

1
2
3
4
5
6
7
8
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27

THE STATE OF NEW HAMPSHIRE

PUBLIC UTILITIES COMMISSION
IN THE MATTER OF
ATKINSON AREA WASTE WATER RECYCLING COMPANY, INC.
20-071
PRE-FILED TESTIMONY IN SUPPORT OF
PETITION FOR APPROVAL OF PERMANENT RATES AND PROPOSED
TARIFF REVISIONS

PRE-FILED TESTIMONY OF HAROLD J. MORSE

Q. Please state your name, address and position with Atkinson Area Waste Water Recycling, Inc.

A. My name is Harold J. Morse, of 54 Sawyer Avenue, Atkinson, NH. I am the President of Atkinson Area Waste Water Recycling Company, Inc., (AAWW), as well as the Vice President of Lewis Builders Development, Inc. (LBDI), the President of The Hampstead Area Water Company, Inc. (HAWC) and the Vice President of Atkinson Farm, LLC, (AF) and Atkinson Concessions, Inc., d/b/a Atkinson Resort & Country Club (ACI).

Q. Describe the overall history of AAWW.

A. AAWW is presently franchised in an area of Atkinson, New Hampshire. All of the entities named herein and in the Petition are closely held companies owned by related parties. AF is a domestic limited liability company , and is the parent company for Atkinson Concessions, Inc, d/b/a Atkinson Resort & Country Club (ACI). AF owns the land that ACI is located on. LBDI constructed the

1 wastewater treatment plant in 2001 and upgraded the plant in 2009, on property
2 owned by AF, who currently owns the asset.

3 Q. What are the current status and the future plans for the wastewater treatment
4 plant?

5 A. The wastewater treatment system currently supplies service to ACI and will
6 supply service to a development of residential condominium units to be
7 constructed on the AF property by LBDI. This development will be known as
8 Atkinson Heights.

9 Q. Could you describe the Atkinson Heights development?

10 A. AF obtained approval in 2007 from the Town of Atkinson Planning Board for
11 Atkinson Heights condominium development, which will be an age restricted
12 (55+) residential condominium development. The construction of Two Hundred
13 and Eighty-Eight (288) condominium units will consist of Nine (9) mid-rise
14 buildings containing Thirty-Two (32) units each. Construction of the first
15 building began this year.

16 Q. How many customers are initially anticipated over the next few years?

17 A. The initial customer base is calculated for two buildings or Sixty-Four (64) units.
18 The commercial use represented by ACI makes for Sixty-Five (65) initial
19 customers.

20 Q. How has AAWW obtained the wastewater treatment plant?

21 A. AF has contributed the physical plant to AAWW as a contribution in aid of
22 construction (CIAC). This is pursuant to the Commission's Order number

1 20,298, dated November 12, 1991, issued in docket number DE-90-214,
2 approving a Stipulation Agreement between Staff and AAWW. Additionally,
3 LBDI constructed and contributed an expansion of the existing facility to
4 accommodate the anticipated development on the AF parcel. This is pursuant to
5 the Commission's Order number 24,899, dated September 25, 2008, issued in
6 docket number DW-07-131, approving a Stipulation Agreement between Staff
7 and AAWW.

8 Q. Who has been operating the facility?

9 A. LBDI and HAWC has been providing management, services and facilities to
10 AAWW for the operation of the system. There is a Management Contract
11 between AAWW and HAWC and LBDI.

12 Q. Generally, please describe the plant.

13 A. The existing treatment plant is approved with a design flow of 38,800 gpd and is
14 made up of a series of septic tanks which collect the solids and separate the
15 liquids from the wastewater. The liquids then flow through a series of four
16 constructed wetland cells where the secondary treatment occurs. Next the
17 recycled water is stored in a holding lagoon where it is disinfected, and then used
18 as irrigation water for the Atkinson Resort & Country Club.

19 Q. Generally, please describe the Proposed Annual Operating Budget as shown on
20 Schedule 1B of the rate case schedules.

21 A. Overall, the Company anticipates total operating and maintenance expenses of
22 \$78,580. The expenses include sludge removal expense of \$7,910, purchased

1 power expense of \$16,370 and contracted services of \$43,750. Contracted
2 Services include administrative labor of \$10,400, water testing of \$15,000 and a
3 management fee of \$5,000.

4 Q. Does this conclude your testimony?

5 A. Yes.

6

7

8

9

10

11