

THE STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

ORIGINAL
Case No. DW 13-171
PAGE 28
Panel 1

DW 13-171

IN RE EASTMAN SEWER COMPANY, INC

Sale of Assets and Liabilities to the VILLAGE DISTRICT OF EASTMAN

PRE-FILED TESTIMONY OF GERALDINE LOGAN
MEMBER OF EASTMAN COMMUNITY ASSOCIATION

NOW COMES, GERALDINE LOGAN, Member of the Eastman Community Association, and submits the following PRE-FILED TESTIMONY

1. Q. What is your name and relationship to the Eastman Community Association?
2. A. My name is Geraldine Logan and I am a 40 year owner/resident of Eastman during which time I have served on the Council and various committees. I am a member of the Village District of Eastman and while not a sewer user, the sewer piping passes across 100 feet of my property.
3. Q. What are your qualifications?
4. A. For the last 20 years I have run the business of Logan Consulting Services. I have been responsible for the accounting, taxes, scheduling and materials used in the business. Prior to that I was a tennis coach at a private high school, a school librarian and a teacher. I attended Vassar College and have a B.A. in French and Spanish from Regis College.
5. Q. Does the broad spectrum of Eastman Community support the transfer of assets of the Eastman Sewer Company to the Village District of Eastman?
6. A. No. All Eastman residents were not permitted to vote directly on the proposed sale (only registered VDE voters) nor were adequate informational sessions provided that would have perhaps allowed for proper due diligence on the part of members. Furthermore, the information that was presented was not accurate and not acknowledged to be so until after the vote.
7. Q. Do you believe that this transaction is in the public interest?
8. A. No. Eastman Community Association is organized as a 501 (c) 4 and as such must be operated only to promote social welfare to all members to be eligible for tax exemption.

Social welfare is defined as general welfare and the common good. The proposed transfer of ESC to VDE poses a risk to non-sewer users that they will be inequitably paying for a portion of the VDE operating expenses and other costs related to the sewer system and potentially some portion of the long overdue upgrading of the sewer capital infrastructure.

9. Q. How will sewer customers have input if this transaction is approved by the PUC and closed?
10. A. They will be a minority, outnumbered 3-1. So far they have had no direct input as a Sewer-User group. ECA decided not to permit the Sewer Users to have their own informational session or to allow a direct vote of the sewer users on the acquisition. Sewer ECA members do elect ECA Board members as do all ECA members but they do not elect Sewer Board members or ESC officers. These positions have been appointed by the ECA Board and will be appointed by the VDE commissioners if the acquisition goes forward. The appointed "Sewer Advisory Board" would have no direct accountability to the sewer users. This approach adds an unnecessary level of bureaucracy to the VDE which has no added value to the sewer users or to the water users. The ECA Council has no voting involvement in the ESC, nor has this proposal been reviewed in an open ECA Council Meeting. A prime reason for the filing for a separate Sewer District by members of the Eastman Sewer Coalition is for sewer users "only" to have a direct vote for sewer commissioners and to be able to directly vote for operating and capital costs.
11. Q. What are the benefits of consolidation within the Village District of Eastman?
12. A. There are none. The sewer users would lose the availability of a tax deduction for capital costs because they can not be taxed separately from the VDE. They would have no voting power for independent sewer commissioners. Furthermore, the sewer-users would be about 25% of the voting power of the VDE resulting in a loss of power to control their sewer costs. The ESC exists solely to serve Sewer Users, it provides no service to the community as a whole. The cost savings between having a separate Village District or becoming part of the VDE are the same.
13. Q. Do you believe that the ESC as managed by the ECA has followed proper maintenance procedures?

14. A. No—for example there was a Settlement Agreement on September 2, 2004 (DW 04-013 Staff Investigation into Over-earnings Order Approving Stipulation Agreement Order No. 24.368) which “calls for Eastman to begin, in 2004, a 10-year program of locating, inspecting and cleaning its sewer mains.” I am not aware of any record that this has been done. One of the sewer mains runs about a mile along the west side of Eastman Pond at a distance of about 20-50 feet from the shore. It is 42 years old and must be fully inspected and evaluated before any sale to make sure there is no danger to the lake. If this were not done, it would be a dis-service to not only the ECA community, but to the residents of the Towns of Grantham, Springfield and Enfield as well as to the residents of the State of NH as this is a State-owned lake.

Respectfully Submitted,

By: _____

Geraldine Logan