowed.     Educate public about the objectives of watershed protection program, policies, regulations and enforcement to control activities that may threaten water quality.	
Individual Septic Systems	Watershed patrol's duties focus on performing sailary survey of the watershed including walking lot to lot and looking for any visual evidence or smell indicating a septic leak	- Information on the septic systems along the ributaries and to the reservoirs will be reviewed	Repair or replace failing systems in critical areas throughout the watershed or Conduct and implement a facilities plan to provide long-term sewage disposal solutions.  Ensure strict entforcement of Title V and local requirements  Develop and implement stronger Board of Health regulations (Model regulations)  Limit density of development through legislation or zoning hevelop as disposal sewage disposal "Maintenance and Proper Use Program"	Septic system maintenance ordinance to ensure that septic systems are inspected and pumped periodically to prevent malfunction     Septic system tracking program that requires registration of all systems and encourages routine inspections and pumping     Municipal septic system program     Homowower education concerning the proper care of a septic system.     Guidelines for installing new septic systems	
Public Education	- Kiosks setup at the recreation sites educate the public about ecology and lake use - Educational material on BMPs for lawn maintenance and gardening for home owners - Participate in national drinking water week to educate residents through public information displays, science fair, grade school poster contests and open tours of the WTP - Education by watershed patrolmen through personal contact	- Tours of the facilities especially for school children - Annual open house at the water treatment plant	- Promoting wise land use and development	- Community wide water knowledge surveys assessing homeowner watershed knowledge, attitudes, and practices - Signs along roadways and in residential areas to identify watershed - Distribute BMP guidelines for items such as urban runoff, protecting critical areas, household hazardous materials, lawn-care and gardening, septic tanks and water conservation - Provide speakers for community groups to discuss topics such as septic system maintenance - Distribute newsletters or water bill inserts - Comate local school districts for participation in watershed protection activities of participation in watershed protection activities - Set up a volunteer watershed monitoring - Program - Celebrations such as drinking water week or day and other watershed festivals	- Hold a technical transfer workshop for Conservation Commissions, Planning Board members, Public Works staff, site developers and engineers - Develop an educational questionnaire to gauge the level of understanding within the watershed communities both before and after the education program - Develop a school age public education program for watershed schools

A National Gu	Policies, regulations and enforcement to control activities in the watershed that may threaten water quality ce	the - Zoning ordinances to control type of - Conservation zoning development development development development and despirated buffer zones - Subdivision regulations - Subdivision regulations - Designated vegetated buffer zones - Performance-based or impact zoning - Local by-laws and ordinances to regulate - Env-Ws 1008.03 septic systems establishes requirements for control of pollutants or cooperative agreements with watershed regulations or develop cooperative agreements with watershed towns - Purchase of development rights towns - Moratorium on development tights - Moratorium on development to allow for more comprehensive planning - C
	olicies, regulations and enforcement to control civities in the watershed that may threaten vater quality	e Door
	Increase enforcement of existing local and state regulations regarding a recreation, trash disposal, trespassing, and other activities incompatible with the watershed management Train the Metropolitan and State Police staffs to address environmental crimes Evaluate the feasibility of barriers to deter access  Managing forests and wildlife  Cleaning up contaminated sites	Regulations regarding activity within the avaershed system titled "Sanitary Protection of Waters Used by the Metropolitan District Commission for the Water Supply of any Town or Water Company Under the Authority of M.G.L. c. 92, Section 108" (310 CMR Stablishment of Use Districts, Intensities and Zoning Maps under the Massachusetts Zoning Act (M.G.L. c. 940A)  Protection overlay districts Wetland protection district to supplement Commonwealth's Wetland Protection Act, M.G.L. c.131, Section 40  Floodplain protection district
Little River Watershed Protection Plan Springfield Water and Sewer Commission. MA	Program of logged inspections through regular tours by Watershed Team members for unauthorized activities, illegal dumping, encroachment, obstructions to stream flow, deteriorated and missing signs     A resident manager residing near the reservoir for security purposes     Evaluate a need for increases of manpower and vehicles for security to deter actions that might endanger the water supply     Help from State's Environmental Police Officers to perform random patrols     Supply** Place cards     Supply** Place cards	Zoning by-law with minimum lot sizes, frontage and set-backs and watershed protection districts Commission By-Laws (Protection of the Water System) 1. Section 3.800 Protection of Property 2. Section 3.810 Protection from Damage 3. Section 3.820 Violation Penalty Article 97 – Constitution of the Commonwealth of Massachusetts
Lake Massabesic Watershed Management Plan Manchester Water Works, NH	- Watershed patrols - Prohibition of swimming and wading - Prohibition of waste disposal within 200 feet of the lake	- New Hampshire Code of Administrative Rules by NHDES "Rules for the protection of the purity of the water and ice of Lake Massabesic or any pond, reservoir or stream tributary thereto"
Comparative Criteria	Watershed Protection	Regulatory Authority

## 4.2.1 Watershed Plan Implementation

Table 4-7 presents a comparison of the recommendations that have been implemented by Pennichuck Water Works and by the Massachusetts District Commission and Massachusetts Water Resources Authority relative to their respective Watershed Management Plans.

Table 4-7 Implementation of Watershed Management Plan

Protection Element	Wachusett Reservoir Watershed Protection Plan - MDC and MWRA	Pennichuck Water Works Watershed Management Plan
Storm Water Management	Division of Watershed Management has installed or implemented several BMPs to control stormwater including infiltration basin and sediment forebays	Study of Urban Non-Point Source Pollution, Pennichuck Brook to Bowers Pond Subwatershed was completed in
	An annual Wachusett Stormwater Project List is being developed that will include monitoring and modeling results and prioritizing the projects with an implementation schedule	Spring 2001. Studies for the Witches Brook East and North Subwatersheds were completed in Summer 2002
	Additional elements of the approach to stormwater includes encouragement of town-wide Stormwater Plans	
Buffer Zones/ Land Acquisition	The sum of MDC owned and other protected lands totals over 51% of the Wachusett Reservoir watershed lands and about 63% of the total watershed	Small quantities of land were acquired by outright purchase or easement
	MDC nearly owns 100% of the lands within 400 feet of the reservoirs and 200 feet from the tributaries	·
	Allocated \$8 million per year between 1998 and 2002 for land purchase	
Transportation Impacts	In 1998 the Transportation Release Controls Study was completed that evaluated the risks of runoff and accidental spills from roads and railways and included recommendations to reduce existing risks	Designed and constructed the Pennichuck Brook Urban Runoff Project that captures and provides treatment for 1/3 of the storm water
	The Hazardous Materials Emergency Response Study was completed that evaluated and made recommendations for improvements in the Emergency Response Plans of individual watershed communities	from 70 acre area along Rt. 101 A in Nashua
Pond Eutrophication & Agricultural Impacts	Division of Watershed Management is implementing agricultural BMPs at the high priority sites in the watershed in cooperation with the Department of Food and Agriculture	A study was completed to determine sediment depths in Pennichuck Ponds
Individual Septic Systems	Ensure strict enforcement of Title V and local requirements	
Public Education	MDC's Division of Watershed Management Rangers conducted 88 educational/interpretive programs in the watersheds with an estimated 4,360 participants since 1996	
Watershed Protection	Within 400 feet from the reservoirs and 200 feet from the tributaries no alterations are permitted	Developed regular inspection of problem areas along Pennichuck Brook
	Between 200 and 400 feet of the tributaries specific activities are prohibited and all development is scrutinized	and identified areas of concern to the property owners with recommended remedies
Regulatory Authority	Watershed Protection Act was passed in 1992 and has been fully implemented since 1995	
·	Maximized watershed protection by State and Local Regulations such as Title 5, Wetlands Protection Act and Storm water Policy	

## 4.2.2 Recommendations

Based on the information summarizes in Tables 4-6 and 4-7 the primary focus should be to implement the Pennichuck Water Works Watershed Management Plan. The recommendations provided in the Watershed Management Plan coincide with those presented in the other model plans and industry standards, yet many of the recommendations have not been implemented. Once implemented, the Pennichuck Water Works Watershed Management Plan should be modified to expand in the following areas:

- Storm Water Management Implement structural and educational measures and establish criteria that achieve qualitative limits of storm water discharging into the receiving waters; increase groundwater recharge; and increase storm water pretreatment
- Pond Eutrophication Implement educational measures and work with the Towns to develop and implement a model ordinance on fertilizer application
- **Buffer Zones/Land Acquisition** Develop capital plans that include land acquisition for conservation and providing buffer zones, acquiring conservation and developmental rights
- *Transportation Impacts* Develop a deicing policy and work with the State and Towns to implement the policy and include consideration of alternatives to sodium chloride
- Recreational Activities Develop and implement a recreational management plan that includes a permit system, restricts access and activities in critical areas of the watershed and employs an on-site watershed manager
- *Individual Septic Systems* Conduct sanitary surveys and develop remediation plans
- Watershed Protection Develop emergency response procedures, purchase necessary emergency response equipment and train police, fire, public health and hazardous material personnel; upgrade drainage structures to capture pollutants and spills prior to discharging to the receiving waters
- *System Security* Conduct a vulnerability analysis of the water supply, treatment and distribution systems

Table 4-8 summarizes the water quality benefits associated with implementation of the recommended measures stated above.

Table 4-8 Recommended Measures - Water Quality Benefits

Recommended Measure	Bacteria	Sodium	Nutrients	Solids	Toxics
Storm Water Management	X	The state of the s	X	X	****
Pond Eutrophication			×		
Buffer Zones/Land Acquisition	×	×	×	X	Х
Transportation Impacts		×		×	X
Recreational Activities	×		X	×	
Individual Septic Systems	×		X		
Watershed Protection					X
System Security					X

Implementation of the recommended measures presented above can be better performed by a publicly owned utility, which has greater regulatory authority and control over such items as land acquisition, recreational activities, individual septic systems, watershed protection and system security.

Table 4-9 Preliminary Costs - Recommended Measures Implementation

Recommended Measures	Initial Cost or	Total Cost Over 5 Years	
	Annual Cost		
Storm Water Management			
Storm Water Brochure	\$50,000	\$50,000	
<ul> <li>Structural Measures</li> </ul>	\$100,000	\$300,000	
Pond Eutrophication			
Model Ordinance	\$200,000	\$200,000	
Buffer Zones/Land Acquisition		,	
Purchase land	\$100,000	\$500,000	
Transportation Impacts		•	
<ul> <li>Develop Deicing Policy</li> </ul>	\$50,000	\$50,000	
<ul> <li>Alternatives to sodium chloride</li> </ul>	\$50,000	\$250,000	
Recreational Activities			
<ul> <li>Develop Recreational Management Plan</li> </ul>	\$50,000	\$50,000	
Employ Watershed Manage	\$50,000	\$250,000	
Individual Septic Systems			
Conduct Sanitary Surveys	\$25,000	\$125,000	
<ul> <li>Remediation of failing systems</li> </ul>	\$50,000	\$250,000	
Watershed Protection			
<ul> <li>Train police, fire, hazardous material personnel</li> </ul>	\$20,000	\$100,000	
Purchase of emergency response equipment	\$50,000	\$100,000	
System Security			
Vulnerability Analysis	\$100,000	\$100,000	
Total		\$ 2,325,000	
1 Viui		say \$ 2,400,000	

### City of Nashua

## Petition for Valuation Pursuant to RSA 38:9

#### DW 04-048

Nashua's Responses to Pennichuck Water Works, Inc. Data Requests – Set 5

Date Request Received: June 1, 2006

Date of Response: June 22, 2006

Request No. 5-119

Respondents: Allan Fuller, Ph.D.

Req. 5-119 Nashua's direct testimony concerning matters of public interest (including watershed issues) was filed on November 22, 2004. That testimony addressed watershed issues. Explain why your testimony was not filed until the reply phase. Describe the circumstances of how you came to provide testimony in this case, and attach copies of all communications

concerning that.

OBJECTION: Nashua objects to this Request on the grounds that:

a. The information requested is not necessary to evaluate or relevant to Nashua's Petition within the meaning of Puc 204.04(a) and is argumentative.

b. The Data Request seeks information that is protected from disclosure by attorney/client and other privileges as provided by law.

ANSWER:

I have been concerned with the development in the Pennichuck watershed since 1998. I made a point of educating myself on the issues, talking to professionals, environmental groups, read in detail the Sasaki Report, the CEI Reports, NHDES and EPA documents, attended workshops on water issues, etc. I have tried to educate myself and educate the citizens in the Nashua area on the importance of watershed protection.

I did not originally become involved in this PUC process because I just did not have time. The Pennichuck Brook Watershed Council was an intervenor through in the Philadelphia Suburban case (DW 02-126) in 2002 and I relied on the involvement of others in this proceeding to promote the interests of watershed protection.

I was surprised when the local papers said PUC Staff could not find anything to support that Pennichuck was a bad steward of the watershed. Some of my photographs of the watershed (that were included in my May 22, 2006 Reply Testimony) were seen on my website and I was asked to contribute. No direction or limitations was given. I am not a direct intervenor in this case.

I honestly wish that the PUC Staff had been a little bit more objective about the situation and would never become involved if I thought that the PUC Staff had fairly and objectively evaluated Pennichuck's role in failing to protect the future of the region's water supply. I disagreed with Staff's conclusion thought that I could provide a better perspective on what has taken place in the Pennichuck Brook Watershed.