Exhibit #2

Phi Schaefer

1/9/13

INTRODUCTION

I have done a lot of research, as have you, on this issue. I'd first like to point out that you all distributed * a few words garbled on computer*.

MISLEADING INFORMATION FROM VDE/ECA

* Number of potential voters in a separate Sewer District: not 107 (see slide 10, p. 2). Actually that is the number of properties. The information is incorrect. There are 111 properties, but 180 voters, quite enough for a separate sewer district. So you minimized the actual number of voters so you could make the case there were not enough to have a separate sewer district. I would say that's a mistake on your part.

* The ECA claims preliminary support from the PUC and NH DRA. Both groups deny having given any support. PUC states that they cannot give an opinion until a Docket has been created, which has not happened. NH DRA in a letter from Barbara Robinson said that "I don't know of a taxing mechanism to separate and apportion sewer costs as taxes for an individual town within a multi-town village district," and "I don't believe the suggestions of creating a separate tax 'precinct' within VDE is allowable under current law." The VDE/ECA has misled us about NH agency support.

- Misleading claim that might induce a rushed decision: "New Department of Environmental Services Project" (see p 4, slide 24) "In 2011 the TSS limit for spray irrigation was lowered for all golf courses from >30mg/L to >10mg/L." In actual fact, and I have an email to prove it if anyone would like to see it, the TSS limits were eased from <5 mg./L to <10 mg./L. Both of those greaters should have been less than. In point of fact, during the final three months of this past golf season, there was only one single valid reading that exceeded 10 mg/L and the vast majority of readings were below the level of detection (<5 mg./L) Things are not as bad as the ECA would have you believe.

ALTERNATE SOLUTIONS

- More creative solutions to the pending problems can be considered. You could reduce the flow into the sewers by adopting methods of conservation. It is a fact that clothes

washing uses 23% of household water. With a low-water usage washer (new front loading type) water usage is reduced by 1/2 - 2/3 compared to older washers. That could save 11-16% of water consumption. Mary Lou and I bought one of these front loading washers 18 months ago and our water consumption has decreased by 9%. Why is that important? Only 15% of total sewer plant effluent is sprayed on the golf course. Just that one step, and it is far cheaper than what ECA/ECS has proposed, would practically eliminate the need to spray on the golf course, which is the problem in the first place.

- VDE steps out of the picture and returns to managing the water utility.
- Creation of a separate Sewer District, which solves all the complications with the DRA

WHAT HAPPENS IF WE PROCEED WITH THE PROPOSAL?

- The DRA might, as they have indicated, apply the taxable expenditures to ALL properties in the Village District. That would be a tax on non-sewer users to pay for part of the cost of operating the sewers.
- Or, the DRA may agree to tax sewer users differently for their own capital expenses, which would throw the majority of the taxes on homeowners. This would be grossly unfair because the sewer company was only created for the benefit of the condominiums.
- Claimed expense reduction might not ever materialize: the alleged $8100 real estate tax to Grantham would just be transferred to individual real estate taxes - no savings. CPA expenses $2600 may indeed be expended because the job of assuring that expenditures have been properly separated between the water and sewer expenses might require an increase the scope of the audit.
- Finally, all the voters in the VDE would control the budget and expenses of the sewer operations, with the non-sewer users outnumbering the sewer users by 4 or 5 to one. Quite simply this is a matter of taxation without representation.
- Which brings me to this question: From the minutes of the July 18, 2012 meeting of the VDE, when all three commissioners voted against further consideration of a merger with the sewer company, Commissioner Wood told District Manager Weber that he was right in thinking that the collaboration (between VDE and the sewer company) would not work because of the taxation issues, as there would be taxation without representation if the residents not on the sewer system were allowed to vote on sewer issues. Commissioner Wood, why do you now think that there is no conflict if residents who do not use the sewer system vote on sewer issues and budgets?