

“Why did the Streeter administration pay a consultant if they thought they knew more than the consultant? I think what they did was wrong.”

– Alderman-at-Large Steve Bolton, *Telegraph*, April 17, 2005 regarding budget figures a health insurance consultant submitted to the city of Nashua

“Literally six weeks later we discovered [budget numbers] weren't [correct when submitted in February]. That's not acceptable. We should have had a better handle on them.”

– Mayor Bernie Streeter, *Telegraph*, April 17, 2005

When you get down to it, it appears the consultants are the ones calling all the shots. With all of the time, effort and money being drained on the hostile takeover attempt of Pennichuck, you'd think the city would want to hold the reins. It's time to think twice about who's in charge.

The city has paid or committed an estimated \$1.2 million dollars for consultants over the past year for advice in the hostile takeover attempt. What guidance have they given?

- 1) They told Nashua leaders they could take over Pennichuck subsidiaries outside the city. The Public Utilities Commission (PUC) ruled that's not allowed.
- 2) They said the eminent domain battle would be over in June 2005. However, based on the schedule now in place in the PUC case, the earliest a decision will be issued is the end of 2006. If a PUC determination is appealed by any party, the final result will not be known for a good deal longer.
- 3) They told the city it could merely file a petition with the PUC, but the PUC said the city violated PUC rules and ordered the city to file testimony.
- 4) They said the city can just walk away in a few years with no damages or no costs. However, a superior court judge said that the damages already alleged by the company may be dwarfed by what the city is exposed to if the city decides to just walk away from the process.

- 5) They told the city it could simply raise taxes on Pennichuck's property to recover their costs but this approach is illegal under New Hampshire law.
- 6) They also told the city it could acquire Pennichuck for a mere \$82 million. Unfortunately, all taxpayers will have to pay the consultants for another couple of years to determine if they got this one right.

And it looks like there's more to come. The city of Nashua has issued a request for proposals (RFP) to get bids from consultants to take over operation and maintenance of the water system. Four days after they issued that, they issued another RFP for a consultant to oversee the consultant that they would hire to run the water system. Perhaps not surprisingly, one of the city's current consultants organized the meetings or ran the bidders' conference for all of the new consultant-wannabees. It sure seems that throughout the entire takeover effort, it's the consultants making the calls and making the money.

Go to www.smartwater.org today and tell the city enough is enough.



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