

Locke Lake Association

Subject: Pittsfield Aqueduct Company, Inc.
Temporary Rate Increase

DW 08-052

Testimony of Michael Ranaldi, President
Board of Directors

Q.) What is your name and position?

A.) My name is Michael Ranaldi. I am President on the Board of Directors from Locke Lake Association.

Q.) What is the purpose of your testimony?

A.) I will be providing details as to why we, not only Locke Lake, but also the entire North Country should not have to circum to a temporary rate hike of 179.64% increase.

Q.) Why don't you believe Pittsfield Aqueduct Company (PAC) deserves a 179.64% increase?

A.) I believe we should look at the statement by Ms. Bonalyn Hartley, May 2, 2008, Tab 9, pages 8 and 9. In her testimony to the cost of equity, the company has adopted the cost of equity used in Pennichuck Water Works last rate hike.

Q.) Why would this answer concern you?

A.) When you look at the documents PAC has provided us, it is perfectly clear there are two very distinct stories.

Q.) Would you please elaborate on what you mean?

A.) First, you have a (\$336,049) net income in 2007, according to Mr. Donald Ware. He also subscribes PAC having to invest in significant capital expenditures. In fact, PAC has done \$4.3 million in capital improvements according to testimony on May 2, 2008.

Q.) So if you know PAC did indeed incur the expenses why not 179.64% temporary rate?

A.) I believe the temporary rate hike should cover only the operational costs until all parties can come to agreement on the break down of capital expenditures.

Q.) Why do you feel it should be operational costs?

A.) Well, if you look at Pennichuck Water Works with water utility operations for 2006 at \$18,246,000 climbing to \$19,437,000 in 2007, you will see \$1,191,000 or 6% increase. PWW water revenues on the other hand, went from \$21,974,000 in 2006 to \$27,217,000

for an increase of \$5,243,000 or 23%. So you can see there is great flexibility in operational expenses and revenues.

Q.) So what about PAC's capital expenditures?

A.) We all know PAC expenditures is between \$4.3 million and \$5.0 million. I believe, we all know the history to receiving the funding for the costs they incurred. These set costs should be separate from operational costs and be spread out over a set period of time. I believe the set time should be 20 years at a fixed cost base for all customers. If this would be the case, \$5.0 million for 20 years with 2700 customers paying it would be approximately \$93.00 per year or \$8.00 per month.

Q.) Don't you think PAC should have earlier returns on their capital investments?

A.) No, I think the PUC and all the parties involved in these hearings remember, that PAC's net plant in North Country went from \$705,931.31 in March 24, 2006 to \$3,368,571.00 year ending 12/31/07. This is a increase of \$2,662,640.00 or 377% over a 21 month period.

Q.) You seem deeply concerned about the funding procedures pertaining to the capital expenditures and why would you spread capital over a 20 year period?

A.) I'm very concerned. According to Order # 24,739, April 13, 2007 petition for authority to issue long term debt, back in January of 2007 PAC filed for \$1.5 million for capital improvements for 20 years with the interest rate not to exceed 3.488%. The funding was for work to be done in North Country. In February, the request was revised to \$2.5 million. Now, in Order # 24,818, January 11, 2008 PAC filed a petition for authority to incur up to \$2.5 million on November 9, 2007 to pay short term debt. Now on March 3, 2008 Order # 24,827 PAC still wants to pay down short term debt. During this time PAC did borrow a number of different inter-company loans including a \$2.5 million loan, 10 years at 7%.

Q.) Can you be a little more elaborate in what you are trying to explain?

A.) Yes, PAC finally did receive their State Revolving Loan Fund. I call your attention to the Quarterly report ending September 30, 2007, Tab 10, Page 20, para. 3: Reads; On September 14, 2007, Pittsfield completed documentation for a \$1.8 million state revolving fund loan. Draw downs are to commence in late 2007 or early 2008. Now if you go to page 33, para. 2, line 5 of the same report you will see the following: In July and September 2007, we completed documentation for our sixth and seventh SRF loans, an aggregate \$2.5

million commitment to fund a portion of certain Pittsfield capital improvements. We anticipate commencing draw downs on the Pittsfield SRF loans in late 2007 or early 2008. This process actually started in 2006 according to request # OCA 1-33, (8/29/08) with Mr Donald Ware. PAC now plans to use these SRF loans for Locke Lake's loop and Birch Hill interconnection with NCWP, which may or may not be done in 2008 or 2009. So why did PAC go from paying for capital improvements to paying down debt back to paying for capital improvements. This is my reasoning for 20 years. Even though it is a long process in obtaining SRF loans, I believe the company opted other funding procedures.

Q.) Do you realize PAC did attempt to find other funding to help keep costs for ratepayers low?

A.) Yes, I call your attention to the Town of Barnstead Selectmen meetings. In the minutes on Tuesday, June 13, 2006, Mr Donald Ware requested the help of Board of Selectmen to obtain Community Block Grants for Locke Lake. Frank Sullivan made a motion to support Pennichuck with its endeavors to apply for Block Grants. This motion passed. Mr Ware told those in attendance the next step for them would be public hearing. Pennichuck would then hire rural community people to conduct an interview/survey. In August 2006, Pennichuck sent to Locke Lake customers a water system update. On page 3, customers were informed Rural Community Assistance Program will be conducting a income survey. a Mr. John Boisvert from Pennichuck Water attended August 15, 2006 Selectmen meeting. In the minutes he indicated Pennichuck still intends to pursue community block grants. RCAP finished their survey after collecting 37.72% response of 798 households for a total of 301 households.

Q.) You know about Order # 24,606 Approving Stipulation Agreement dated March 24, 2006?

A.) Yes.

Q.) Are you aware on page 5, #2 PAC agrees to track revenues, expenses, and capital investments separately? Also, that PAC may also consider separate tariff rates for one or more systems if undue subsidies are created?

A.) Yes, I wonder why PAC only tracked only two systems and not the four which was requested. Since PAC decided to chose two systems with two different rates, I would briefly like to address this issue. It appears PAC believes the Town of Pittsfield would be considered a system with undue subsidies. Than I call PUC's attention to Sunrise Estates where I could only find \$75,000 in improvements. I could be wrong on this assessment.

It has been since 1972, that I looked at records pertaining to accounting procedures. As for the Town of Pittsfield, according to the Stipulation Agreement on page 10 line 4 Pittsfield reduced it's management fees from \$216 to about \$116 per customer. There is also the Intercompany Loan PAC with the maturity date 6/1/08 listed in schedule 5. According to Request # OCA 1-26 the loan was paid off in June 2008. It is more reasonable to share in these capital expenditures as a whole system for you never know when one or another of the four systems may require major improvements.

Q.) So what are your expectations of the PUC?

A.) I hope the PUC's Commissioners consider raising temporary rates only in relation to the operation expenses and use the time to research and contemplate the final rates which will have a lasting effect in troubling economic times.

This ends my testimony, September 13,2008.

Locke Lake Association

Michael Ranaldi, President
Board of Directors

SELECTMEN'S OFFICE

Town of Barnstead
P.O. Box 11
Center Barnstead, NH 03225

Minutes

REGULAR MEETING
Tuesday, October 25th, 2005

Present: John O'Neil; Chairman, Frank Sullivan; Vice Chairman, Mike Akstin, Gordon Preston and Edward Tasker.

The meeting was called to order at 6:30 p.m. and the Board approved and signed the payroll, manifest, the minutes of 10/18/05, a raffle permit, a land use change tax, and a veteran's tax credit.

Chris Carazzo of Parks & Rec met with the Board at 6:45 p.m. Chris explained to the Board that they wanted to erect a building over the well next to the ice rink (12 x 14) to house the pump and other Parks & Rec equipment. Chris estimated the cost to be around \$500 and when Selectmen Sullivan asked if they had money in their budget for it, Chris replied that they did. Ed Tasker made a motion to allow Parks & Rec to build a structure over the existing well, provided they fill out the necessary and the fees would be waived. Frank Sullivan seconded the motion and it received a unanimous vote. Chris next explained that he had been doing work at the rink area with a loader and stated that he needs to put in a new type of culvert. After a brief discussion, it was determined that the culvert should be 8" in diameter and 20 feet long. Ed Tasker stated that the culvert area is not conservation land. Karen Montgomery asked if the Dept. of Environmental Services should be contacted and Chris said that the pipe did not drain into the river directly. It was agreed that Chris could purchase the pipe and the money will come out of the Parks & Rec account. Chris next asked about purchasing cameras to be added to the existing police department surveillance system that would cover the Parks & Rec area. He told the Board the price would be \$1,000 for two cameras installed. Gordon Preston asked if they worked at night and Chris replied that they did not. Frank Sullivan made a motion to allow the purchase and installation of two cameras to be added to the existing system at the police department to provide surveillance of the Parks & Rec area, with the money coming from the Town Hall & Other Bldgs. account. Mike Akstin seconded the motion and it received a unanimous vote. Chris informed the Selectmen that the snowblower they have is four years old and wearing down. He asked about getting a tractor type piece of equipment with a plow that would cost approximately \$4500 and the Board suggested that Parks & Rec submit a warrant article for next years budget. Chris asked if Parks & Rec could purchase another snowblower (he can get a 20 inch for about \$400) out of the Parks & Rec account. Chris explained that there are usually two people to clean off the rink and area and with only one snowblower, one person is just standing around. The Board approved the purchase from the Parks & Rec account.

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The Selectmen moved the meeting to the Town Hall where they were hosting an informational session for Pennichuck Water and Locke Lake residents. There were approximately 15 people in the audience and 3 representatives from the water company. Steven Densberger, President of Pennichuck Water Corp., gave a background of the company which has been in business for 135 years, starting in 1852. The company now has 55 water systems, 23 of those are towns in New Hampshire and in 1997 they purchased Pittsfield Aqueduct. Mr. Densberger explained that they make use of Community Block Grants to help them with repairing systems and that nothing about the Locke Lake water system scares them, except that it will take time. Mr. Densberger further explained that they would deal with the biggest problems in Locke Lake first and even though they will invest a lot of money, it is recovered long term. He added that the rates would probably be similar to Pittsfield's rates or the existing rates. Mike Akstin asked if they would tie Locke Lake into the Pittsfield system and the answer was that they would not, Pittsfield was too far away. Don Ware, Senior Vice President of Operations spoke about supply, usage and the distribution system itself. Don explained that both the Dept. of Environmental Services (DES) and the Public Utilities Commission (PUC) have encouraged them to get involved with the Locke Lake system, but they are just in the beginning process and the closing isn't scheduled until February, 2006. Don added that in the future, they will be able to tell the Planning Board if a new house in Locke Lake will tax the existing water system or not. The question was asked if Pennichuck had any plans of taking our water and selling it nationally. Don replied that it absolutely would not be sold, that the Town's water is going to stay here. He encouraged the audience to call the PUC and DES to check on Pennichuck Corp. adding that they (Pennichuck) are problem solvers. Pennichuck would install meters at every household to monitor flow etc. and Pennichuck would pay for the meters. Gordon Preston asked what would happen if Pennichuck decides they don't want the Locke Lake system and Don explained that the PUC is the ultimate receiver and they would have to take over if the current water company were to go under. Don added that the PUC would then call Pennichuck to get involved. Chairman O'Neil announced a five minute break.

At 8:15 p.m. Nick Rott asked where the service to Locke Lake would come from and Steve relied that it was a good question, that currently the Merrimack headquarters has 95 employees, but that service men are always in the Pittsfield plant. Steve added that he thought they would be opening an operations center in Pittsfield in the future. Steve also informed the group that there would be an "800" number for them to call, with operators on call 365 days a year, 7 days a week, 24 hours a day. Nick asked arsenic and radon levels and Don told him that the company has internal standards that are more stringent than the EPA's standards to treat those problems. Ed Tasker told the group that the Town had put off paving Varney Road for years because of water pipes running back and forth under the roadway, but they approved a section of it to be paved this fall. Don Ware told the Board to go ahead with their plans and if Pennichuck had to dig up the area later on, they would repave it. Don informed the Board that they would want a copy of our Capitol Improvement Plans so everyone could work in sync and that they look forward to

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working with the Highway Dept and Towns. Don mentioned that they would be sending out surveys to the Locke Lake area residents and asked that everyone take the time to fill them out. When asked about the eminent domain issue, Steve replied that it is way off, stating that it would be 2007 anyway before anything is done. Pennichuck representatives thanked the Board for giving them the opportunity to speak to the public and told the group that the first public hearing on the acquisition is scheduled for the week of December 5, 2005.

Frank Sullivan made a motion to allow the Chairman to sign the Devine, Millimet agreement, Mike Akstin seconded the motion and it received a unanimous vote.

Karen Montgomery informed the Board that she had contacted Rick Belanger (per their request) and asked for a proposal to demolish and remove the building on the old Rogers property (now owned by the Town).

The Board will ask for proposals to remove a pine tree from the river behind the police station. The tree has caused flooding issues with the property owner across the river. Chairman O'Neil will take a picture of the area.

The Selectmen will send a memo to Road Agent Eastman instructing him to pave a portion of Peachum Road but not to pave Oxbow Road.

It was determined that Ed Tasker will be the representative from Barnstead to participate in the formation of a regional public health network. Concord Hospital was awarded a contract from the state to form the network and the towns currently involved are Allenstown, Bow, Chichester, Concord, Dunbarton, Epson, Henniker, Hillsboro, Hopkinton, Loudon, Northwood, Pembroke and Pittsfield.

The Board reviewed a letter from Bruce Barton regarding his plans to expand his lumber business. The Selectmen will review the large building code to see if the proposed open structures fall under the same regulations.

The Selectmen approved a request for vacation time from Carol Locke.

The Board went into Non-Public Session under RSA 91-A: 3 II (c) at 9:30 p.m. on a motion by Gordon Preston seconded by Edward Tasker, with the following vote recorded: John O'Neil, yes; Frank Sullivan, yes; Mike Akstin, yes; Gordon Preston, yes and Edward Tasker, yes. The Board came out of Non-Public Session at 9:50 p.m. and unanimously voted to seal the minutes of that meeting.

The Board discussed legal issues and reviewed miscellaneous correspondence.

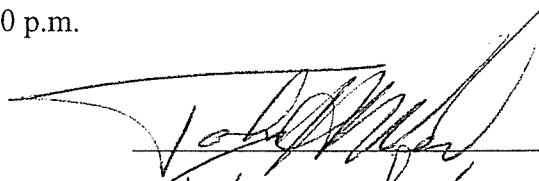
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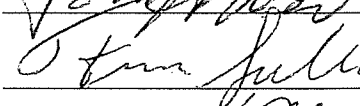
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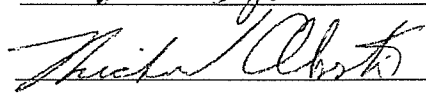
The meeting was adjourned at 10:30 p.m.

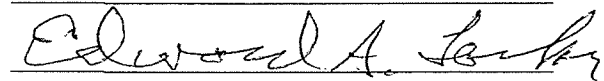
Respectfully submitted,

Karen Montgomery
Selectmen's Secretary










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SELECTMEN'S OFFICE

Town of Barnstead
P.O. Box 11
Center Barnstead, NH 03225

Minutes

REGULAR MEETING
Tuesday, January 24th, 2006

Present: Chairman John O'Neil, Frank Sullivan; Vice Chairman, Mike Akstin, Gordon Preston and Edward Tasker.

The meeting was called to order at 6:30 p.m. The Board approved and signed the payroll, manifest, the minutes of 1/17/06, and several abatement forms.

The Selectmen met with Judy & Jean Eastman, Supervisors of the Checklist. Judy explained the State-wide software (E-Harbor) that will enable the Supervisors to check each voter on-line to see if they've voted in another place. The Supervisors will have to have internet access and a computer. After a brief discussion, it was determined that a laptop would be the best choice. Karen Montgomery explained that the office will have internet connection by March 1, as the State is requiring this for the Town Clerk/Tax Collector's office and a line would be available in the Town Hall for them. The Board will raise the voter registration line after they contact Cybertron to get specifications for the laptop.

The Board next met with Pam Fecteau and Kerry Mucher of Local Government Center (LGC). Pam and Kerry explained the workers compensation package.

At 7:12 p.m. Gordon Preston made a motion to form a volunteer committee to be called the Barnstead Council on Economic Growth and to charge the committee with attracting, developing, shaping existing and new positive tax base businesses in Barnstead. The group will also expand our current website. The members of the committee are; Catherine & Michael Kowalski, Moe Feinberg, Dan Headley, Peer Kraft-Lund, Carol Tiede, Hazel Holmes, and Roger Hatch. Karen Montgomery explained that the committee may utilize the Town Hall as available for meetings, but all meetings must be posted in two public places, 24 hours before any meetings, they must keep minutes of the meetings, and all minutes should be sent to the Town Hall for filing. Karen will prepare the appointments and enclose the applicable Town policies. Gordon Preston added that Carol Tiede and Hazel Holmes had already been working on this type of project and so he felt they should be invited to join the committee. Catherine Kowalski mentioned that they were unable to do anything with the website at this point and were waiting for David Allen to contact them. A memo will be sent to David Allen.

The Selectmen will meet with Chief Borgia next week to discuss the extensive number of hours the police departments part-time office staff is putting in.

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Selectman Akstin will attend the LGC workshop on March 29, 2006.

After a brief discussion regarding a quote from NH Earth Mechanics, Ed Tasker made a motion add a warrant article to raise and appropriate \$100,000 to overlay 10,000 linear feet of Brindle Pond Road to a maximum width of 20 feet, with 6 inches of 1 and ½ crushed gravel. Gordon Preston seconded the motion and it received a unanimous vote.

Karen Montgomery informed the Board that the doorstep into the Town Hall still needed to be beveled to allow for handicap entrance on voting day. Brian White told the group that he could do the project. Ed Tasker made a motion to have Brian White meet with the Building Inspector and get a proposal for the repairs. Frank Sullivan seconded the motion and it received a unanimous vote.

It was determined that a portion of next week's meeting should be devoted to budget review of the proposed 2006 budget. After reviewing the materials provided by the Assessor, the Board determined they would create a supplement tax bill for the telephone utility companies.

At 8:02 p.m. the Board allowed Judy Chase to meet with them briefly before going forward with their 8:00 appointment. Ms. Chase informed the Board that she had concerns about Pennichuck Water alluding that the Board of Selectmen would support a community block grant. The Selectmen told her that they have never been formally asked about the grant and that they have not even met with Pennichuck officials.

The Board went into Non-Public Session under RSA 91-A: 3 II (a) at 8:14 p.m. on a motion by Ed Tasker seconded by Francis Sullivan, with the following vote recorded: John O'Neil, yes; Frank Sullivan, yes; Mike Akstin, yes; and Gordon Preston, yes and Edward Tasker, yes. The Board came out of Non-Public Session at 8:51 p.m. and unanimously voted to seal the minutes of that meeting.

Frank Sullivan made a motion to rescind the appointment of Michael Tebbetts to Road Agent on 12/20/05 because Mr. Tebbetts did not reside in Barnstead at that time. The motion was seconded by Mike Akstin and it received a unanimous vote. Frank Sullivan commented that Michael Tebbetts now resides in Barnstead and is a registered voter of the Town. Frank Sullivan made a motion to appoint Michael Tebbetts as road agent to fulfill the remainder of the term, effective immediately. The motion was seconded by Mike Akstin and received a unanimous vote.


The Board discussed legal issues and reviewed miscellaneous correspondence.

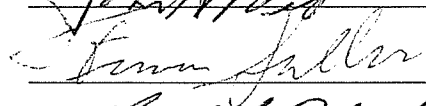
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The meeting was adjourned at 9:15 p.m.

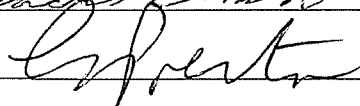
Respectfully submitted,

Karen Montgomery
Selectmen's Secretary









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SELECTMEN'S OFFICE

Town of Barnstead
P.O. Box 11
Center Barnstead, NH 03225

Minutes

REGULAR MEETING
Tuesday, June 13th, 2006

Present: Edward Tasker, Chairman, Gordon Preston, Vice Chairman, Mike Akstin, and Francis Sullivan. John O'Neil was unable to attend.

Vice Chairman Gordon Preston called the meeting to order at 6:00 p.m. The Dept. of Revenue Representative, Jamie Dow was present and Paul Landry, Budget Committee Chairman. Selectman Preston explained that the Board was still receiving invoices from the flooding events didn't know what the final total would be, but there was a possibility of overextending the bottom line. Ms. Dow explained to the Board that they should continue with their budget as they had planned and wait until the fall to really get a better picture of where they stood. Then, if it appeared that they would go over budget, then they would write a letter to Dept. of Revenue for an emergency expenditure, telling them the amount that would be over-expended and show where the revenue would be coming from (FEMA money). She went on to say that FEMA is granting 75% of the Town's costs and the State gives 12 ½ %, leaving the Town with 12 ½ % to come up with.

Karen Montgomery handed out the surplus balance sheet showing \$727,174 as the current surplus balance. After a lengthy discussion, the Board felt comfortable that they could spend some surplus money if needed. Selectman Preston asked Paul Landry if he had a preference in the matter if an over-expenditure were to occur and he stated that he did not (of course the other members of the Committee were not present). Ms. Dow reiterated the process of notifying the Dept. of Revenue saying that they must receive the letter from the Town by December 31, 2006, but encouraging the Board to send it sooner if they are aware that they might have to over-expend. Ms. Dow briefly went through the packet she had brought and handed out. Paul Landry wondered if the Selectmen should write a letter now about the over-expenditure and have the Budget Committee sign, but Selectman Sullivan told him that they still have plenty of money in the budget now. Ms. Dow agreed that the Board should wait until later in October to have a really true picture. Ms. Dow spoke about making the Selectmen "agents to expend" in some of the warrant articles, whereby if an emergency came up, money could be withdrawn without having to wait for Town Meeting. The group thanked Ms. Dow for her time and the Selectmen went back to their office to sign the payroll and manifest.

The Board approved and signed the payroll, manifest, minutes of 6/6/06, one intent to excavate form and two fireworks permits. Selectman Sullivan made a motion to have the Chairman sign the two fireworks permits on behalf of the Board. Gordon Preston seconded the motion and it received a 3-0 vote with the Chairman abstaining.

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Chairman Tasker mentioned that the gas mileage rate was 44 ½ cents per mile not 48 cents.

The Board went into Non-Public Session under RSA 91-A: 3 II (a) at 7:24 p.m. on a motion by Frank Sullivan seconded by Gordon Preston, with the following vote recorded: Chairman Tasker, abstained; Gordon Preston, yes; Mike Akstin, yes; and Frank Sullivan, yes. The Board came out of Non-Public Session at 7:40 p.m. and unanimously voted to seal the minutes of that meeting. The Board went back to the Town Hall to conduct the next portion of their meeting.

Chairman Tasker opened the meeting to public input. Brian White told the Board that the Town is working on 911 numbers for his mother-in-law structures and wondered why they were being fully taxed when they are not permanent structures. It was explained that all such structures in every town are taxed that way. Chairman Tasker also mentioned that Mr. White had built the structures before he had applied for in-law status.

Rick Simoneau told the Board that he lived in Barnstead was representing himself and his family and wanted to know what was going on with the Fire Dept. because he read an article in the Baysider that the department is unfunded and will not be able to continue after June 30, 2006. Chairman Tasker informed Mr. Simoneau that he shouldn't believe everything he reads in the paper and perhaps should not read the paper anymore. Tasker then said that members of this Board have issues with what the Baysider reporter has printed and cautioned the reporter that he needs to start printing what was actually said and not misquoting people. Tasker then told Simoneau that monies were appropriated for the Fire Dept. (as passed at Town Meeting) and the Selectmen have simply asked for invoices to be submitted for payment. Tasker added that the invoices have not been submitted but that the Board would pay them if they were submitted. Simoneau asked what could be done to get the relationship working again and Tasker replied that unfortunately Barnstead Fire Rescue Inc. was taking the Town to court on June 21, 2006 to determine if the contract is null and void. Tasker added that if the contract is null, then we will continue on with a municipal department and if it isn't, then it would continue as it had in the past. Simoneau asked what had changed and Tasker said that it was their attorney's legal opinion that the contract was illegal. Simoneau stated that attorneys can be hired to say what people want to hear but Chairman Tasker interrupted him, explaining that the Selectmen are obliged not to break the law and that when they are told not to enter into a contract they don't. Simoneau suggested the Selectmen look for another attorney who says the contracts okay and Tasker informed him that the Board was not going to spend anymore of the taxpayer's money by trying to find another attorney with a different opinion. Rick Simoneau mentioned that the Fire Marshall said that it was okay and Tasker said that it was an interesting comment that the Fire Marshall made, but that he wouldn't comment.

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Selectman Preston said that the Fire Marshall did not say he would certify them (the Inc.) as a private entity. Simoneau asked if the Inc. knew that it was because they weren't certified and Tasker said that they did. He added that there are no private entities that are certified in the State of New Hampshire. Simoneau then asked about the warrant articles that they voted on at town meeting to keep things the way they were with the Fire Dept. Tasker told him that the warrant article he (Simoneau) was speaking about the Selectmen were not in favor of, that it is illegal even though it passed and town meeting vote does not allow the Selectmen to break the law. Simoneau asked who was paying for all the fuel, telephone bills, electric bills etc. and Tasker said that he couldn't tell him who's paying because they (the Board) have not seen any invoices for payment. Simoneau then asked if the only solution was to go to court and Tasker replied that it was not, that all they had to do was submit invoices and they would be paid. Simoneau asked who he could speak with at the Fire Dept. to tell them this and Tasker said that he couldn't tell Simoneau who to talk to, but suggested perhaps the Chief or Nick Rott who was president of the Fire Rescue Inc. Tasker added that the Selectmen are being taken to court and that they wouldn't break the law one way or the other. Simoneau asked what happens if the court finds for the Town and Tasker said that the Town owns several pieces of equipment. Tasker also added that all employees are employees of the Town. Simoneau stated that when he spoke to one guy over at the Fire Rescue, that guy said that he didn't know if he was going to have a job come June 30, 2006. Chairman Tasker told Simoneau that that was ignorant and wondered why they would think they didn't have a job. Selectman Akstin asked why the guy didn't think he would get paid when their checks come from the Town. Simoneau responded that 1/2 the town didn't know what was going on. Tasker said that for an employee to say that is ignorance and that the Selectmen would not interrupt service or payment. Tasker added that they will become a truly municipal department.

Selectman Akstin told the group they had just met with the Fire Chief and that they were in the process of hiring four more part-time people. Simoneau commented that the Fire Rescue employees were concerned for their jobs and Akstin stated that they were being misled then. Chairman Tasker asked Simoneau if he thought the Selectmen would have come this and not communicated with the Fire Rescue Inc. Simoneau stated that he would hope they had and Tasker told him that the Selectmen and Inc. have had many meeting about this but know the Inc. is going forward with a judgment from the court. Tasker informed Mr. Simoneau that the meeting had to move on.

Chris Carazzo told the Board that last year Parks & Rec had tried to budget money for maintenance on the road to the Town Beach and wanted to know where the Selectmen stood on the issue. Chairman Tasker reminded Carazzo that the Conservation Committee are the keepers of that land and were given that authority by Town Meeting vote in 1968. Tasker added that the road improvements were up to the Conservation Committee to do. Jim Fougere, Conservation Committee Chairman said that the road definitely needs repair, but he was under the impression that the Selectmen were going to fix it. Carazzo

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Town Clerk

stated that the Chairman of the Board last year (John O'Neil) promised that the road would be fixed. Tasker further explained that initially a sum of money had been set aside for the Conservation Committee for the upkeep of that road and that the money had not all been used up. Tasker told the group that the Highway Dept. would not be fixing that roadway, that they had enough work to do on Town roads. Carazzo told the Board that he couldn't just put the Conservation Committee on such short notice to fix the road, as they were going to open the beach on June 28, 2006. Carazzo continued to debate the issue at which time Selectman Preston interrupted asking Carazzo whether he wanted it fixed or not. Carazzo then stated that he would just take care of the road himself and Tasker point blank told Carrazzo that he would not, that the Conservation Committee would do it. Selectman Sullivan said that he thought the Board did say they would provide a grading of the road and put down some gravel. Sullivan also stated that he thought this was two separate issues that were being debate and that the burden shouldn't just be put onto the Conservation Committee. Chairman Tasker reiterated that it was not a burden as the Conservation Committee was charged with that task from the beginning. Bill Evans stated that they put in a line item back then to make improvements to that roadway.

Chris Carazzo handed in three applications for beach attendants at the Town Beach off White Oak Road and mentioned that one other application had been sent to the Selectmen's Office. Carazzo explained that they wanted to hire four attendants this year to allow for extra coverage but would not have extra hours or any extra cost. The Selectmen will review the applications. Carazzo then showed the Board a rough plan of what the playground area (behind the police station) would look like with the playground equipment, as passed at Town Meeting.

Dan Headley informed the Board that the new proposed website was two months overdue and wondered where the Town was on the matter. Gordon Preston stated that he thought it was all done but would check it out and report back.

Chairman Tasker asked the Health Officer and Planning Board Chairman to report on their findings of the Whistlestop Café. Health Officer Tom Normandin informed the group that he inspected the grey water area and went over procedures with Mr. Milano. Tom said that he did not observe any bad odor or smell. Tom did suggest that they put some blocks underneath a certain area. Chairman Tasker asked if there was any noted public health risks and Tom said that there were not. Planning Board Chairman Dave Murley told the group that he went to the site after last weeks meeting and it was agreed that the motion lights would be redirected and extra signs removed. Murley felt that the table was probably okay to remain. The Milano's stated that the soda company came back and took the lights off the soda machines. Dave Murley stated that everything was now satisfactory. Mrs. Milano told the group that she had filed for an amendment to the site plan to include a refrigeration unit. Dave Murley mentioned that they had waived the fees for that but not the costs involved with the abutters list. Bill Evans told the Selectmen that he felt the Selectmen should respond with an answer or letter to the complainants.

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Chairman Tasker felt the complaints had been sent to the Planning Board and the Planning Board should be the ones to answer them. After a brief discussion Frank Sullivan made a motion to send a letter to the Planning Board documenting the Selectmen's discussion regarding the Milano's and the corrective action the Selectmen took. Mike Akstin seconded the motion and the vote was 3-0 with the Chairman abstaining.

At 8:12 p.m. the Board met with Don Ware of Pennichuck Water Company. Don explained that he wanted to have a discussion with them to see if the Town would have an interest in applying for a Community Block Grant for the Locke Lake Colony area to improve the existing water system. He added that Pennichuck could not apply as a private entity, that the Town would have to apply, but that Pennichuck would prepare all the paperwork and documents. Don explained that the procedure would start with a public hearing and if the Town approved it, Pennichuck would hire rural community people to conduct an interview/survey of the people and area. Chairman Tasker said that the Board would need to know exactly where in Locke Lake the grant would apply to and what the improvements were and that the Locke Lake Colony people needed to be informed. Mr. Ware explained that he had already met with them last week and had a game plan whereby they would apply for money from the Dept. of Environmental Services' revolving fund. He added that Pennichuck would be preparing a detailed statement that was due in July 2006, but the actual grant application will not be due until January 2007. Don told the Board that Pennichuck would be bringing in a valid plan otherwise he wouldn't expect them to go along with the grant. The Chairman had concerns over some of the Locke Lake roads and Mr. Ware assured him that any roads that were affected by this would be rebuilt and up to standards. Mr. Ware stated that he would get back to Board in about a month to schedule the public hearing and the Selectmen thought they may need to use the school if there were a lot of people attending. Mr. Ware told the group he would attend the annual Locke Lake meeting at the end of July to present a portfolio to them. He will also be sending letters to everyone in the Colony at that time. Selectman Akstin said that he would not support anything until he had a lot more information regarding the issue. Frank Sullivan made a motion that the Board support Pennichuck in its endeavors to apply for a Block Grant to improve the water system in Locke Lake Colony. Gordon Preston seconded the motion. Frank Sullivan asked Judy Chase for her opinion and she felt it would be a benefit to the Colony and that they should move forward. Selectman Preston mentioned that the Planning Board is including in the building permit process a system where people must contact Pennichuck to be sure that water will be supplied before building. Mr. Ware stated that he did not need a motion to move forward, he just needed to hear if the Town was interested and that he had heard enough discussion to know that Pennichuck would move forward with a good comfort level. Chairman Tasker asked that as Pennichuck moved forward to keep in mind that some of the members of the Board had concerns about this. The chairman called for a vote and it was 2-1 with Gordon Preston and Frank Sullivan voting yes, Mike Akstin voting no. The Chairman abstained.

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The Selectmen reviewed a request from the Library Trustees asking that a dead pine tree be removed from the entrance of the Library and Parks & Rec area. The Trustees further asked if all six of the trees could be removed. After a brief discussion, it was determined that four local loggers would be contacted to submit proposals for the removal and possibly reduce the cost where they would be getting the excess lumber.

Karen Montgomery informed the Board that Matt Primeau had contacted her again regarding the entrance of Old Route 28 at Proctor's Curve on the Barnstead Alton town line. Karen has contacted District 3 to see if they could expedite the request to look at the area and also gave them Mr. Primeau's name and address.

The Selectmen will review the percentage they approved in the past for Barn Preservation Easements.

The Road Agent attended a recent workshop regarding Geotextiles and the Board will discuss the use of such materials for Barnstead roads.

At 8:50 p.m. the Selectmen returned to their Office to conduct the remaining portion of the evening's business. Rick Simoneau returned at that time with more questions regarding the Barnstead Fire Rescue Inc. and handing a copy of the Inc.'s request for the first quarter appropriation. It was explained to Mr. Simoneau that the Inc. has been asked to submit invoices of actual expenditures for payments, not a piece of paper asking for a flat amount of money. The Board explained again the process by which each department head signs off on and submits an invoice for each expenditure, so the Town has a record and can see where their money is spent. Simoneau said he was told that the Fire Dept. shows how much money it spends each year in the budget. The Board told him that the Fire Chief simply tells the office manager what figures to put in at the end of the year and neither they (nor the Town) have seen any invoices to back up any of the expenditures. It was also explained again that the contract that allowed for the appropriation in the past is illegal and the Selectmen are bound not to break the law. Selectman Sullivan told Simoneau that he didn't even know who he (Simoneau) was. Simoneau explained that he has lived here in Barnstead, on Garland Road for eleven years and just wanted to see everyone work together for the good of the Town. A lengthy discussion ensued whereby Simoneau kept telling the Selectmen he just wanted to make it work between the Fire Dept. and the Selectmen and felt he (Simoneau) had to get the relationship going again. Chairman Tasker informed Mr. Simoneau that it was not his (Simoneau's) cross to bear, that the Selectmen have been meeting for over a year to work this out and now the Inc. was taking the Town to court. When Simoneau mentioned again about the employees at the Fire Rescue thinking they wouldn't have a job come July 1, Chairman Tasker again stated that he didn't know who dreamed up that idea, adding that the Town had enough equipment and employees to cover the needs of Barnstead and that they also had mutual aid. Simoneau then wondered where the equipment would be kept if the Town didn't own

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the buildings. Selectman Sullivan felt that the conversation should end, that the Board had answered all of Simoneau's questions, but they also had to protect the Town. Simoneau thanked the Board for listening to his concerns and urged them to let the employees know that they would not be out of a job come July 1.

The Board went into Non-Public Session under RSA 91-A: 3 II (a) at 9:25 p.m. on a motion by Frank Sullivan seconded by Mike Akstin, with the following vote recorded: Chairman Tasker, abstained; Gordon Preston, yes; Mike Akstin, yes; and Frank Sullivan, yes. The Board came out of Non-Public Session at 9:40 p.m. and unanimously voted to seal the minutes of that meeting.


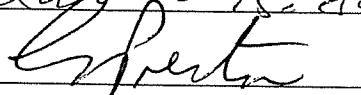

The Board discussed legal issues and reviewed miscellaneous correspondence.


The Selectmen asked that a letter be sent to the Road Agent for a list of all expenses to date from the flooding event, all the roads that were damages and how much has been spent on repairing them. The Board also wanted to know when Province Road would be reopened.

The meeting was adjourned at 10:00 p.m.

Respectfully submitted,

Karen Montgomery
Selectmen's Secretary

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SELECTMEN'S OFFICE

Town of Barnstead
P.O. Box 11
Center Barnstead, NH 03225

Minutes

REGULAR MEETING

Tuesday, August 15th, 2006

Present: Edward Tasker, Chairman, Gordon Preston, Vice Chairman, Mike Akstin, John O'Neil and Frank Sullivan. The meeting was called to order at 6:30 p.m.

The Board signed payroll, manifest, and 2 site plan reviews. There were questions regarding the minutes of August 8, 2006 and they were not signed.

The meeting was opened to public input at 6:56 p.m. Mrs. Milano showed the Board her renewal license for her restaurant. Percy Abbott was present from First Student Busing to discuss the parking of the buses on the Town's property (prior Roger's property). Mr. Abbott will draw up a lease (to be reviewed by the Town's attorney) and provide the Board with a Certificate of Insurance. Mr. Abbott will research the prior payments that were made to Mr. Rogers and he will meet with the Board on August 29, 2006 at 7:30 p.m.

At 7:08 p.m. the Board met with Felix Barlik and Victoria Carroll-Parkhill who are animal control officers for the Town of Gilmanton. The couple had spoken with Chief Borgia about providing services to Barnstead and Borgia, in turn referred them to the Selectmen. Mr. Barlik stated that they would not chase down any animals, only transport them and that it would be domestic animals only (no cats). They would charge \$12.00 per hour plus mileage (at the current Federal rate) and asked to be made part-time employees of the Town with no benefits. Mr. Barlik further stated that they can also investigate animal abuse. It was determined that the Board would discuss the issue later.

At 7:30 p.m. Moderator Bill Gosse informed the Board that a rail would have to be installed at the handicap access into the Town Hall by September. The Board went to view the site and it was determined that Gordon Preston and John O'Neil will contact Steve Costa for a proposal.

Karen Montgomery will contact personnel at the Dept. of Transportation to have Pineo Road Bridge inspected and rated.

At 7:43 p.m. the Board met with Mr. & Mrs. Coughlin of Publicover Road regarding their concerns with the house being built by Mr. Shea. Mr. Coughlin told the Board that the addition that is being built on to this cottage is four stories high, measures approximately 30x40 and looks like a big hotel.. He asked how a permit could have been issued when the addition appears to violate the Zoning Ordinance. Building Inspector Paul Richardson

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explained that the prior Building Inspector had issued the permit and when Paul had renewed it he asked for a plan. After reviewing the plan he questioned the height and square footage and has spoken with the Fire Chief. He found that it measured 30x50 and falls under the large building code but they are installing a sprinkler system. Mr. Coughlin questioned that the structure was only a two bedroom but had 6000 square feet of space. Paul further explained that the certificate of occupancy will state that the attic is for storage and not to be used for living space. Mr. Coughlin told the group that the owner is in the septic cleaning business and cleans his trucks off on the property and the runoff is obvious. Paul Richardson told the Coughlins that he would look into the septic issue before he hands out a certificate of occupancy. Paul added that the owner seems to be doing everything that has been asked of him.

At 8:13 p.m. Road Agent Mac Tebbetts announced that the disaster amounts for the grant were \$115,000 for the Highway and \$9,000 from the other departments with a grand total of just over \$124,000. He added that \$13,000 will be allowed for the Pineo Road Bridge. Police Chief Borgia told the Board that he would like to hire the animal control officers as an on-call basis and added that none of his officers are inoculated. Selectman Preston cautioned that there was no money budgeted for this. Selectman Sullivan said that it would be strictly for transportation, not abuse investigations. Chairman Tasker stated that the only thing the Town would be saving is the officers time to transport an animal. The Chairman instructed Chief Borgia to have the animal control people draw up a contract for the Selectmen's review and advised Borgia that nothing was set in stone until the Selectmen took a vote on it.

Chief Borgia asked for a new electrical service (220) to be installed in the patrol office to allow for an air conditioner. Chairman Tasker read aloud the quote for \$200 for the electrician to install the service and the air conditioner was free. Borgia added that the unit is wall mounted with 15,000 BTU, the room size is 17x20 and Pat Heffernan would do the electrical. Mike Akstin made a motion to allow the installation of a 220v service in the patrol office for the air conditioner. The motion was seconded by Frank Sullivan and the motion passed with the following vote being recorded; Chairman Tasker abstained; Mike Akstin, yes; Gordon Preston, no; Frank Sullivan, yes.

Fire Rescue Chief Krause announced that on September 18, 2006 at 7:00 p.m. there would be mandatory NIMS training at the Parade Station and it should last for approximately 2 ½ hours.

Carol Locke mentioned that the office needed a maintenance person and that Brad Sargent had done all the odd jobs in the past. John O'Neil told the group that he could be called and he would have a volunteer come in.

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The group relocated to the Town Hall to meet with the representative of Pennichuck Water Company to review plans for the water system in Locke Lake. John Boisvert informed the Selectmen that they planned on installing 5000 feet of new 8" water main, on Varney Road and possible North Barnstead Road, some of which had already been done. Pennichuck should be able to do 1000 feet of new water mains yearly. John explained that they lost service of one well on Peachum Road over the weekend and would be issuing a night water ban. Chairman Tasker asked what Pennichuck would do with the existing water mains when they replace them and John said they usually cut the pipe, cap them and leave them in place. He added that they always try to stay in the right-of-way on the sides of the road. Pennichuck is still pursuing a community block grant. Selectman Akstin asked if water pressure was increased in a certain areas, pulling more water out of the ground for Locke Lake homes, would that affect the wells of home owners not in Locke Lake. John told him that he could not say one way or the other; they just did not know but added that from a hydro geological point, they were close to a big aquifer in that area so usually it would not be a problem. Selectman Sullivan asked about the fire needs of the community and John told him that Pennichuck was there for domestic needs and if the community wanted to add fire protection they would have to request it. John told the group that the costs would be passed on to the taxpayers in one of three ways; on the peoples tax bills, in their water bills or forming a fire district and having those people in district pay for it. Chief Krause asked about installing fire hydrants every 500 feet (to meet ISO requirements). John told the group that the maintenance on the fire hydrants would be \$150 per hydrant. He added that if cisterns were put in then the Town would only pay for the water that was used. It was determined that John would prepare a list of costs for just the water system and then one for the fire protection system.

Gordon Preston made a motion to send a letter to two real estate companies asking that they remove their signs on Town property that are violating the Zoning Ordinance. The motion was seconded by Mike Akstin and passed with a vote of 4-0 with the Chairman abstaining. Selectman O'Neil asked that he receive a copy of the Zoning violation to put in his article in the paper.

The Selectmen briefly discussed paving Varney Road and after reviewing Pennichuck's plans for the water system in that area along with the over-expenditures from the flooding, they felt that it would be better to put the paving off until next year.

The Board will not move forward on Proctor's Curve until they receive a written confirmation from Mr. Primeau and the other abutter detailing what their obligations are in relocating the entryway.

The Selectmen will send a letter to Mr. Kingston regarding his dilapidated building on Dalton Drive asking for copies of real estate ads showing the property is for sale and also having him secure the building.

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At 9:25 p.m. the Board met with Fire Rescue Chief Krause to discuss the applicants that had applied for both the full-time and part-time positions. Karen Montgomery reported that only one application had been received and Chief Krause handed in one that he had received before the deadline. Chief Krause will review the two applications and report back to the Board. Chief Krause asked for some clarification regarding the wage scale and wondered if all employees would start at step 1. Chairman Tasker told him that not everyone would because it took into consideration their current rate of pay. The group discussed the part-time employees and call/volunteer staff. It was determined that Chief Krause would provide a list of each Fire-Rescue call/part-time employee, with their title/level and classification for the Selectmen to review.

Chief Krause asked about replacing the Fire-Rescue vehicle that was totaled in the accident and Chairman Tasker replied that Shawn Mulcahey had offered a vehicle for use until a warrant article in next year's Town Meeting could address the issue.

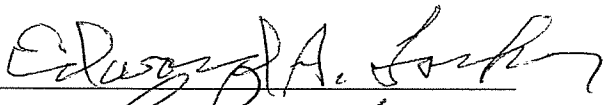
The Board went into Non-Public Session under RSA 91-A: 3 II (a) at 10:30 p.m. on a motion by Gordon Preston seconded by Francis Sullivan, with the following vote recorded: Chairman Tasker, abstained; Gordon Preston, yes; Mike Akstin, yes; John O'Neil, yes; Francis Sullivan, yes. The Board came out of Non-Public Session at 10:45 p.m. and unanimously voted to seal the minutes of that meeting.

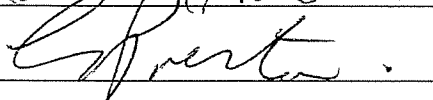
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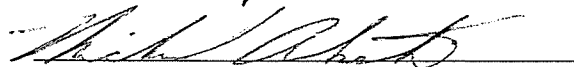
The meeting was adjourned at 11:15 p.m.

Respectfully submitted,

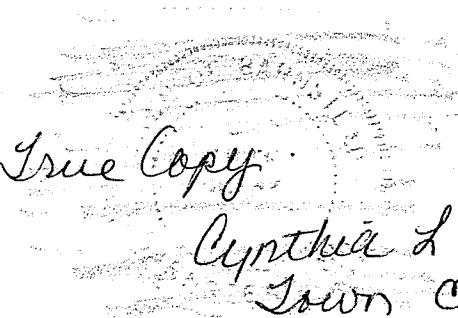
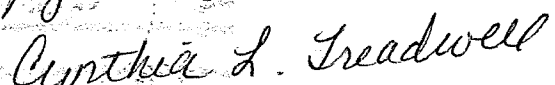
Karen Montgomery
Selectmen's Secretary







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RESPONSE STATISTICS	COUNT	%
Total Households In Survey	798	
Number Of Responses	301	37.72%
Number Of Individuals	750	

INCOME STATISTICS	COUNT	%
Very Low Income Households	9	2.99%
Low Income Households	29	9.63%
Moderate Income Households	77	25.58%
High Income Households	185	61.46%
Very / Low / Moderate Income Households	115	38.21%
Non Low / Moderate Income Households	186	61.79%
Very Low Income Individuals	20	2.67%
Low Income Individuals	66	8.80%
Moderate Income Individuals	198	26.40%
High Income Individuals	464	61.87%
Average Size Very Low Income Households	2.2	
Average Size Low Income Households	2.3	
Average Size Moderate Income Households	2.6	
Average Size High Income Households	2.5	
Average Size Low/Moderate Income Households	2.5	
Average Size Non-Low/Mod Income Households	2.5	

DEMOGRAPHIC STATISTICS	COUNT	%
Homeowners	269	89.37%
Single Families	150	49.83%
Apartments / Mobile Homes	0	0.00%
Seasonal Home	54	17.94%
Households with Elders 62+	35	11.63%
Households with Disabled	26	8.64%
Households Female Head of HH / Child Under 18	#REF!	#REF!

RACE / ETHNICITY STATISTICS	COUNT	%
White	267	88.70%
Black or African American	1	0.33%
Asian	1	0.33%
American Indian or Alaska Native	2	0.66%
Native Hawaiian or Other Pacific Islander	0	0.00%
Asian & White	2	0.66%
Black or African American & White	3	1.00%
American Indian or Alaska Native & Black or African American	0	0.00%
American Indian or Alaska Native & White	0	0.00%
Hispanic or Latino	0	0.00%