

CITY OF NASHUA
Petition for Valuation Pursuant to RSA 38:9
DW 04-048

City of Nashua's Responses to Staff's Public Interest Data Requests -
Set 1 Round 1

Date Request Received: May 6, 2005

Date of Response: June 10, 2005

Request No. 1-7

Respondent: Brian A. McCarthy

Request: Does Nashua believe the District has the financial, managerial, and technical capability to own and operate a regional water system? If yes, please explain with sufficient specificity.

Response: Nashua believes that the District has or will have the financial, managerial and technical capability to own and operate a regional water system. The operating structure that the City is creating is intended to facilitate these capabilities.

Financial. We believe that the District will have the capability of issuing the requisite bonds to acquire assets from the City along with sufficient working capital to operate it. It will receive the assets with a rate structure that supports debt service and operating expenses. That structure will have been established when the compensation to Pennichuck is determined.

Managerial. The governance of the District is established by its Charter and we believe that the Charter and the governmental experience of the Directors will allow it to become an effective decision making body. In addition, the Charter provides for the employment of a Chief Operating Officer and senior staff. The actual engagement of these employees need not take place until close to the time of the conveyance of the assets from Nashua to the District.

Technical. The structure of the O & M and Oversight contracts being developed by Nashua and their transferability will provide the District with the technical and operational managerial skills needed to operate the system after acquisition.