

EXHIBIT 22

REPORT OF THE PENNICHUCK WATER SPECIAL COMMITTEE

MAY 8, 2006

A meeting of the Pennichuck Water Special Committee was held on Monday, May 8, 2006 at p.m. in the Aldermanic Chamber.

Alderman Richard LaRose presided

Members of the Committee present: Alderman Mark S. Cookson
Alderman-at-Large Fred S. Teeboom
Alderman-at-Large Brian S. McCarthy
Alderman Michael J. Tabacsko

Members not in Attendance:

Also in Attendance: George Sansoucy

Chairman LaRose

Alderman Tabacsko is on his way to Nashua from New Jersey. He expects to be here shortly. Obviously, it depends on what traffic is like.

DISCUSSION

City of Nashua Draft Water Ordinance

ON THE QUESTION

Chairman LaRose

What I plan on doing is going through section by section. If you have any questions or if Mr. Sansoucy wants to explain the section, he will do so.

Alderman Teeboom

Before we start (inaudible) Mr. Sansoucy before – tonight we are reviewing this ordinance? I'd like to get a little bit of background on what it is exactly what we are reviewing. I'd like to know the purpose of it is? What role it is supposed to play? And most of all, why are we reviewing a water ordinance when we don't own Pennichuck and not sure that we will ever own Pennichuck? So can somebody go into all of that please?

Chairman LaRose

The reason that we have this ordinance in front of us is that we want to keep the motion of buying Pennichuck forward. This ordinance is part of what we need to do if and when we purchase Pennichuck. So it is in order to do it at this point in time and its part of the series of things that we have to do to accomplish our end goal. The purpose this evening is to look at that ordinance only. It is not to give our preference if we should or should not purchase Pennichuck. It's not a debate

Chairman LaRose

That only makes a lot of sense to me.

Alderman Cookson

Is there a service level agreement with Veolia for a certain amount of time whether it be 4 days or 24 hours with this turnaround occur when a request is made?

George Sansoucy

If this is your ordinance, then this gets written into theirs and they have to perform to this standard. That's the purpose of this. This is what goes into the Veolia contract.

Alderman Cookson

This is the dialog that is taking place...

George Sansoucy

That's correct.

Alderman Cookson

So one of the points that I wanted to make, and I wrote it down here, it seems to me that as we have these working sessions, that we need to invite some key stakeholders into the conversation. I don't think it's just this committee that needs to be able to provide responses. So far we've identified at least 3 other individuals or entities. You made reference to Ruth several times. I think Ruth needs to be part of this conversation. Carol Anderson's been mentioned a couple of times. As we request that her division do more work, I think she needs to be part of that conversation. We've mentioned Veolia a couple of times. I don't know if it's appropriate or applicable for a representative of Veolia to participate in this now that we've got I believe a signed agreement with them. I'd like somebody from Veolia come and represent and participate in these conversations to better understand what the implications are for making decisions that would affect their contract? Then R.W. Beck we haven't mentioned at all, but I don't know if they should be.

George Sansoucy

Right. To answer your question on that, the answer is yes at some point in the process. At this point in the process, we're identifying areas. We're identifying what you believe; you're the Board of Aldermen, what you believe you want. ~~including you will in front and ideas~~ Then as you put meat on those bones, and like I was saying whether it's July or August that Veolia gets in the act, that's when they get in the act. Same with Beck because they're going to manage this ordinance. You're going to hand this to Beck. That's what you pay. You're paying them to manage the ordinance. Here's the laws and the rules of the road, you manage it. From time to time, they're going to say we need to change it. The elements are unmanageable for example.

George Sansoucy

Fred there's a perception in New Hampshire that we have unlimited water. The classic is as Moe Arel said we don't need to conserve because we'll just take 4 more inches off Lake Winnepesaukee. He was overhead saying that 10 – 15 years ago. It's going to be very controversial. This is going to be a controversial subject, but it is a very important subject going forward because all of your marginal water now comes from the Merrimack River. It takes electricity; it takes chemicals to clean it; it's dirtier than the stuff in Pennichuck Brook. That's why you have a new treatment plant. The objective of a regulated utility like Pennichuck is to sell more water, more volume, more dollars. The objective of municipal ownership is to conserve the resource because it's a resource that can't be wasted. There's going to come a time where there's going to be less water for everyone as the demands grow. It conserves energy. It conserves pumping. It conserves electricity. It conserves all sorts of things. In the future you'll hear me talk about even greenhouse offsets. That if we have legitimate conservation have we saved sufficient greenhouse gas offsets with which to sell those or use those elsewhere in the City for development. Those are coming. They're going to have a carbon tax in the United States. So when we save energy we're going to save money and we're going to gain development possibilities. There are ideas that you haven't even thought about. It's all not going to happen at once in this ordinance because it will be too radical.

Alderman Teeboom

So what are you going to do? Are you going to write up a sample simple conservation (inaudible)?

George Sansoucy

No. I'm going to prepare a white paper for you on different methods of conservation, different ideas, different things that have worked. Five to ten pages total for you to just begin to think about.

Alderman Teeboom

I'll tell you golf courses is the number one target. Golf courses consume enormous amounts of water, and golf courses in my opinion are the number one target. We know that a lot of people are very upset – well you cut their water on the golf course.

George Sansoucy

But we're sitting here today and we don't know if the golf course pumps water from ponds that it has and these sorts of things. We don't know that so we can't target somebody we don't know yet. The number one source is leaky water. Let's just start right there. The number one source is bagpipes, leaky water, and bad internal plumbing. The number two source all in all is going to be fixtures. Actual fixtures and new homes and stuff. So there are a lot of new areas that we can go at.

Chairman LaRose

I think that's something that we'll be discussion in full.