

THE STATE OF NEW HAMPSHIRE

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NHPUC 7 JAN 14 PM 3:10

January 7, 2014

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DW 13-308 – Lakes Region Water Company, Inc.
Petition for Sale of Surplus Real Estate
Staff Recommendation to Approve

Dear Ms. Howland:

On October 28, 2013, Lakes Region Water Company, Inc. (Lakes Region or the Company) filed a request for approval to sell an interest in real estate pursuant to RSA 374:30. Lakes Region seeks to sell to an abutter two unused lots in its Hidden Valley system in the Town of Tuftonboro. The Company does not anticipate that these lots will be needed to serve the public in the foreseeable future. On November 6, 2013, the Office of the Consumer Advocate (OCA) filed a notice with the Commission of its intent to participate in this docket, and OCA also submitted discovery requests to the company. After Staff's review of the petition and the responses to both the Staff and OCA discovery, Staff supports approval.

The two lots, designated F-16 and F-17 on the Town of Tuftonboro tax map, are currently not used for the provision of utility service. On lot F-16 there is a production well that Lakes Region no longer uses due to low yield and high turbidity. Lakes Region has received an offer for the purchase of the two lots from an abutter who desires additional acreage. An agreement has been reached, subject to Commission approval, to sell the two lots to the abutter for a total of \$32,000. The transfer will be subject to an easement that reserves the right to use the well on lot F-16 for future water supply if the Company so chooses at any time in the future. A copy of the proposed transfer deed is included with the Company's petition in this docket.

Staff inquired through its discovery as to the adequacy of the current supply wells at Hidden Valley. The Company, in its response to Staff 1-1, indicates that there are two current production wells at Hidden Valley and they are more than adequate to meet expected demand for the foreseeable future. With the easement, Lakes Region could redevelopment the well on lot F-16 if necessary, including hydrofracking that well if the need arose. Further, the proposed transfer deed includes additional language that the grantee's use of the lots "shall not interfere with the use of the well or its replacement for water supply purposes." Thus, the wellhead protection area will remain free of any activity, such as a septic system, that could prevent the

DW 13-308 Lakes Region Water Company, Inc.
Petition for Sale of Surplus Real Estate
Staff Recommendation

use of the well in the future. When Staff inquired whether the Company was required to notify the Staff of the Department of Environmental Services (DES) as to the proposed transfer, Lakes Region indicated that the DES had been notified and that no approval of DES was required.

Lakes Region has indicated that the proceeds of the sale of these lots will assist the Company in paying state and federal tax liabilities and in improving its current overall financial position. In its petition, Lakes Region proposed that, for bookkeeping and accounting purposes, a value of \$2,808.25 be assigned to the two lots and taken off the company's books. The Company subsequently revised this amount to \$1,205 in response to a discovery request. This value is derived from the total value of Hidden Valley land on the Company's books of \$4,820, assigning one-half that amount to the two lots, and retaining half the value for the easement. This accounting appears reasonable and is acceptable to Staff.

Based on the facts as established in the Company's petition and in its discovery responses, Staff believes that the proposed sale of the two lots should be approved. The OCA has authorized Staff to indicate that OCA supports the Company's proposed sale of land based on the Company's representation that proceeds will be used by the Company to pay its tax liabilities, reduce outstanding debt, or fund capital improvement projects.

Thank you for your assistance with this matter. If you have any questions, please do not hesitate to contact me.

Sincerely,



Mark A. Naylor
Director, Gas & Water Division

Attachments: Discovery of Staff and OCA
cc: Service List

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-1:

Please comment generally on the adequacy of the current source(s) of supply at Hidden Valley to provide service under all conditions.

RESPONSE 1-1:

I believe the Company's two productive wells on Lots 48 (F-18) and 49 (F-20) will continue to provide adequate quantity and quality of water to serve Hidden Valley based on the following:

- The 'build-out' of Hidden Valley is nearly complete. Significant increases in demand are not expected. The Company's two productive wells are adequate to meet existing and future water supply needs, even if one well has to be taken off-line periodically. While the Company has retained the right to use the surplus lots for water supply, it is unlikely that the surplus lots could be used for water supply.
- The Company has drilled 7 or 8 wells on the two surplus Lots 38 (F-16), 39 (F-17) which the Company abandoned because they had no or inadequate yields. Of all of the wells drilled by the Company, only one well remains which has inadequate water quality and quantity. While the Company has retained the legal right to redevelop this well, it is unlikely that an adequate water supply could be developed on the surplus lots.
- The two productive wells are expected to continue to be productive for the foreseeable future. It is always possible that an event or condition could occur in the future that would render one or both of the Company's existing wells inoperable. However, the Company has no data or reason to believe that the quality or quantity of water produced by its two productive wells will deteriorate in the foreseeable future.

As a result of the foregoing, the Company offered to sell the Surplus Lots to the Graham Trust, which should provide needed funds and reduce the Company's future property tax liability.

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Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-2:

Does the company believe that the conditions of sale permit the company to redevelop the existing well on lot F-16 including but not limited to hydrofracking the well?

RESPONSE

Yes. Legal counsel has informed me that the proposed deed reserves an easement for "maintenance, repair and replacement of [the] commercial well" on Lot F-16, which includes the right to improve or redevelop ("hydrofrack") it if necessary.

WARRANTY DEED

LAKES REGION WATER COMPANY, INC., a New Hampshire corporation which is a public utility, of PO Box 70, Moultonboro, NH 03254, for consideration paid, grants to Raymond Graham, Trustee, Raymond Graham Revocable Trust, of PO Box 19, Center Tuftonboro, NH 03816, with WARRANTY COVENANTS:

Certain tracts or lots of land shown as Lots F-16 and F-17 on a plan of property entitled, "Hidden Valley Shores Development, Wolfeboro - Tuftonboro, New Hampshire" by Land Surveys, Rochester, N.H., scale 1" = 200', recorded in the Carroll County Registry of Deeds in Plan _____.

Meaning and intending to convey a portion of the premises conveyed to Lakes Region Water Company, Inc., by deed of Renee Amoruso dated September 3, 1987 and recorded in the Carroll County Registry of Deeds in Book 1282, Page 271.

Reserving to Lakes Region Water Company, Inc. and its assigns, the following:

1. The commercial well and all accompanying equipment, including pump, pipes and electrical conduits, if any.
2. An easement for exclusive use of the commercial well located on Lot F-16 and an easement by foot and vehicles, for access to and maintenance, repair and replacement of, this commercial well, including connection of the well to electrical service, from Aspen Drive over the existing path on Lots F-16 and F-17 to said well. This commercial well is currently not in use. These easements are subject to the following terms and conditions:
 - A. Grantee's use of the lots shall not interfere with the use of the well or its replacement for water supply purposes. Animal wastes, solid wastes, hazardous wastes or other wastes shall be prohibited.
 - B. Lakes Region Water Company, Inc. shall restore any areas of the premises to the condition they were in before any maintenance, repairing and replacement were performed.
 - C. Lakes Region Water Company, Inc. shall indemnify and hold the grantee and its assigns harmless for any injury or damage sustained by Lakes Region Water

- D. Company, Inc. as a result of its use of this easement.
- D. The grantee and its assigns shall have no obligation to repair the path to the well and to perform any maintenance or repair on the well.
- E. Lakes Region Water Company, Inc. shall pay grantee or its assigns the difference between the taxes due for Lot F-17, which has no well, and the taxes due for Lot F-16, herein conveyed, which has the commercial well on it. Grantee shall present tax bills for Lots F-17 and F-16 to Lakes Region Water Company, Inc. within 30 days of receipt. Failure by Lakes Region Water Company, Inc. to pay the agreed difference, if said failure to pay exceeds 18 months, shall result in loss of said easement rights until such time as all amounts owed and in arrears are paid in full. If, at a point in the future, improvements are made to either or both lots, thereby rendering inaccurate this formula, the grantor and grantee shall negotiate a different formula which is agreeable to both.
- F. Acceptance of this deed shall bind grantee to the terms herein.
- G. This easement shall run with the land.

DATED: _____, 2013

Lakes Region Water Company, Inc.
By:

Thomas Mason, Jr., President
duly authorized

STATE OF NEW HAMPSHIRE
COUNTY OF _____

This instrument was acknowledged before me on _____, 2013 by
Thomas Mason, Jr. as duly authorized President of Lakes Region Water Company, Inc.

Notary Public

My Commission expires:

AFFIX SEAL HERE

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

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Data Requests Set 1

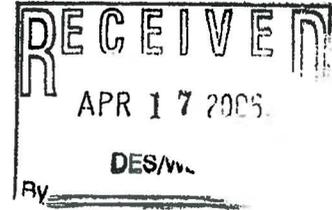
Witness: John Dawson

REQUEST 1-3:

Please provide any and all correspondence, reports, memoranda, or other filings with DES that provide detail on the status of the well located on lot F-16.

RESPONSE 1-3:

Please see the attached well siting approval for New Small Production Wells for Small Community Water Systems issued by DES.



**Final Report Form for
New Small Production Wells for Community Water Systems
March 2004***

PROJECT NAME: Lakes Region Water Company, Inc

TOWN/CITY: Moultonborough

DATE: April 14, 2006

EPA ID # 2372020

PURPOSE: This form, when complete, will provide the information required for small well siting final reports under Env-Ws 378, *Site Selection of Small Production Wells for Community Water Systems*. Once completed, this form can be submitted as the final report. You don't have to use this form. However, based on experience, the NH Department of Environmental Services (DES) has found that use of the form speeds up the siting process. If you prefer to produce an original report be sure to provide all the information required under the rule. The Department recommends this form be used as a checklist to help ensure your report is complete. Helpful information and reminders are provided throughout the form and are printed in *italics*. Copies of this form and other useful publications may be found at the following website:

<http://www.des.nh.gov/DWSPP/newcomm.htm>.

INSTRUCTIONS:

A. Obtain copies of the following from your files or the Department:

1. Preliminary report for the project and all Departmental review and approval letters.
2. Pumping test data and water quality analysis results from the pumping test.
3. Well completion report and any field logs of borehole geology for the site.
4. Administrative Rule Env-Ws 378, *Site Selection of Small Production Wells for Community Water Systems, April 1999*
5. Administrative Rule Env-Ws 372, *Small System Design Criteria, June 1997*.
(Small community water systems are subject to design criteria under Env-Ws 372. This document assists you in making sure the new well project will meet those criteria.)
6. *The Applicant's Toolkit for Siting New Small Community Wells in New Hampshire, February 2004*.
7. The pumping test guide, *A Field Guide for Pumping Test Operators*
7. Contact Johnna McKenna at (603) 271-7017 to request a current (less than 90 days old) GIS

Map and Inventory of contamination sources and water supplies for your site. She will need a location map of your site and this may be faxed to her attention at (603) 271-0656. If there is an active contaminated site you must review the site file before submission of this form. To make a file review appointment contact DES staff at 271-2919 after you receive your map and inventory and determine which files you need to review. When you arrive at DES for your file review, sign in with the receptionist and tell her you are there to see the Waste Management Division file librarian.

- B. Review the well siting rules and guidance materials obtained above. You should use these materials to assess your water system design and site specific well siting needs.
- C. Complete this form by answering all questions from top to bottom, unless instructed to skip to another section and provide the appropriate attachments.
- D. It is very important to recognize that an incomplete form, like an incomplete final report, will be returned for completion before being reviewed by the Department. Reports are reviewed in the order they are received and return of your report will slow the approval process.
- E. Submit completed form to:
New Community Well Sitings
Water Supply Engineering Bureau
Post Office Box 95
Concord, NH 03302 -0095

For help with this form or other well siting concerns call Diana Morgan at (603) 271-2947.

*Information contained in this form is current as of March 2004. Statutory or regulatory changes that may occur after March 2004 may cause part or all of the information to be invalid. If there are any questions concerning the status of the information please contact DES at (603) 271-2947.

1.0 GENERAL INFORMATION

This section asks you to identify the people and companies responsible for the well siting and water system and to describe the well site. This information will help ensure clear communication about the well siting.

1.1. Date of Department Preliminary Report Approval Letter: September 12, 2005

1.2 Project Contact: *Person completing this form.*

Name: **Fred Malatesta**
Address: **420 Governor Wentworth Hwy
PO Box 389, Moultonborough NH 03254**
Company: **Lakes Region Water Company, Inc.**
Phone Number: **(603) 476-2348**

1.2a Project Owner: *Person responsible for compliance with approval conditions issued by the Department.*

Name: **Thomas A. Mason Sr.**
Address: **420 Governor Wentworth Hwy
PO Box 389, Moultonborough NH 03254**
Company: **Lakes Region Water Company, Inc.**
Phone Number: **(603) 476-2348**

1.2b Is the person listed in 1.2a the current owner of the water system?

YES NO

If YES, got to (1.3) below.

If NO, identify the current water system owner;

Current Owner: _____
Address: _____
Phone: _____

1.3 As-Built Well Location & Description:

Describe the location of each well in reference to the existing or proposed pumphouse. *For example, Well #1 is 159 feet SW of the pumphouse.*

New Well #5 is approximately 2168' NE of pumphouse

1.4 Build Out:

What is the total number of service connections, units and bedrooms proposed for this system at build-out? How many exist now?

Service connections; Build-out: $2 + 87 = 89$ Existing: **87**

Units; Build-out: **2 (grandfathered) + 87 = 89** Existing: **87**

Bedrooms; Build-out: **5 (approx. 2.5 per unit) + 217 = 222** Existing: **217**

1.5 Source Capacity:

What is the total source capacity required for the system under Env-Ws 372.11? *Please use Worksheet A, found in the guidance document and the preliminary report form, to be sure your calculations are complete and explain how those calculations were developed. Please note, source capacity does not equal design flow. If the total is 57,600 gpd or more, the siting is subject to Env-Ws 379, Site Selection Of Large Production Wells for Community Water Systems. Contact the Department for a copy of those Rules and related guidance material.*

64,800 gpd

PLEASE SEE APPENDIX A

1.6 Site Sketch:

Provide a sketch showing the well location and everything existing and proposed, within 500 feet of the new well. Use a scale large enough to provide detail. *(This map may also be used to supply information for sections 2.1, 3.5a, and 5.1a of this report. Include elevation contours, if available.)*

PLEASE SEE APPENDIX B

2.0 SANITARY PROTECTIVE AREA

2.1 Sanitary Protective Area Radius:

What is the radius of the sanitary protective area (SPA) for each well? Complete Table 2-1 for each well, using the chart below to determine radii. *The final size of the sanitary protective area will depend on the approved permitted production volume(s) of the well(s). The SPA for each well is a circle, centered on the well, with a specific radius. Match the volume for each well to the sanitary protective area radius in the following chart. If more than one well is in one protective area, combine the volumes of those wells and identify a new radius for each new well. Please note, each well must have a separate sanitary protective area.*

SANITARY PROTECTIVE AREA RADII

<u>Permitted Production Volume (gal)</u>	<u>Radius</u>
less than 14,400	150 feet
14,401 to 28,800	175 feet
28,801 to 57,600	200 feet
57,601 to 86,400	250 feet
86,401 to 115,200	300 feet
115,201 to 144,000	350 feet
greater than 144,000	400 feet

Table 2-1, SANITARY PROTECTIVE AREA RADII

Well Name/Number	Permitted Production Volume	Radius
Hidden Valley BRW #5	10 gal/min or 14,400 gal/day	150 feet

• Show the sanitary protective area for each well on the site sketch in section 1.6.
PLEASE SEE APPENDIX B

2.2 Land Use:

Is all the land inside the sanitary protective area maintained in a natural, undisturbed state and will it stay that way after build-out?

YES NO **Except for a dirt/gravel access driveway to well**

If **YES**, describe the make up of the land within the sanitary protective area. *Such as woods, meadow, and lawn.*

The land consists of natural woods, meadows, a dirt/gravel road leading to the well in addition to a paved cul-de-sac approximately 800' South of well. Town records indicate the area has been such for 50 yrs or more, except for the driveway. The area within the SPA will remain this way.

If **NO**, was a waiver obtained for all land uses not required for operation and maintenance of the well and water system?
YES _____ NO _____

If **NO**, see Worksheet A for directions to apply for a waiver. **The well site cannot be approved unless a waiver is obtained for any non-water supply activity.**

2.3 Legal Control of the Sanitary Protective Area:

2.3a Does the water system currently own all the land in the sanitary protective area(s)?
YES NO _____

If **YES**, identify the grantee, registered deed number(s), county name and date(s) of registration.

Grantee: **Lakes Region Water Company Inc.**
Deed No(s): **SEE APPENDIX C** County: **Carroll**
Date(s): **June 22, 1973**

If **NO**, has the water system gained control of non-owned land by getting a land use easement?
YES ___ NO ___

If **YES**, attach a copy of the easement language stamped with the date of register.

If **NO**, either:
If the water system is still in process of obtaining an easement, attach a copy of the easement language and provide a schedule for completion

Schedule: _____

Or,

If the water system will, at a later date, control all the area by any means other than a land use easement, describe when and how. *Provide all pertinent documents, such as proposed condominium covenants.*

When and How: _____

2.3b Will the water system be transferred at a later date to another entity such as an association or private operator?

YES _____ NO

If YES, when and how will control of the sanitary protective area be transferred? *Please note that control of the well's Sanitary Protective Area must stay with the system. Attach a copy of the proposed easement language.*

When and How? _____

3.0 PUMPING TEST

Please note, systems using multiple wells to meet a required source capacity which is 57,600 gallons per day or more are regulated under Env-Ws 379, Site Selection Of Large Production Wells for Community Water Systems. Contact the Department for a copy of those Rules.

3.1 Non-Standard Testing:

Was a test other than the Standard Test as defined in Env-Ws 378 used?

YES _____ NO

If YES, please describe the method used.

3.2 Test Performer:

3.2a Who was responsible for setting up, directing the test and making decisions during it? *Such as making sure that the test was conducted as approved, including preliminary report approval conditions, that the water was discharged in the approved location, a constant pumping rate was maintained, measurements were made correctly and on schedule, and the test was not ended before stabilization was achieved.*

Name: **Fred Malatesta**
 Company: **Lakes Region Water Company Inc.**
 Phone: **603-476-2348**

3.2b Who actually performed the pumping test, if different from the person named in Section 3.2a?

Name: **SAME AS ABOVE**
 Company: _____
 Phone: _____

3.3 Operation of Wells

3.3a. Well Operation:

3.3a.1 How were all the system's wells operated during the testing? *Include new and existing wells. Complete Table 3-1.*

Table 3-1, OPERATION OF SYSTEM WELLS

Well	Pumping Rate (gpm)	Operation Schedule
HV New Well #5	10 gpm	Continuous (SEE APPENDIX D)
4 system wells at top of hill	12 gpm total	SEE APPENDIX D

3.3a.2 How were constant pumping rates maintained? What was the range of pumping rates after the first hour?

They were maintained by a gate valve on the discharge pipe. The pumping rate was kept at a constant level (10 gpm).

3.3b. Temporary Connection: Was it necessary to temporarily connect a new well to the water system during the pumping test?

YES ___ NO

TABLE 3-3, FINAL DISCHARGE LOCATIONS

Well	Discharge Location	Distance from Well
HV New Well #5	West of well into wooded area	Approximately 210'

3.5b. Was there any ponding at the discharge point or anywhere along the discharge line(s)?
 YES ___ NO

If YES, describe the location, depth and area of ponding. How close was this ponding to the pumping well(s)? Did the ponded water reach any natural outfall? What type of soil is in the ponded area?

3.6 Water Level Measurement:

How were water levels measured in each well? *List type of equipment used and measurement methods. Complete Table 3-4 for each well.*

Table 3-4, WATER LEVEL MEASUREMENT

Well	Equipment/Method
HV New Well #5	A stopwatch & static level measuring device were used to take 2 readings, 5 mins apart for 3 hrs. Then incidental hourly readings for the next 45 hours.
Private Wells: Hanson: Map 70, Lot 17 Wilhelm: Map 12, Lot 15, 16 Fielding: Map 12, Lot 4 Ballentine: Map 5, Lot 3	Private well levels measured by Stephen Roy DES with an electric water level meter—SEE APPENDIX D

3.7 Pumping Test Results:

3.7a What were the start and end dates of the pumping test? How long was the test, in hours?

Start Date: 10/4/2005

End Date: 10/6/05

Hours: 49

3.7b Attach a copy of the original pumping test log including all measurement times, weather conditions, pumping rates, and drawdowns for each well. If used, include a semi-log plot of time vs drawdown for each well. A copy of the well completion report and/or a well profile must also be submitted.

PLEASE SEE APPENDIX D FOR ALL LOGS & PLOTS

3.8 Well Casing & Pump Information:

What are the depths and casing sizes for each well? At what levels are the pumps set in each well? Complete Table 3-5 for each well.

Table 3-5, WELL CASING & PUMP INFORMATION

Well Name/Number	Pump Depth/Feet	Well Depth/Feet	Casing Length & Diameter
HV New Well #5	600 ft *see below	800 ft	792' of 8" drilling, 42' of 8" casing w/ drive shaft

3.9 Stabilization:

Was the pumping test stopped before stabilization was reached? YES NO

If YES, document why this decision was made.

***We can project the stabilization out to 180 days based on the graphical data. At 180 days, the water level is projected to be at approximately 270 feet below the top of the well. We'll approximate this value to 300' to allow for a margin of error. A projected stabilization depth of 300' is much more than 5 feet above the level of the pump, which is currently set to a depth of 600', therefore we can assume there will be enough water for the system's needs.**

PLEASE SEE APPENDIX D.

3.10 Recovery Period (if applicable):

How long was the recovery period for each well and what was the percent of recovery?

Hours: NA

Percent of total drawdown: NA

3.11 Impacts to/from the New Well:

3.11a Which of the following impacts from/to the new well were assessed and how? Check all that apply.

- Saltwater intrusion.
- Fluctuations in water levels in nearby surface waters.
- Groundwater contamination plumes.
- Fluctuations of water levels in nearby wells.

How? The water levels in nearby wells were measured daily with a water level meter.

3.11b Is there a potential for the well to produce any of these impacts in the future? Describe the potential and how it will be managed. *Attach a detailed contamination management plan.*

Future impacts are not anticipated. The future well is not attached to any private wells. There are also no expected contaminants. PLEASE SEE APPENDIX D

4.0 LABORATORY ANALYSIS RESULTS

4.1 Sample Collection and Delivery:

Who was responsible for collecting water quality samples and delivering them to the laboratory?

Name: **Fred Malatesta**

4.2 Analyses and Laboratory:

4.2a. Sample Collection and Analysis: Which wells were tested, when were the samples

collected, how were they transported, and what parameters were analyzed?
Complete Table 4-1 for each well.

Table 4-1, WATER QUALITY MONITORING

Well	When Sample Was Collected	How Sample Was Transported
HV New Well #5	1 st Test: 9/15/05	In cooler with cold packs
HV New Well #5	10/26/05, 11/15/05, 11/22/05	All were transported in coolers with cold packs
HV New Well #5	2/17/06	In cooler with cold packs

4.2b. What laboratory analyzed the samples and for which parameters? Complete Table 4-2 below for each laboratory. The laboratory must have current certification in New Hampshire for doing the analyses using drinking water methods.

- Attach a copy of complete laboratory reports for all wells.

Table 4-2, LABORATORY

Well	Laboratory	NH Certification Number	Analysis This Lab Performed
HV New Well #5	DES State Lab for all tests listed above before 2/17/06		PLEASE SEE APPENDIX E
HV New Well #5	A&L Labs for test performed 2/17/06	2501	PLEASE SEE APPENDIX E

4.2c Did any of the tested parameters exceed Safe Drinking Water Act primary or secondary standards?

YES NO

If YES, how does the water system propose to manage water quality?

Iron exceeded the secondary standards: We will monitor water quality on a regular basis as required by the DES. As placed in some of our other systems, we will apply a blended phosphate as a corrosion inhibitor that will control Iron and minimize discoloration (if it becomes a problem).

Manganese exceeded the secondary standards: We are currently using

TPC 634T, a blended phosphate, in four of our systems with excellent results. Our plan is to set up a system in the Hidden Valley pumphouse and start using this chemical. PLEASE SEE APPENDIX E

5.0 SOURCE WATER PROTECTION

Refer to Env-Ws 378 and the siting guide, Applicant's Toolkit for Siting New Small Community Wells, for more information and requirements.

5.1 Refinement of the Wellhead Protection Area (WHPA) for Bedrock Wells:
(Please note, small overburden wells require an analytical delineation method based on information collected during the pumping test. Contact Department well siting staff for guidance, if needed.)

Did you use the default WHPA radius? YES NO

If YES, identify the radii of the WHPA(s) using Table 5-1 below. Complete Table 5-2 for each well. The size of the WHPA depends on the permitted production volume(s) of the well(s). If more than one well is in the Sanitary Protective Area of one well, combine the volumes to identify the WHPA radius for each new well.

- Attach a map of the refined WHPA.
- PLEASE SEE APPENDIX B

Table 5-1, WELLHEAD PROTECTION AREA RADII

Permitted Production Volume (Gal)	Radius
Zero to 7,200	1,300 feet
7,201 to 14,400	1,500 feet
14,401 to 28,800	2,050 feet
28,801 to 43,200	2,850 feet
43,201 to 57,599	3,600 feet
57,600 and over	4,000 feet

Table 5-2, WELLHEAD PROTECTION AREAS

Well Name/Number	Permitted Production Volume	WHPA Radius
HV New Well #5	10gpm X 1,440min/day=14,400 gal/day	1,500 feet

If NO, provide a detailed technical description of the delineation method used. Include All of the following:

5.1a. Map showing delineated WHPA and description of the delineation method.

5.1b. Description of additional data collection activities, including any performed as part of the pumping test program.

5.1c. Description and justification of how the data was analyzed and reported.

5.2 GIS Map & Inventory:

Provide an up-to-date GIS Map and Inventory and file review report. If the ones submitted in the preliminary report are more than 90 days old, obtain an updated GIS map from the Department and conduct another windshield survey.

PLEASE SEE APPENDIX B

5.2a Who performed the windshield survey of the entire WHPA? When?

Name: **Fred Malatesta**

Date: **10/10/05**

Phone: **603-476-2348**

5.2b Are there any existing contamination sources within the Wellhead Protection Area?

YES _____ NO

If **YES**, document how the water system plans to manage those sources to minimize contamination of the wellhead.

5.3 Wellhead Protection Program:

The program is mandatory and includes updating the contamination source inventory every 3 years and sending groundwater protection educational materials to all municipalities, persons residing in, doing business in or otherwise occupying the wellhead protection area. These materials should be submitted on the water system's letterhead. *See the Guidance document for examples of the educational materials.* The first round of educational mailings is due within three (3) months of new system startup, or at the next regular waiver renewal, and must include Best Management Practices Rules for all potential contamination sources.

Who will be responsible for distributing these materials?

Name: **Fred Malatesta**

Address: **PO Box 389, Moultonborough NH 03254**

Phone: **603-476-2348**

- **Provide a copy of the Wellhead Protection Program materials on water system letterhead. PLEASE SEE APPENDIX F**

6.0 APPROVAL TO CONNECT THE WELL

Please note that approval to connect the well must be obtained under Env-ES 372, Design Standards for Small Public Drinking Water Systems. See the attached Connection Requirements sheet if this well is for an existing system. Otherwise, contact Water Supply Engineering Bureau (WSEB) staff at 271-2949 for further information.

Who will be submitting distribution and connection design plans to WSEB staff?

Name: **Fred Malatesta**

Date of Submittal: **When system is approved**

Company: **Lakes Region Water Company, Inc.**

6.1 SAMPLING WAIVERS

Implementation of a Wellhead Protection Program may qualify the applicant for a waiver from certain sampling requirements. If a sampling waiver is granted, it is estimated that the water system would save more than \$11,000 in sampling costs over a nine-year period. The materials submitted with this form for the Wellhead Protection Program will be forwarded to David Reid of the Drinking Water Source Protection Program who will be contacting the water system shortly after approval is granted. He will assist the water system in applying for a waiver.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: Tom Mason.

REQUEST 1-4:

Has a bill of sale been drafted? If so please provide a copy.

RESPONSE 1-4:

Both parties initially agreed to use the deed without a purchase and sale agreement. However, a purchase and sale agreement was later prepared. See attached.

PURCHASE AND SALE AGREEMENT

This 9 day of JULY, 2013, LAKES REGION WATER COMPANY, INC., with mailing address of PO Box 389, Moultonborough, NH 03254, hereinafter called the SELLER, agrees to SELL and RAYMOND GRAHAM, with mailing address of PO Box 19, Ctr. Tuftonboro, NH 03816, hereinafter called the BUYER or PURCHASER, agree to BUY, upon the terms hereinafter set forth, the following described premises:

1. **DESCRIPTION OF REAL ESTATE:**
Tax Map/Lot 70-2-38 and 70-2-39
Book 1282, Page 271

2. **PURCHASE PRICE:**
Purchase Price Thirty-Two Thousand and no/100 Dollars \$32,000.00

Deposit - _____
to be held in escrow by _____

Balance due at closing to be paid by wire transfer, bank or certified check.

3. **TITLE:**
The Seller agrees to convey title free and clear of all encumbrances, by a duly executed good and sufficient Warranty deed.

If the Buyer desires an examination of title the Buyer shall pay the costs thereof.

If upon examination of title, title is unmarketable, then Seller shall have sixty (60) days to cure any defect in title. Should Seller be unable to cure any such defect within said 60-day period, then all monies paid shall be refunded, if the Buyer so elects, or Buyer may elect to proceed to purchase the property without any reduction in the purchase price.

4. **TRANSFER OF TITLE:**
Transfer of title shall take place on or before _____, 2013, at a place to be determined by the Buyer and Seller.

5. **REALTOR**
The parties hereto agree and represent to each other that no realtor brought about this agreement as agent of either the Seller or the Purchaser.

SELLER(S) INITIALS TH

BUYER(S) INITIALS [Signature]

6. RADON GAS, LEAD PAINT, WATER SUPPLY AND SEWAGE DISPOSAL NOTIFICATION AND DISCLOSURES (RSA 477:4-a and 4-c)

In accordance with the provisions of RSA 477:4-a and 4-c the Seller hereby notifies the Buyer of the following:

Lead Paint: Before 1977 paint containing lead may have been used in structures. The presence of flaking lead paint can present a serious health hazard, especially to young children and pregnant women. Tests are available to determine whether lead is present.

The Seller is unaware whether or not lead based paint and/or lead based paint hazards are present in the building and has no records or reports regarding the same. In light of the same, the Purchaser is granted 10 days from the date hereof to conduct a risk assessment or inspection for the presence of lead based paint hazards and if any of the same is discovered within said period, time being of the essence, then the purchaser may cancel this Agreement upon written notice to the Seller. The parties agree this inspection satisfies all provisions of current federal law.

Radon Gas: Radon gas, the product of decay of radioactive materials in rock may be found in some areas of New Hampshire. This gas may pass into a structure through the ground or through water from a deep well. Testing can establish its presence and equipment is available to remove it from the air or water.

Private Water Supply:

Location: _____
Malfunction: _____
Installation date: _____
Date of last water test: _____
Water test results: _____
Condition: _____

Private Sewage Disposal System:

Location: _____
Type: _____
Tank Size: _____
Installation date: _____
Date last serviced: _____
Servicing Contractor: _____
Condition: _____

7. INSPECTION: The BUYER is encouraged to seek information from licensed home inspectors and other professionals normally engaged in the business regarding any specific

SELLER(S) INITIALS TM

BUYER(S) INITIALS M

issue of concern. **SELLERS** make no warranties or representations regarding the condition, permitted use or value of the **SELLER'S** real estate or personal property. This Agreement is contingent upon the following inspections, with results being satisfactory to the **BUYER**.

TYPE OF INSPECTION	YES	NO	RESULTS TO SELLER	TYPE OF INSPECTION	YES	NO	RESULTS TO SELLER
a. General Building	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days	f. Lead Paint	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days
b. Sewage Disposal	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days	g. General Building	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days
c. Water Quality	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days	h. General Building	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days
d. Radon Air Quality	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days	i. _____	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days
e. Radon H ₂ O Quality	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days	j. _____	<input type="checkbox"/>	<input type="checkbox"/>	within ___ days

The use of days is intended to mean calendar days from the effective date of this Agreement. All inspections will be done by licensed home inspectors or other professionals normally engaged in the business, to be chosen and paid for by **BUYER**. If **BUYER** does not notify **SELLER** that the results of an inspection are unsatisfactory within the time period set forth above, the contingency is waived by **BUYER**. **TIME IS OF THE ESSENCE**. If the results of any inspection specified herein reveal significant issues or defects, which were not previously disclosed to **BUYER**, then:

(a) **SELLER** shall have the option of repairing or remedying the unsatisfactory condition(s) prior to transfer of title, so long as **BUYER** and **SELLER** both agree on the method of repair or remedy; or

(b) If **SELLER** is unwilling or unable to repair or remedy the unsatisfactory condition(s) or **BUYER** and **SELLER** cannot reach agreement with respect to the method of repair or remedy, then this Agreement shall be null and void, and all deposits will be returned to **BUYER** in accordance with the procedures require by the New Hampshire Real Estate Practice Act (NH RSA 331-A:13).

8. FINANCING:

This Agreement is is not contingent upon **BUYER** obtaining financing under the following terms:

Amount _____ Terms/Years _____ Rate _____ Mortgage Type _____

For the purposes of this Agreement, financing is to be demonstrated by a conditional loan commitment letter, which states that **BUYER** is creditworthy, has been approved and that the lender shall make the loan in a timely manner at the Closing on specified customary conditions for a loan of the type specified above. **BUYER** is responsible to resolve all conditions included in the loan commitment by the Closing date.

The existence of condition in the loan commitment will not extend either the Financing Deadline described below or the closing date.

TIME IS OF THE ESSENCE in the observance of all deadlines set forth within financing contingency.

SELLER(S) INITIALS JM

BUYER(S) INITIALS [Signature]

BUYER agrees to act diligently and in good faith in obtaining such financing and shall, within _____ calendar days from the effective date, submit a complete and accurate application for mortgage financing to at least one financial institution currently providing such loans, requesting financing in the amount and on the terms provided in this Agreement.

If BUYER provides written evidence of inability to obtain financing to SELLER by _____ ("Financing Deadline"), then:

- (a) This Agreement shall be null and void; and
- (b) All deposits will be returned to BUYER in accordance with the procedures required by the New Hampshire Real Estate Practice Act (N.H. RSA 331-4:13) ("the Deposit Procedures"; and
- (c) The premises may be returned to the market.

BUYER may choose to waive this financing contingency by notifying SELLER in writing by the Financing Deadline and this Agreement shall no longer be subject to financing.

If, however:

- (a) BUYER does not make application within the number of days specified above; or
- (b) BUYER fails to provide written financing commitment or written evidence of inability to obtain financing to SELLER by the Financing Deadline,

Then SELLER shall have the option of either:

- (a) Declaring BUYER in default of this Agreement; or
- (b) Treating the financing contingency as having been waived by BUYER.

If SELLER declares BUYER in default, in addition to the other remedies afforded under this Agreement:

- (a) SELLER will be entitled to all deposits in accordance with the Deposit Procedures; and
- (b) This Agreement will be terminated; and
- (c) The premises may be returned to the market for sale.

If SELLER opts to treat the financing contingency as waived or relies on a conditional loan commitment and BUYER subsequently does not close in a timely manner, SELLER can then declare BUYER in default. SELLER then, in addition to the other remedies afforded under this Agreement:

- (a) Will be entitled to all deposits in accordance with the Deposit Procedures; and
- (b) This Agreement will be terminated; and
- (c) The premises may be returned to the market for sale.

BUYER shall be solely responsible to provide SELLER in a timely manner with written evidence of financing or lack of financing as described above

9. DATE OF POSSESSION:

SELLER(S) INITIALS TH

BUYER(S) INITIALS ML

Date of transfer of title.

10. PROPERTY INCLUDED:

All natural and physical features of the property.

11. INSURANCE:

The buildings on said premises shall, until full performance of this Agreement, be kept insured against fire, with extended coverage by SELLER. In case of loss, all sums recoverable from said insurance shall be paid or assigned, on delivery of deed, to BUYER, unless the premises shall previously have been restored to their former condition by SELLER; or, at the option of BUYER, this Agreement may be rescinded and the DEPOSIT refunded if any such loss exceeds \$10,000.00.

12. LIQUIDATED DAMAGES:

The Seller hereby waives any rights the Seller may have to sue the Purchaser for specific performance or other damages and agrees that the Seller's remedy is limited solely to the Purchaser's deposit, if any.

If the Seller shall default in the performance of the Seller's obligations under this agreement then the Purchaser may institute a suit for specific performance or pursue other available legal remedies.

13. PRIOR STATEMENTS:

All representations, statements and agreements heretofore made between the parties hereto are merged in this agreement, which alone fully and completely expresses their respective obligations and this agreement is entered into by each party after opportunity for investigation, neither party relying on any statements or representations not embodied in this agreement made by the other or on his or her behalf.

14. BINDING EFFECT:

This agreement shall be binding upon the heirs, executors, administrators, successors, assigns, and personal representatives of both parties.

15. ATTORNEYS FEES:

In the event that either party breaches the terms of this agreement and a lawsuit is instituted to enforce the same, the prevailing party shall be entitled to all reasonable attorneys' fees and court costs incurred in such action.

SELLER(S) INITIALS TH

BUYER(S) INITIALS ML

16. **AMENDMENTS:**

This agreement may not be modified except by written agreement of both parties.

17. **LAW:**

This agreement shall be governed by the laws of the State of New Hampshire.

18. **ADDITIONAL PROVISIONS:**

SELLER shall reserve the right to use the community well located on the subject property, subject however to assurances and indemnification for the benefit of the BUYER from the SELLER, satisfactory to BUYER'S Attorney.

All notices required or permitted to be given hereunder shall be in writing and delivered by hand or mailed postage prepaid, by registered or certified mail, addressed in the case of Seller, to the address noted in Paragraph 1 hereof, with a copy to Timothy J. Sullivan, Esq., P.O. Box 1499, Wolfeboro, NH 03894, and in the case of the Buyer, to the address noted in Paragraph 1 hereof, with a copy to _____, or in the case of either party, to such other address as shall be designated by written notice given to the other party. Any such notices shall be deemed given when so delivered by hand or if so mailed, when deposited with the U.S. Postal Service.

19. **PRORATIONS:**

Taxes, condo fees, special assessments, rents, water and sewage bills, and fuel in storage shall be pro-rated as of date of closing or _____.

20. **REASONABLE ACCESS.**

SELLER agrees that between the date hereof and the closing date, BUYER and BUYER'S agents and representatives shall have reasonable access to the premises for the purpose of making inspections, showing the premises to mortgage lenders and insurance agents, taking measurements, and similar such purposes.

21. **TITLE PROVISIONS.**

It is understood and agreed by the parties that the premises shall not be in conformity with the title provisions of this Agreement unless:

(a) All buildings, structures and improvements, including but not limited to any driveways, fences, garages, septic systems, and all means of access to the premises, shall be located completely within the boundary lines of the said premises and shall not encroach upon or under the property of any other person or entity; and

SELLER(S) INITIALS TJ

BUYER(S) INITIALS [Signature]

- (b) No building, structure or improvement of any kind belonging to any other person or entity shall encroach upon or under the said premises; and
- (c) The premises shall abut or have access to a public way or private right-of-way.
- (d) Title to the premises is insurable for the benefit of the BUYER by a title insurance company at normal premium rates in the American Land Title Association form currently in use, subject only to those printed exceptions to title normally included in the so-called "jacket" to such form, and subject to the exceptions set forth in Paragraph 4. of this Agreement; and
- (e) The premises are equipped with, or have access to, all necessary utilities.
- (f) The premises comply with all applicable zoning, building and subdivision control laws and regulations without variance, special permit or nonconforming use exception; and
- (g) Nor portion of the premises is subject to the provisions of: (i) laws, ordinances or regulations relative to the filling, dredging or alteration of wetlands; (ii) zoning ordinances or regulations relative to wetlands, flood plains, watershed districts or similar classifications; (iii) zoning ordinances or regulations relative to conservation, land preservation or similar classifications; or (iv) zoning ordinances or regulations relative to historic district restrictions or similar restrictions; and

22. TITLE INSURANCE

If the BUYER desires to obtain a policy of title insurance for the premises, it shall be a condition of BUYER'S obligation to purchase the premises that, at the time of delivery of the deed, the SELLER sign all certificates and other documents reasonably required by BUYER's or Lender's Title Insurance Company in order to obtain said title insurance policy, including, but not limited to, the standard title insurance affidavit.

23. DANGEROUS AND HAZARDOUS SUBSTANCES

SELLER warrants and represents to BUYER that, to the best of SELLER's knowledge and belief, they are not aware of the release of any hazardous materials or oil on, from or near the premises, nor the use of any pesticide containing chlordane in or about the premises, nor the use of urea formaldehyde foam insulation ("UFFI") in the dwelling, nor the existence of any underground storage tanks or other subsurface facilities holding petroleum or oil products currently in use or previously abandoned on the premises.

The warranties and representations contained in this Paragraph shall survive the delivery and acceptance of the deed herein or any other termination of this Agreement.

24. UNDERGROUND STORAGE TANK - WARRANTY

SELLER(S) INITIALS TM

BUYER(S) INITIALS [Signature]

The SELLER warrants and represent to and for the benefit of the BUYER that there is no underground storage tank for the storage of oil or gasoline or any other substance present on the premises.

The warranties and representations contained in this Paragraph shall survive the delivery and acceptance of the deed herein or any other termination of this Agreement.

25. ADDITIONAL DOCUMENTS

Upon the request of the BUYER, or the BUYER'S attorney, SELLER shall execute and deliver, and when required shall swear under oath to the truth of the matters therein set forth, such documents as may be reasonably required by the BUYER or BUYER's attorney, including, without limiting the generality of the foregoing, certifications or affidavits with respect to:

(a) the fact that there are no persons or parties in possession of the premises;

(b) the fact that there are no circumstances or conditions which may give rise to a mechanic's or materialmen's lien;

(c) the true purchase price of the premises and whether the SELLER has or intends to lend the BUYER any portion thereof; and

(d) the fact that the SELLER is not a "foreign person" as defined by the Foreign Investment in Real Property Tax Act.

Executed this 9 day of July, 2013.

The undersigned Purchaser agrees to purchase said real estate in accordance with the terms and conditions set forth herein.

Elinor P. Casani
Witness

[Signature]
Buyer: RAYMOND GRAHAM

The undersigned Seller accepts the foregoing and agrees to sell said real estate in accordance with the terms and conditions set forth herein.

Witness

[Signature]
Seller: LAKES REGION WATER COMPANY, INC.

SELLER(S) INITIALS TM

BUYER(S) INITIALS [Signature]

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-5:

Can either of the two lots to be sold be built upon by the buyer?

RESPONSE 1-5:

The Company's legal counsel advises that Section 2A of the Deed covenants states that: "Grantees use of the lots shall not interfere with the use of the well or its replacement for water supply purposes". This precludes uses, such as building activities, that would interfere with the use of the two lots for water supply. For example, construction of a septic system or an animal shelter (barn) containing animal wastes are uses that would interfere with use of the well for water supply purposes. However, some building activities, such as construction of a fence, do not interfere with use of the well for water supply purposes and would be permitted.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-6:

If the response to 1-5 is yes, please indicate if such building would then preclude use of the existing well, or redevelopment of the well.

RESPONSE 1-6:

See My Response to Question 1-5. The grantee cannot "build" on the lot if it would interfere with the use of the well for water supply.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-7:

With reference to Exhibit A to the petition, what lot or lots are currently owned by the proposed purchaser?

RESPONSE 1-7:

Lot F-15 also known as Tax Map 70, Lot 2 Sub 00037, owner Raymond Graham Rev. Trust, which abuts Lot F-16.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-8:

Does the company believe that, because of the proposed easement, the purchaser is precluded from consolidating the two lots being sold with his existing property?

RESPONSE 1-8:

No. The Company's legal counsel has advised that the purchaser could consolidate the two lots. However, in the event of consolidation, the surplus lot area would remain subject to the easement in favor of Lakes Region Water Company. However, the purchaser is not required to consolidate the Lots.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-9:

Is the company required to notify the DES with respect to this proposed transaction? If so, has the company done so?

RESPONSE 1-9:

Both Tom Mason and Timothy Fontaine have contacted Steve Roy at DES. See attached. Mr. Roy advised by telephone that no further action or approval was required.

Justin C. Richardson

From: Lakes Region Water <lrwater@lakesregionwater.com>
Sent: Wednesday, November 20, 2013 11:40 AM
To: Tom Mason; Justin C. Richardson
Subject: Data Request
Attachments: (final) DW 13-308 Lakes Region - Response to Staff DR's Set 1.docx

Spoke to Steve Roy, DES about question 9 & 10. Basically DES should be notified, nothing in writing is required. And there were no objections voiced.

Timothy Fontaine, Utility Manager
Lakes Region Water Company, Inc.
(603)476-2348

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/1/2013

Date of Response: 12/13/2013

Data Requests Set 1

Witness: John Dawson

REQUEST 1-10:

If the company has notified DES, does DES have any objection to the proposed transaction?
Please provide all details.

RESPONSE 1-10:

DES had no objections to the proposal. See Response to Staff 1-9.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/6/2013

Date of Response: 12/18/2013

OCA Requests Set 1

Witness: Tom Mason

REQUEST 1-1: Refer to Petition, paragraph 4. What is the basis of the sales price?

RESPONSE 1-1: Initially, Mr. Graham approached me and offered the Company \$20,000 for the two lots as he understood they were not being used by the Company. I reviewed the offer with Jake Dawson and we felt it would be prudent for the Company to retain an option to use the existing well, even though the surplus lots are not likely to be used for water supply. The Company counter-offered to sell the two surplus lots for \$40,000 which ultimately led to the \$32,000 price reflected in the purchase and sale agreement and the proposed deed and covenants.

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/6/2013

Date of Response:12/18/2013

OCA Requests Set 1

Witness: Timothy Fontaine.

REQUEST 1-2: Please provide state and local property tax bills related to subject property.

RESPONSE 1-2: See attached. Note that the Town's assessment for Lot 16 includes the assessed value of improvements that are not located on Lot 16.

Remit To		2012 TUFTONBORO PROPERTY TAX - BILL 2 OF 2	
TOWN OF TUFTONBORO 240 Middle Road P.O. Box 98 Ctr. Tuftonboro, NH 03816 Temp - Return Service Requested		LAKES REGION WATER CO., INC.	
		Map	Lot
		000070	000002
		Parcel Location	Acres
		Sub	Pg-Line
		000038	0240-01
		Net Value	
		\$ 192,900	
12% APR Charged After 12/19/2012			
		ASPEN DRIVE	
		1.550	
		Invoice	
		Summary of Taxes	
		2012P02024001	Total Tax: \$ 1,302.00
Billed To		Billing Date	- 1st Bill: \$ 808.00
LAKES REGION WATER CO., INC. PO BOX 389 MOULTONBORO, NH 03254		11/13/2012	- Abated/Paid: \$ 0.00
		Payment Due Date	- Vet. Credits: \$ 0.00
		12/19/2012	+ Penalties: \$ 0.00
		Amount Due	\$ 494.00
		Amount Enclosed	
Please return top copy with your payment.		Other Due Amount(s): \$ 2,819.62	

Tax Collector Office Hours		2012 TUFTONBORO PROPERTY TAX - BILL 2 OF 2	
TOWN OF TUFTONBORO		LAKES REGION WATER CO., INC.	
Tuesday, Wednesday, & Friday 9AM - 12 Noon			
(603) 569-4539			
Tax Collector: Jacquelyn H. Rollins			

Tax Rates		Assessments		Invoice		Summary of Taxes	
County:	\$ 1.04	Taxable Land:	0	2012P02024001		Total Tax: \$ 1,302.00	
School:	\$ 3.44	Buildings:	192,900	Billing Date		- 1st Bill: \$ 808.00	
Town:	\$ 2.27	Total:	192,900	11/13/2012		- Abated/Paid: \$ 0.00	
				Payment Due Date		- Vet. Credits: \$ 0.00	
				12/19/2012		+ Penalties: \$ 0.00	
				Interest Rate		Amount Due: \$ 494.00	
				12% APR After 12/19/2012		Other Due Amount(s): \$ 2,819.62	

VOUCHER
 # 7300
 # 10991
 # 12/14/12
 # 0526834088

Total Tax Rate:	\$ 6.75	Net Value:	192,900
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Billed To		2012 TUFTONBORO PROPERTY TAX - BILL 2 OF 2	
LAKES REGION WATER CO., INC.		LAKES REGION WATER CO., INC.	
PO BOX 389			
MOULTONBORO, NH 03254			

Tax Rates		Assessments		Invoice		Summary of Taxes	
County:	\$ 1.04	Taxable Land:	0	2012P02024001		Total Tax: \$ 1,302.00	
School:	\$ 3.44	Buildings:	192,900	Billing Date		- 1st Bill: \$ 808.00	
Town:	\$ 2.27	Total:	192,900	11/13/2012		- Abated/Paid: \$ 0.00	
				Payment Due Date		- Vet. Credits: \$ 0.00	
				12/19/2012		+ Penalties: \$ 0.00	
				Interest Rate		Amount Due: \$ 494.00	
				12% APR After 12/19/2012		Other Due Amount(s): \$ 2,819.62	

Total Tax Rate:	\$ 6.75	Net Value:	192,900
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Remit To:		2012 TUFTONBORO PROPERTY TAX - BILL 2 OF 2	
TOWN OF TUFTONBORO 240 Middle Road P.O. Box 98 Ctr. Tuftonboro, NH 03816 Temp - Return Service Requested		LAKES REGION WATER CO., INC.	
		Map	Lot Sub Net Value
		000070	000002 F-17 000039 \$ 45,600
		Parcel Location	
ASPEN DRIVE		1.550	
12% APR Charged After 12/19/2012		Invoice	Summary of Taxes
		2012P02024002	Total Tax: \$ 308.00
Billed To:		Billing Date	- 1st Bill: \$ 144.00
LAKES REGION WATER CO., INC. PO BOX 389 MOULTONBORO, NH 03254		11/13/2012	- Abated/Paid: \$ 0.00
		Payment Due Date	- Vet. Credits: \$ 0.00
		12/19/2012	+ Penalties: \$ 0.00
		Amount Due:	\$ 164.00
		Amount Enclosed:	
Please return top copy with your payment.		Other Due Amount(s):	\$ 533.51

Collector Office Hours:		2012 TUFTONBORO PROPERTY TAX - BILL 2 OF 2	
TOWN OF TUFTONBORO Tuesday, Wednesday, & Friday 9AM - 12 Noon (603) 569-4539 Tax Collector: Jacquelyn H. Rollins		LAKES REGION WATER CO., INC.	
Map	Lot Sub	Pg-Line	
000070	000002	000039	0240-02
Parcel Location		Acres	
ASPEN DRIVE		1.550	

Tax Rates		Assessments		Invoice		Summary Of Taxes	
County:	\$ 1.04	Taxable Land:	45,600	2012P02024002	Total Tax:	\$ 308.00	
School:	\$ 3.44	Buildings:	0	Billing Date	- 1st Bill: \$ 144.00		
Town:	\$ 2.27	Total:	45,600	11/13/2012	- Abated/Paid: \$ 0.00		
				Payment Due Date	- Vet. Credits: \$ 0.00		
				12/19/2012	+ Penalties: \$ 0.00		
				Interest Rate	Amount Due:	\$ 164.00	
				12% APR After 12/19/2012	Other Due Amount(s): \$ 533.51		
Total Tax Rate: \$ 6.75		Net Value: 45,600					

VOUCHER REFERENCE # DATE PAID
 7300 10902 12/14/12
 1256854088

Billed To:		2012 TUFTONBORO PROPERTY TAX - BILL 2 OF 2	
LAKES REGION WATER CO., INC. PO BOX 389 MOULTONBORO, NH 03254		LAKES REGION WATER CO., INC.	
Map	Lot Sub	Pg-Line	
000070	000002	000039	0240-02
Parcel Location		Acres	
ASPEN DRIVE		1.550	

Tax Rates		Assessments		Invoice		Summary Of Taxes	
County:	\$ 1.04	Taxable Land:	45,600	2012P02024002	Total Tax:	\$ 308.00	
School:	\$ 3.44	Buildings:	0	Billing Date	- 1st Bill: \$ 144.00		
Town:	\$ 2.27	Total:	45,600	11/13/2012	- Abated/Paid: \$ 0.00		
				Payment Due Date	- Vet. Credits: \$ 0.00		
				12/19/2012	+ Penalties: \$ 0.00		
				Interest Rate	Amount Due:	\$ 164.00	
				12% APR After 12/19/2012	Other Due Amount(s): \$ 533.51		
Total Tax Rate: \$ 6.75		Net Value: 45,600					

**STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

Docket No. DW 13-308

**Lakes Region Water Company, Inc.
Petition for Approval of Sale of Surplus Real Estate**

Date Request Received: 11/6/2013

Date of Response:12/18/2013

OCA Requests Set 1

Witness: Timothy Fontaine

REQUEST 1-3: Refer to Petition, paragraph 6. Please provide details of the calculation of \$2,808.25.

RESPONSE 1-3: The \$2,808.25 was based on the understanding that Lakes Region acquired the Hidden Valley system from its developer in 1987 for an original cost of approximately \$22,466. Order No. 18,665, 72 NH PUC 165 (1987); Order No. 19,704, 75 NH PUC 89, 90 (1990) (rate base).

At the time the Petition was filed, the original cost for the two surplus lots was unknown. As a result, the Company's Petition proposed that a reduction in the Company's books be recorded in the amount of \$2,808.25 which was an estimate calculated as follows:

\$22,466	Amount Reported in Order No. 19,704
<u>Less 50%</u>	Allocation between land and improvements.
\$11,233	Estimate of Land Cost (for lots).
<u>Less 50%</u>	Allocation for 2 of 4 lots to be sold.
\$5,615.50	Estimate of Land Costs for two of original four lots.
<u>Less 50%</u>	Allocation to reflect easement being retained by the Company.
\$2,808.25	

I have since reviewed the Company's property records (attached) which indicate the original cost of the Hidden Valley land was \$4,820, not \$11,233. Using the approach outlined above indicates the Company should record a reduction on its books for land value of \$1,205, not the \$2,808.25 as proposed.

PURbase

NH.PUC*02/05/90*[50891]*75 NH PUC 89*Lakes Region Water Company, Inc.

[Go to End of 50891]

75 NH PUC 89

Re Lakes Region Water Company, Inc.

DR 88-188

Order No. 19,704

New Hampshire Public Utilities Commission

February 5, 1990

ORDER granting an increase in rates for water utility service.

1. RATES, § 595 — Water — Recoupment — Prorated surcharge.

[N.H.] A water utility was authorized to recover through a rate surcharge over a two-year period the difference between the revenue level finally approved in its permanent rate case and the revenue level provided for in previously approved temporary rates; the surcharge would be prorated for customers that took service after the effective date of temporary rates. p. 91.

2. RATES, § 595 — Water rate design — Step increase — Safe Drinking Water Act.

[N.H.] A water utility was authorized to recover, through a step increase effective on the anniversary date of the order on its permanent rate request, costs associated with plant additions, increased property taxes, and other costs resulting from implementation of the Safe Drinking Water Act. p. 91.

3. VALUATION, § 168 — Charges to capital — Legal costs — Protection of franchise rights — Water utility.

[N.H.] Reasonable expenditures incurred by a water utility to protect certain franchise rights were included in rate base and amortized over a 20-year period. p. 91.

4. EXPENSES, § 89 — Rate case expense — Reasonableness — Grounds for disallowance.

[N.H.] Rate case expenses may be disallowed if unreasonably incurred, undue in amount, or chargeable to other accounts. p. 91.

5. EXPENSES, § 89 — Rate case expense — Reasonableness — Surcharge — Water utility.

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[N.H.] A water utility was authorized to recover its reasonably incurred rate case expenses through a rate surcharge over a five year period; however, the commission disallowed as unreasonably incurred that portion of the claimed rate case expense that was found to be attributable to inadequate bookkeeping by the utility. p. 91.

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APPEARANCES: Dom S. D'Ambruoso, Esq. on behalf of Lakes Region Water Company, Inc.; Joseph Rogers, Esq. of the Consumer Advocate Office on behalf of the residential ratepayers; and Eugene F. Sullivan, III, Esq. on behalf of the staff of the New Hampshire Public Utilities Commission.

By the COMMISSION:

REPORT

1. *Procedural History*

On December 1, 1988 Lakes Region Water Company, Inc. (Lakes Region or the Company) filed a notice of intent to file rate schedules and a request for a waiver of certain filing requirements. On December 7, 1988 the commission by letter of its Executive Director and Secretary granted the waiver of certain filing requirements.

On January 3, 1989, the Company filed its petition for temporary and permanent rates along with proposed rate changes, a new proposed tariff, testimony and exhibits to support the temporary and permanent rate requests. On January 3, 1989, the Company also sent direct notice to its customers of the rate filing. On January 23, 1989, the commission issued report and order no. 19,301 suspending the rate filing and establishing a hearing for temporary rates and procedural matters. On March 31, 1989, the commission held a duly noticed hearing on temporary rates and procedural matters. On April 19, 1989, the commission issued report and order no. 19,376 (74 NH PUC 124) establishing the Company's existing rates as temporary rates for the duration of this proceeding, said temporary rates to be effective as of the date of the order. Order No. 19,376 also established a procedural schedule for the pendency of the proceeding. On June 19, 1989 staff filed a motion to adjust the procedural schedule. On June 27, 1989 the Company filed an objection to the staff motion to adjust procedural schedule and July 7, 1989 the commission issued order no. 19,457 granting the staff's motion to adjust procedural schedule.

On July 28, 1989 commission Staff Members Lenihan and Lessels filed their direct testimony. Assistant Finance Director Newell filed her testimony on August 3, 1989. Throughout the proceeding the parties engaged in three rounds of discovery and met in consultation on September 7 and 8, 1989, for the purposes of narrowing issues and reaching a stipulation settling all the issues in the case.

II. *Position of the Parties*

Initially the Company had requested average rates for all its divisions; however, on

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September 20, 1989, the Company and staff entered into a settlement agreement which prevented any subsidization of one division by another. The Consumer Advocate did not enter into said settlement and contested certain issues at hearing.

Specifically, the Consumer Advocate contested \$3,500 spent by the Company to defend certain franchise rights in the City of Laconia, an agreement to a step increase included in the stipulation and rate case expenses. Staff also objected to the rate case expenses filed by the Company and rate case expenses were not part of the stipulation.

The parties' positions on these issues were as follows: On the issue of rate case expense the Consumer Advocate took the position that rate case expenses should be shared by the shareholders and the customers as the shareholders received the benefit of the rate case. Staff and the Company took the position that previous case law in New Hampshire prevented such treatment of rate case expenses. The Consumer Advocate objected to the step adjustment in that the expenses for the step adjustment were not known and measurable. Staff and the Company took the position that the expenses are known even if they are not yet measurable. The Consumer Advocate apparently did not believe the \$3,500 expense to defend franchise rights was includable in rate base pursuant to the chart of accounts.

II. Stipulation between Staff and the Company

Staff and the Company agreed to the following components for rates:

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[Graphic(s) below may extend beyond size of screen or contain distortions.]

<i>Rate Base</i>	
Lakes Region	\$200,683
Wentworth Cove, Pendleton Cove	58,103
WVG-Thornton, WVG-Moultonboro	11,539
Hidden Valley	22,466
Total Rate Base	\$292,791
<hr/>	
Overall Rate of Return	12.32%
Overall Revenue Requirement	\$178,702

The components of the revenue requirements are as follows:

[Graphic(s) below may extend beyond size of screen or contain distortions.]

Lakes Region	\$114,138
Wentworth Cove, Pendleton Cove	30,216
WVG-Thornton, WVG-Moultonboro	16,362
Hidden Valley	17,261
Community Pool	725

As was stated above, the Consumer Advocate objected to the calculation of revenues and rate base in Wentworth Cove, Pendleton Cove in that a certain franchise expense was included. Staff and the Company believed that Account 2302 of the Water Chart of Accounts specifically provided for the inclusion of such expenses. The commission will deal with this issue in its analysis section.

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Concerning the stipulation of the parties, the Company agreed to file a compliance tariff altering its rates to reflect the above listed rate structure.

[1, 2] In regard to temporary rate recoupment the staff and the Company agreed that the Company shall be allowed to recover the difference between the revenue level finally approved and the revenue level provided for in the Company's temporary rates as authorized in order no. 19,376 (74 NH PUC 124) by a surcharge over a two-year period in accordance with RSA 378:29. The methodology and supporting data for recoupment of the difference between temporary and permanent rates will be submitted with the revised tariff pages reflected in the permanent rate increase. It was further agreed that in the case of customers taking service after the effective date of the temporary rates, the surcharge will be prorated for such customers actual usage during the recoupment period.

Staff and the Company further agreed that on the one-year anniversary of this commission order, the Company is entitled to a step adjustment which will include addition to its fixed plant up to and including the anniversary date of the commission's order, increases in property taxes and increases in costs resulting from implementation of the Safe Drinking Water Act.

Staff and the Company further agreed that rate case expenses shall be recovered by a rate surcharge over a two-year period commencing as soon as practical after the effective date of the commission order.

III. *Commission Analysis*

[3] In regard to the \$3,500 expenditure to protect the franchise in Wentworth Cove and Pendleton Cove the commission disagrees with the Consumer Advocate in that the chart of accounts for water utilities specifically states that, "[t]his account shall include ... necessary, reasonable expenses incident to procuring ... franchises, consents or ... approval." (see Chart of Accounts, Water §2302) thus, as the \$3,500 was expended to protect a franchise area, this is a reasonable expenditure and should be amortized over twenty years as agreed to by the parties.

In regard to the step adjustment the commission believes that there are known expenses; however, they are not measurable at this time. The commission finds that the stipulation of the parties is reasonable. The commission further notes that in light of the rate case expense in this proceeding, a step adjustment is a more economical way to address these issues for small water companies than a full rate case for large increases in plant when looked at relative to the existing investment in plant.

In regard to the stipulation of the parties regarding rate case expenses and their surcharge over two years, the commission rejects the stipulation and notes that in light of the high level of expenditures made in this case, they shall be surcharged over a five-year period.

[4, 5] In regard to the Consumer Advocate's motion that the shareholders and the ratepayers split the costs of rate case

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expense, the New Hampshire Supreme Court held in *State v. Hampton Water Works*, 91 N.H. 278 (1941) that rate case expenses may be disallowed "if unreasonably incurred, if undue an

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amount, if chargeable to other accounts"; however, it is a proper operating expense unless found excessive and improper. *Hampton*, 91 N.H. at 296. Accordingly, the commission will follow this directive of the Supreme Court as applied to this case in the following manner.

In regard to the reasonableness of rate case expense the commission notes from the following colloquy in the transcript between Attorney Sullivan and Mr Lanning that some of the rate case expense was due to the inadequacy of the bookkeeping by the company. Beginning at line 5, page 43 of the transcript of the hearing held on January 10, 1990 concerning rate case expenses:

Q. [I]f the bookkeeping procedures that you suggest are now in place or will not be in place., (sic) were in place when you entered into this regulatory exercise what percent of this regulatory effort would have been needed?

A. It is hard for me to put a percentage on that and the only reason — well I guess a lot of — some of the up front costs might, where I was travelling back and forth to the Company and going through their books and records, you know, going through their ledger page by page and entering them into the computer, maybe some of the time involved in that could be eliminated, because, you know, when you have a report that actually provides that in a neat little package, then you wouldn't have to develop on — from a ledger on a line by line basis.

Q. Could you arrive at a sense of what proportion of the time that represents?

A. I feel like you are asking me to cut my own throat.

Q. Please understand this is not intended to suggest that the time you spent was not productive time, that is not the framing of my question.

This line of questioning indicates that Mr. Lanning has included in the expense of preparing the rate case time used to go through the ledger on a line-by-line basis because the books were in the state they were in. To further support this position, PUC Auditor Richard Deres testified on Page 81, lines 21 through 22

I found the General Ledger to be incomplete at best, to be lacking things which should have been there. and at page 82, lines 1 through 7

Adjusting closing entries, in one particular case one account the Accounts Receivable account had no posting whatsoever for the month of December. So, it was an account that eleven months worth of activity. It did not have a starting balance, it did not have an ending balance. It had January through November entries and that is all.

Mr. Deres was then asked at line 8 of page 82;

Q. Given the conditions of the books as you saw them when you went to do the audit, if you had to prepare a rate case from those books, what situation would you have been put in?

A. I would have found it most difficult.

Q. Why is that?

A. The incompleteness of the data and when we asked Mrs. Mason who was the only one available to us while we were there, I found that I could not get the questions I needed answered from her. I could not get the answer that I felt I should have.

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That I had to pursue her to try to explain this. And after getting an explanation from her I would have to question her again, because it wasn't quite what I expected. It didn't appear right.

Finally, the testimony of Assistant Finance Director Newell at pages 113 and 114, lines 22 through 23 and 1 through 4. Mrs. Newell testified that:

[B]ecause the test year was an off year, requiring extra work in closing the accounts to come up with the test year and also due to

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the fact that Mrs. Mason's knowledge of bookkeeping but the main reason was the off year.

In response to a question asking her if she thought that rate case expenses should be lowered to some degree. In her prefiled testimony Mrs. Newell testified that rate case expenses for Mr. Lanning should be lowered to \$5,000 of the estimated expense of \$7,000 or a \$2,000 reduction in expenses. Based on the above testimony of Mr. Deres, Mrs. Newell and Mr. Lanning the commission will disallow \$2,000 of Mr. Lanning's rate case expenses¹⁽¹⁾. The commission accepts the testimony of Mary Jean Newell and adjusts the rate case expenses charged by Mr. Lanning to \$10,495 of his final bill of \$12,495.

This does not reflect imprudency on the part of Mr. Lanning, but on the bookkeeping of the Company. Therefore, the stockholders of the Company should bear the costs of Mr. Lanning's time. In regard to this disallowance the record is replete with the inability of Lakes Region to keep competent books. The commission recommends that the Company's present bookkeeper receive intensive training or in the alternative the Company hire competent help in order to maintain proper books not only in order to lower rate case expenses in the future, but, to maintain the records of the Company as required by the commission's rules and regulations.²⁽²⁾

Our order will issue accordingly.

ORDER

Upon consideration of the foregoing report, which is made a part hereof; it is hereby

ORDERED, that the annual revenues of the four divisions of Lakes Region Water Company shall become effective for all service rendered on or after the date of this order; and it is

FURTHER ORDERED, that the Company shall submit revised tariff pages reflecting the increased revenues as outlined in the foregoing report bearing this order number and effective date; and it is

FURTHER ORDERED, that the Company submit a tariff page with methodology and supporting documentation specifying recovery of the difference between temporary and permanent rates; and it is

FURTHER ORDERED, that the Company shall surcharge rate case expenses over a five-year period in accordance with the foregoing report; and it is

FURTHER ORDERED, that the Company shall file an accounting of the rate case expense

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surcharge on a yearly basis; and it is

FURTHER ORDERED, that the Company shall be allowed a step increase to reflect additions to its fixed plant up to and including the anniversary date of the commission's order, increases in property taxes and increases in costs resulting from the Safe Drinking Water Act; however, each of these additions shall be suspended pending review by the staff and the commission as to reasonableness, prudence and usefulness. Furthermore, the Company is placed on notice that expenditures required by the Department of Environmental Services implementing the Safe Drinking Water Act shall be subject to review to determine least cost alternatives for complying with said Act; and it is

FURTHER ORDERED, that the commission staff shall conduct an audit of the Company's books on or about the one year anniversary of this order to determine whether or not the Company is keeping its books in compliance with commission record keeping requirements and in a competent manner.

By order of the Public Utilities Commission of New Hampshire this fifth day of February, 1990.

FOOTNOTES

¹Although Mr. Lanning testified that he spent considerable time correcting the Company's books and that said expenditures were not included in rate case expenses, (T.p. 45) the testimony of Mr. Deres indicates the books were still in poor condition after Mr. Lanning's work.

²The commission further notes from Docket DR 81-203 that similar problems have occurred in previous rate cases regarding the books of the Company.

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Endnotes

1 (Popup)

¹Although Mr. Lanning testified that he spent considerable time correcting the Company's books and that said expenditures were not included in rate case expenses, (T.p. 45) the testimony of Mr. Deres indicates the books were still in poor condition after Mr. Lanning's work.

2 (Popup)

²The commission further notes from Docket DR 81-203 that similar problems have occurred in previous rate cases regarding the books of the Company.

Justin C. Richardson

From: Lakes Region Water <lrwater@lakesregionwater.com>
Sent: Wednesday, December 18, 2013 12:33 PM
To: Justin C. Richardson
Subject: Hidden Valley
Attachments: Hidden Valley 12-18-2013.pdf

Hi Justin

Attached is Property Record which documents the original cost (land of Hidden Valley \$4,820

The two tax bills for the two items being sold lot# 16 and 17. The Tax bill for F-16 is \$192,900 (Building) What this amount represents is mains, pumps etc. for the entire Hidden Valley and not for parcel #16.

Does this help?

Timothy Fontaine, Utility Manager
Lakes Region Water Company, Inc.
(603)476-2348

Justin C. Richardson

From: Lakes Region Water <lrwater@lakesregionwater.com>
Sent: Thursday, November 21, 2013 2:13 PM
To: Justin C. Richardson
Cc: Tom Mason
Subject: RE: Hidden Valley Value

Justin

I think the cleanest way is dividing the 4280 (cost basis) by 2 of the 4 lots for a value based on cost of 2140.per LRWC Plant Records instead of the 2808.25 as noted in the Partition. Not working with OCA all that much explaining the 2808.25 may be not worth it.

Tim

From: Justin C. Richardson [<mailto:jrichardson@uptonhatfield.com>]
Sent: Thursday, November 21, 2013 12:01 PM
To: Lakes Region Water
Cc: Justin C. Richardson
Subject: RE: Hidden Valley Value

This is where my numbers came from. It's ok if we need to change it then we can just state where the number came from and if the property records show that we should have used a different number then ok.

Justin C. Richardson
Upton & Hatfield, LLP
159 Middle Street
Portsmouth, NH 03801
Tel: 603-436-7046
Fax: 603-369-4645
jrichardson@uptonhatfield.com
www.uptonhatfield.com



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From: Lakes Region Water [<mailto:lrwater@lakesregionwater.com>]
Sent: Thursday, November 21, 2013 9:02 AM
To: Justin C. Richardson
Subject: RE: Hidden Valley Value

Justin

OCA DR#3

Assigned to sale of surplus lots.....\$2,808.25

Original cost \$4,280 / 2 = \$2,410 value of two of four lots.
50% of land value assigned to surplus lots or \$2,410 value assigned to surplus lots.

Difference of \$398.25? (2808.25 per partition-2410 per books)

The 2410 is apparent..

Tim

From: Justin C. Richardson [<mailto:jrichardson@uptonhatfield.com>]
Sent: Wednesday, November 20, 2013 6:09 PM
To: Lakes Region Water; Tom Mason
Subject: RE: Hidden Valley Value

Its explained in the petition. Original cost, less 50% (land vs. improvements), less 50% (2 of 4 lots), less 50% (half land value vs. easement value retained by the Company).

Justin C. Richardson
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From: Lakes Region Water [<mailto:lrwater@lakesregionwater.com>]
Sent: Wednesday, November 20, 2013 4:45 PM
To: Justin C. Richardson; Tom Mason
Subject: Hidden Valley Value

In the petition the value \$2,808.25 came up. OCA wants to know what the basis of this amount. Is?

Justin can you shed some light on this?

Timothy Fontaine, Utility Manager
Lakes Region Water Company, Inc.
(603)476-2348

