STATE OF NEW HAMPSHIRE

THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION HAMPSTEAD AREA WATER COMPANY, INC

DW 10-

PETITION TO EXPAND FRANCHISE, OPERATE WATER SYSTEM INSIDE OF THE NEW FRANCHISE AREA, ACQUISITION OF ASSETS AND APPROVAL OF THE APPLICATION OF EXISTING RATES

The Petitioner, Hampstead Area Water Company, Inc. (HAWC), respectively petitions the N.H. Public Utilities Commission (Commission) to (1) to expand its franchise area within the Town of Chester, (2) for approval to operate a water system inside of the new franchise area (3) for approval of acquisition of assets; and (4) for approval of the consolidated rates to be applied to that area. In support thereof, HAWC says:

- HAWC is presently franchised in most areas of Hampstead and Atkinson, New Hampshire, and has franchised satellite systems in various towns in Rockingham County (see Schedule A, attached). HAWC has been granted a consolidated rate and this consolidated rate would be applied to this franchise if granted.
- 2. That HAWC has received a request from the Owner/Developer, Abdallah Construction Corporation. (Abdallah) for new water service within the Town of Chester to provide service to a new, proposed Ten (10) unit cluster subdivision development known as Alta's Way, on the parcel known as Town of Chester, Tax Map 5, Lot 104, off Route 121A (Main Street) in Chester, New Hampshire. The subdivision and the water system extension is shown on Exhibit 6.
- 3. It is intended to have HAWC expand its franchise and provide water service to this development which will be served by extending service to the premises. This would be an

- extension of the Oak Hill satellite system for the Company. This expansion of the existing Oak Hill satellite system has been approved by DES see Exhibit 11.
- 4. Abdallah has granted a Water Rights and Easement Deed as shown on Exhibit 3. The location of the Alta's Way development and its proposed Ten (10) units and the location of the proposed system extension are shown on Exhibit 6.
- 5. The proposed Franchise Expansion Area (Expansion) is shown on the Plan on Exhibit 7 as Proposed Expansion Area. The Expansion is the boundary of the subdivision (Tax Map 3, Lot 15-1) and is described by metes and bounds as part of Exhibit 7. See also letters to the Board of Selectmen in Chester and their proposed response to Staff regarding same, attached as Exhibits 13 and 14, respectively.
- 6. HAWC will be able to serve the Alta's Way cluster subdivision under the provisions of the N.H. Public Utilities Statute.
- 7. The construction of this system is proposed to be performed by and under the direction, supervision and control of Lewis Builders Development, Inc. (LBDI), a related company to HAWC. LBDI has extensive experience in the installation of water systems.
- 8. The Three Party Contract (Contract) between Abdallah, LBDI and HAWC is attached as Exhibit 1. Abdallah will pay to LBDI \$20,000 upon the execution of the Contract and will pay another \$20,000 upon commencement of work by LBDI. The balance of the monies due LBDI under the Contract (\$28,670) will be secured by a Mortgage (Exhibit 4) and Note (Exhibit 5) between LBDI and Abdallah. The entire amount of the cost of the system extension will be contributed by Abdallah to HAWC as Contribution In Aid Of Construction (CIAC).
- 9. With regard to the request for authority to acquire the system extension HAWC says:

- A. Enclosed as Exhibit 1 is a Contract subject to the Commission's approval to Acquire the system which contains the cost for the system extension, and the terms of payment.
- B. Enclosed as Exhibit 8 is a schedule of the costs to be incurred by HAWC to acquire the system as CIAC, if the acquisition of the system is authorized by the Commission.
- C. Attached hereto are copies of HAWC'S pro forma Continuing Property Records (CPR) for those assets for which HAWC seeks approval to acquire (Exhibit 9), the Project Cost Schedule (Exhibit 12), and a proposed Bill of Sale (Exhibit 2).
- 10. With regard to the request for approval of rates HAWC says:
 - A. That HAWC presently has a consolidated system wide rate.
 - B. The current consolidate rate consists of a base rate of \$10.00 monthly and a consumption rate of \$4.55 per 100 cubic feet.
- 11. Attached is the Testimony of John Sullivan (Exhibit 10), and in support of the requests herein.

WHEREFORE your Petitioner prays:

- A. That the Commission find that it would be in the public good for the HAWC:
 - 1. to extend and expand its Franchise Area to provide water service to the area within the Town of Chester as is shown on the attached Plan (Exhibit 6);
 - 2. to add the proposed system extension within the new Franchise Area to the existing Oak Hill satellite system;
 - 3. to be permitted to acquire the assets of the system extension upon completion of the same;

4. to be permitted to charge the existing consolidated rate contained in the tariff of HAWC for the Proposed Franchise Expansion Area as described in Exhibit 7;

B. That the Commission, by appropriate order, grant the HAWC permission to:

1. to extend and expand its Franchise Area to provide water service to the area within the Town of Chester as is shown on the attached Plan (Exhibit 6);

2. to add the proposed system extension within the new Franchise Area to the existing Oak Hill satellite system;

3. to be permitted to acquire the assets of the system extension upon completion of the same;

4. to be permitted to charge the existing consolidated rate contained in the tariff of HAWC for the Proposed Franchise Expansion Area as described in Exhibit 7;

C. That the Commission make such further findings and orders as may be appropriate on the circumstances.

Dated the <u>2nd</u> day of August, 2010

Respectfully submitted,

HAMPSTEAD AREA WATER COMPANY, INC.

Christine Lewis Morse, Vice President

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Schedule A

HAWC System History

Company	Year	Docket	Order	Franchise Area
Company Walnut Ridge Water Company	1977	DE 76-179	12,827	1,826 Acres
Lancaster Farms-Salem	1984	DR 84-267	17,312	1,820 Acres
Bricketts Mill-Hampstead	1985	DE 85-149	17,312	80 Acres
Squire Ridge-Hampstead	1985	DE 85-274	17,848	140 Acres
Kent Farm-Hampstead	1987	DE 86-198	18,560	1,700 Acres
Kent Farm-Hampstead Kent Farm-Hampstead	1987	DE 86-198	18,598	Supp Order
Woodland Pond-Hampstead	1987	DE 87-211	18,980	701 Acres
Bryant Woods-Atkinson	1988	DE 87-211 DE 87-226	19,230	2,340 Acres
Hampstead Area Water Company	1989	DE 89-047	19,230	Hampstead Merger*
Hampstead Area Water Company	1989	DE 89-047 DE 89-047	19,717	1,650
Hampstead Area water Company	1707	DE 05-047	19,731	Bryant Woods
Walnut Ridge Water Company	1990	DE 90-129	19,992	Merger**
HAWC-Bricketts Mill Extension	1990	DE 90-049	19,783	55 Acres
HAWC-Hampstead	1991	DE 91-121	20,224	1,246 Acres
HAWC-Hampstead	1991	DE 91-144	20,320	1,350 Acres
HAWC-Rainbow Ridge-Plaistow	1993	DE 92-129	20,774	370 Acres
HAWC-Stoneford-Sandown	1996	DE 96-201	22,551	152 Acres
HAWC-Colby Pond-Danville	1998	DE 97-154	22,854	3,483 Acres
HAWC-Oak Hill-Chester	2000	DW 00-059	23,577	177 Acres
HAWC-Walnut Ridge &			·	
Lancaster	2002	DW 01-204	23,954	Atkinson Merger***
HAWC-Camelot Court-				
Nottingham	2004	DW 02-198	24,296	44 Acres
HAWC-Cornerstone-Sandown	2004	DW 02-198	24,296	188 Acres
HAWC-Lamplighter-Kingston	2004	DW 02-198	24,296	13.66 Acres
HAWC-Maplevale-East Kingston	2004	DW 03-150	24,299	107 Acres
HAWC-Dearborn Ridge-Atkinson	2005	DW 04-055	24,501	541 Acres
HAWC-Hampstead Expansion	2005	DW 04-062	24,520	238 Acres
HAWC-Mill Woods-Sandown	2005	DW 05-063	24,544	35 Acres
HAWC-Waterford Village-	2005	DW 05 070	04.545	00.27 4
Sandown	2005	DW 05-070	24,545	90.37 Acres
HAWC-Atkinson Expansion	2005	DW 05-092	24,592	333 Acres
HAWC-Autumn Hills-Sandown	2006	DW 06-016-	24,608	33.68 Acres
HAWC - Cooper Grove-Kingston	2008	DW-07-133	24,831	211 Acres
HAWC - Black Rocks Village	2008	DW-07-134	24,856	391 Acres
HAWC – Sargent Woods	2008	DW-07-130	24,884	65.97 Acres

^{*}Merged Bricketts Mill, Kent Farm, Squire Ridge and Woodland Pond into HAWC

^{**}Merged Bryant Woods into Walnut Ridge with requirement that the Bryant Woods rates apply

^{***}Merged Lancaster Farms and Walnut Ridge into HAWC

The Lewis Group of Companies

54 Sawyer Avenue - Atkinson, New Hampshire 03811 (603)362-5333 - (603)362-4936 (fax)

July 1, 2010

George Abdallah Abdallah Construction Corporation 100 Raymond Road Chester, NH 03036

Re: Oak Hill Extension Project – Alta's Way subdivision

Dear Mr. Abdallah,

This letter constitutes the AGREEMENT between Abdallah Construction Corporation ("Abdallah"), of 100 Raymond Road, Chester, New Hampshire, Lewis Builders Development, Inc. ("Lewis"), of 54 Sawyer Ave, Atkinson, New Hampshire, and Hampstead Area Water Company ("HAWC"), also of 54 Sawyer Ave, Atkinson, New Hampshire. All provisions contained herein are expressly contingent upon Abdallah, or its nominee, acquiring the subject property for the development known as Alta's Way.

- A. Lewis agrees to design and build an extension of the existing Oak Hill Community Water System ("System") to serve 10 residential housing units in the Alta's Way development to be built by Abdallah, located in the Town of Chester, New Hampshire. The "Contract Price" for the System is \$68,670.00 as shown on the "Project Cost Estimate" attached as "Exhibit 1", unless otherwise agreed in writing by both parties, which Abdallah agrees to pay, for the construction of the System, and which shall be paid in accordance with Paragraph "G" below.
- B. HAWC agrees to petition the New Hampshire Public Utilities Commission ("PUC") for permission and approval to acquire and franchise the System.
- C. Upon approval by the PUC, HAWC further agrees to operate, repair, maintain, manage, and administer the System, in order to provide sufficient domestic potable water to all units within the development, in ways acceptable to the NHDES and PUC. As a condition to this purchase, Abdallah shall provide to HAWC a detailed breakdown of all costs incurred by Abdallah to build those portions of the System, including all associated costs, which portions are constructed by persons or entities other than Lewis. Abdallah shall execute a Bill of Sale to HAWC in the form attached as Exhibit 2 upon the completion of the system.
- D. Abdallah agrees to also grant to HAWC a "Water Rights, Deeds and Easements" in the form attached as Exhibit 3, which is necessary for HAWC to operate, repair, maintain, manage, and administer the System.

George Abdallah Abdallah Construction Corporation Letter Agreement dated June 22, 2010 page 2

- E. Abdallah also agrees to grant Lewis a mortgage on the Project, in the form of Exhibit 4, until Abdallah's obligations to Lewis are fulfilled.
- F. This agreement assumes suitable materials within the area of excavation. This agreement does not include the cost for drilling and blasting ledge, or the removal of unsuitable materials. These costs are extras and will be paid by Abdallah.
- G. Payment Schedule:

Abdallah agrees to pay Lewis under the following schedule:

- 1. \$20,000.00 upon execution of this agreement
- 2. \$20,000 upon the commencement of work by Lewis.
- 3. Upon completion of the mains in the Project Abdallah will pay to Lewis the balance of \$28,670.00 to be paid upon the sale of each dwelling unit within the Project, in the amount of \$2,867.00 per dwelling unit.
- 4. Notwithstanding items 1, 2, and 3 above, any balance still outstanding after two (2) years from the date of substantial completion of the water system will become immediately due and payable to Lewis from Abdallah.

ABDALLAH CONSTRUCTION CORPORATION

By:

George Abdallah, President, duly authorized

LEWIS BUILDERS DEVELOPMENT, INC.

Christine Lewis Morse, its President

HAMPSTEAD AREA WATER CO, INC.

Christine Lewis Morse, its Vice President

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Exhibit 1 7/1/2010

Costs to Construct the Oakhill Extension in Chester, NH

Item of Work		Sub Total
Construction		\$60,840.00
Administrative		\$7,830.00
	Total Distribution System & Administrative =	\$68,670

NOTES:

- 1. The Distribution System will include the following:
 - ▶ Approximately 360 l.f. of 6-inch C909 PVC water main & valves, etc.
 - ▶ Approximately 500 l.f. of 4-inch C909 PVC water main
 - ▶ One blowoff & flush valve, complete, etc.
 - ▶ 10 2" Water Services (from Main to Curb Stop at property line) with appurtenances, etc. Developer will be responsible for extending the service lines from the curb stop into the units.
 - ► All necessary permits
- 2. The above price does not include the cost for ledge removal in connection with this water system. These costs will be billed directly to, and be paid directly by the OWNER/Developer. *However, ledge will be removed by LBD*.
- 3. The above price assumes suitable material within the limits of excavation.

^{*}Please note pricing is valid for 30 days

ALTA'S WAY BILL OF SALE OF WATER UTILITY ASSETS

NOW COMES **ABDALLAH CONSTRUCTION CORPORATION.**, a New Hampshire Corporation Company, of 100 Raymond Road, Town of Chester, County of Rockingham, State of New Hampshire 03036 (hereinafter referred to as "Seller"), and for the consideration given by Hampstead Area Water Company, Inc., of 54 Sawyer Avenue, Atkinson, New Hampshire ("Buyer"), by its agreement to operate the below-described water system, Seller does hereby sell, assign, transfer and convey to Buyer all of its right, title and interest in and to all of the following assets used in the production and supply and distribution of water produced from wells and related assets located off Route 121A, in the Towns of Chester, Rockingham County, New Hampshire, known as the Alta's Way Cluster Subdivision.

PUC	CONTRACTOR'S	
CODE	DESCRIPTION [Include machine and labor costs]	PRICE
303	Easement Deed	\$0.00
304	Pump House and Site Work	\$0.00
304	Booster Pumping Station	\$0.00
307	Wells (drilling, Testing, engineering)	\$0.00
309	Supply Mains (mains, manholes, pipes, trenching,	
	backfill, valves etc. from pump house to wells	\$0.00
311	Pumping Equipment (Pumps, motors, pump house,	
	plumbing, electric,, connectors, piping, valves etc.)	\$0.00
320	Water Treatment (filters etc.)	\$0.00
330	Distribution Storage (tanks, valves, standpipes,	
	hydro tanks)	\$0.00
331	Transmission and Distribution mains	
	i. 4", 3", and 2" piping	\$48,000.00
333	Services (water lines to curb stop at each customer's	
	property line)	\$20,000.00
334	Meterscustomers xper customer	\$0.00
335	Hydrants x \$3,500.00 per hydrant (includes	
	installation)	\$0.00
339	Miscellaneous (not otherwise included)	\$0.00
Total	·	\$68,000.00

To have and to hold the same unto Buyer and its assigns and successors forever

Dated 7/8/2010

Witness

ABDALLAH CONSTRUCTION CORPORATION, Owner/Developer

George Abdallah, President, duly

authorized

Return to: Robert C. Levine Lewis Builders, Inc. 54 Sawyer Avenue Atkinson, NH 03811

EXHIBIT 3 ALTA'S WAY

WATER RIGHTS DEED AND EASEMENT

KNOW ALL MEN BY THESE PRESENTS, that, ABDALLAH

CONSTRUCTION CORPORATION., a New Hampshire Corporation Company, of 100 Raymond Road, Town of Chester, County of Rockingham, State of New Hampshire 03036 (Grantee) by its duly-authorized President, George Abdallah, GRANTS TO HAMPSTEAD AREA WATER CO., INC., (HAWC) a New Hampshire corporation with offices at 54 Sawyer Avenue, Atkinson, Rockingham County, New Hampshire 03811 (Grantee) with QUITCLAIM COVENANTS

The following interest in land situated in the Town of **Chester**, Rockingham County, New Hampshire; the following water rights and easements over parcels of land known as a certain parcel of land situate in Rockingham County, Town of **Chester**, New Hampshire, and shown on plan of land entitled "Map 5, Lot 104, Boundary plan, Alta's Way, Route 121A, Chester, New Hampshire", dated December 27,2005 through revision dated December 18, 2006, prepared by Promised Land Survey, LLC, and recorded in the Rockingham Registry of Deeds as Plan no. D-34394 (Plan), and as may be more particularly described on Exhibit A, attached hereto.

I. WATER RIGHTS:

HAWC shall have the right and title to all ground and bedrock water in, on, or that may be produced from the Premises as described below the right and title to all pipes, mains, pumps, pump houses, and related machinery and equipment as may now or may subsequently be constructed on the Premises as part of the domestic water supply system.

II. <u>EASEMENT FOR ACCESS TO CONSTRUCT WATER SYSTEM AND FACILITIES:</u>

HAWC shall have the right and easement for the full right of ingress and egress

over upon and across so much of the Premises as is reasonably necessary for the purpose of exploring for such and for drilling wells or producing the same and for storing and removing the same when so produced. This right of ingress and egress shall include the right to make and use of so much of the surface of the land described and shown on the Plan, as may be reasonably incident or convenient to any exploration, development, storage, or production, including drilling of water wells and the erection of pipe lines, storage tanks, pumps, pump houses, and other surface structures incident or convenient to such production, storage, or removal of water from the Premises. All such structures, material, machinery, or equipment placed upon the property by Grantee or anyone claiming under it may be removed by Grantee or those claiming under them at any time.

III. RIGHT TO REASONABLE ACCESS AND TO SECURE FACILITIES AND CONTROL ACCESS:

HAWC shall have the right to reasonable access to service and repair pipe lines, storage tanks, pumps, pump houses, and other surface structures and the right to fence-off and otherwise secure all such pumping and storage facilities and to control access thereto as may be reasonably necessary to protect and preserve the quality of water so provided and stored and to prevent the interruption of supply of water.

IV. RIGHT AND EASEMENT TO ENFORCE PROTECTIVE WELL RADIUS <u>EASEMENTS</u>:

HAWC shall have the right and easement to enforce the sanitary water protective easement provisions of Schedule A attached hereto, within the sanitary easement area as is shown on the Plan in accordance with and to the extent required or allowed by the New Hampshire Department of Environmental Services or its successor;.

V. THE RIGHT AND EASEMENT TO CONSTRUCT, RECONSTRUCT, REPAIR, MAINTAIN, AND OPERATE A WATER DISTRIBUTION SYSTEM, FACILITIES AND SYSTEM:

HAWC shall have the right and easement to lay, construct, maintain, and operate pipe lines, valves, hookups, and meters for the supply of domestic water to all lots as may be shown on the Plan or as may otherwise be or become apart of the development in, Rockingham County, New Hampshire, (Development) as shown on the Plan, and to such adjoining or other premises as now or as may in the future constitute part of Grantee's franchise area.

The within granted right being the right to enter onto and construct, reconstruct, maintain, and operate water lines, valves, hookups, and meters in and under private and public ways and in and under strips of land

- 1. along and adjacent to public and private ways; and
- 2. across such strips of the land as shown on the Plan as may be reasonably necessary to lay, construct, and maintain water lines, pipes, and valves to serve the Premises and other premises within any franchise area licensed to Grantee by the New Hampshire Public Utility Commission as the same may, from time to time, be constituted, and to collect such water charges as such Commission shall approve.

VI. GRANTEES COVENANTS AND OBLIGATIONS.

By acceptance of this grant and conveyance, Grantee hereby covenants and agrees;

- 1. Not to disturb or interfere, except for emergencies, with the use of any lot or residence built or to be built on the Premises;
- 2. To reconstruct and regrade any and all areas its disturbs in constructing and maintaining water lines; and
- 3. To supply domestic potable water to the Premises in quantities sufficient to meet the reasonable requirements of the Development

NOT HOMESTEAD PROPERTY OF THE GRANTOR

WITNESS its hand and seal this May of Wil

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ABDALLAH CONSTRUCTION CORPORATION

George Abdallah, President

STATE OF NEW HAMPSHIRE ROCKINGHAM, SS.

The foregoing instrument was acknowledged before me this day of 2010 by George Abdallah, in his capacity as President of and on behalf of Abdallah

Construction Corporation.

Justice of the Peace/Notary Public

My commission expires:

SCHEDULE A

The purpose of this Sanitary Protective Easement is to establish a protective area to prevent contamination of the water supply distribution system shown on the Plan. Hereafter, and for so long as said system located within the easement area are used for a water distribution system, the area of the above-described easements shall be kept in a natural state. No use of the area shall be permitted which could directly or indirectly degrade the quality of the aforementioned water distribution system.

Uses that are prohibited include:

- 1. Transportation corridors, except as shown on the Plan, and as access to booster stations and pump house for maintenance and repairs;
- 2. Underground utilities or structures, except those that are associated with potable water, electricity or communication;
- 3. The storage, handling, transporting, treating or disposal of:
 - a. domestic or industrial waste or waste water;
 - b. hazardous or regulated substances such as pesticides, gas and oil or other chemicals;
 - c. hazardous or solid wastes; or
 - d. fertilizers.
- 4. Any other activities or uses that the New Hampshire Department of Environmental Services (NHDES) determines would be detrimental to water quality.

No Change in the use of the area of the protective easement may be undertaken without approval from the NHDES.

The Sanitary Protective Easement as shown on the Plan is for the benefit of the public, and as such, the above provisions may be enforced by NHDES, Grantee, the Town of, and the customers of any water system.

EXHIBIT A

A certain tract of land situated in Chester, County of Rockingham, and State of New Hampshire, bounded and described as follows, viz:

A certain tract or parcel of land situated in the Town of Chester, County of Rockingham and State of New Hampshire, and shown on plan of land entitled "Map 5, Lot 104, Boundary plan, Alta's Way, Route 121A, Chester, New Hampshire", dated December 27,2005 through revision dated December 18, 2006, prepared by Promised Land Survey, LLC, and recorded in the Rockingham Registry of Deeds as Plan no. D-34394 bounded and described as follow:

Beginning at Northeasterly corner at a granite bound set by Sandown Road (Route 121A) and along the westerly sideline of said road S 56° 57' 19" E a distance of 303.07 feet to a point at a stone wall; thence turning and running S 50° 12' `12" E a distance of 27.15 feet to a point; thence turning and running S 00° 07' 44" W a distance of 19.30 feet to a point; thence turning and running S 14° 42' 39" W a distance of 11.59 feet to a point; thence turning and running S 26° 26' 11" W a distance of 79.66 feet to a point; thence turning and running S 28° 25' 36" W a distance of 75.45 feet to a point; thence turning S 26° 17' 37" W a distance of 98.32 feet to a point; thence turning and running S 27° 00' 56" W a distance of 75.98 feet to a point; thence turning and running S 27° 50' 12" W a distance of 115.98 feet to a point; thence turning and running S 25° 22' 19" W a distance of 69.28 feet to a point; thence turning and running S 26° 55' 58" W a distance of 288.43 feet to a point; thence turning and running S 26° 06' 13" W a distance of 79.89 feet to a point; thence turning and running S 27° 02' 05" W a distance of 108.06 feet to a point; thence turning and running S 26° 21' 47" W a distance of 70.16 feet to a point; thence turning and running S 25° 15' 13" W a distance of 139.46 feet to a point; thence turning and running S 28° 08' 42" W a distance of 253.91 feet to a point; thence turning and running S 28° 12' 03" W a distance of 83.20 feet to a point; thence turning and running S 21° 35' 43" W a distance of 27.43 feet to a point; thence turning and running S 28°31' 08" W a distance of 42.76 feet to a point; thence turning and running S 25° 11" 51" W a distance of 257.73 feet to a point; thence turning and running S 30° 47' 03" W a distance of 36.81 feet to a point; thence turning and running S 28° 51' 05" W a distance of 40.54 feet to a point; thence turning and running S 26° 34' 12" W a distance of 50.33 feet to a point; thence turning and running S 28° 34' 38" W a distance of 33.82 feet to a point; thence turning and running S 25° 59' 31" W a distance of 49.30 feet to a point; thence turning and running S 28° 31' 44" W a distance of 45.88 feet to a point; thence turning and running S 24° 23' 29" W a distance of 20.01 feet to a point; thence turning and running S 21° 21' 56" W a distance 16.09 feet to a point; thence turning and running N 59° 03' 38" W a distance of 61.32 feet to a point; thence turning and running N 60° 14' 37" W a distance of 71.26 feet to a point; thence turning and running N 57° 35' 02" W a distance of 68.88 feet to a point; thence turning and running N 58° 25' 50" W a distance of 61.77 feet to a point; thence turning and running N 59° 04' 51" W a distance of 50.87 feet to a point; thence turning and running N 58° 55' 33" W a distance of 39.82 feet to a point:

thence turning and running S 27° 22' 20" W a distance of 169.18 feet to a point; thence turning and running S 27° 04' 53" E a distance of 178.87 feet to a point; thence turning and running N 55° 51' 29" W a distance of 114.30 feet to a point; thence turning and running N 56° 53' 14" W a distance of 48.11 feet to a point; thence turning and running N 55° 55' 52" W a distance of 182.15 feet to a point; thence turning and running N 28° 12' 02" E a distance of 93.31 feet to a point; thence turning and running N 27° 06' 48" E a distance of 241.13 feet to a point; thence turning and running N 27°12' 05" E a distance of 54.64 feet to a point; thence turning and running N 26°46' 37" E a distance of 45.19 feet to a point; thence turning and running N 27° 09' 27" E a distance of 436.18 feet to a point; thence turning and running N 27° 08' 25" E a distance of 136.08 feet to a point; thence turning and running N 26° 47'41" E a distance of 234.27 feet to a point; thence turning and running N26° 01' 08" E a distance of 67.88 feet to a point; thence turning and running S 64° 03' 08 E a distance of 340.65 feet to a point; thence turning and running N 26° 56' 22" E a distance of 91.64 to a point; thence turning and running N 27° 17' 51 E a distance of 156.74 feet to a point; thence turning and running N 27° 41' 26" E a distance of 47.70 feet to a point; thence turning and running N 26° 19' 47" E a distance of 129.33 feet to a point; thence turning and running N 29° 28' 00" E a distance of 35.13 feet to a point; thence turning and running N27° 13' 47 E a distance of 85.71 feet to a point; thence turning and running N 28° 26' 18" E a distance of 65.64 feet to a point; thence turning and running N 27° 16' 59" E a distance of 161.31 feet to a drill hole set; thence turning and running N 26° 45' 17" E a distance of 55.39 feet to a point; thence turning and running N 28° 14' 41" E a distance of 82.89 feet to a point; thence turning and running N 26° 17' 53" E a distance of 38.88 feet to a point; thence turning and running N 27°16' 37" E a distance of 187.52 feet to a point; thence turning and running N 27° 16' 37" E a distance of 41.91 feet to the point of beginning.

Containing twenty seven and 851/1000th (27.851) acres, more or less.

F:\Legal\HAWC\Oak Hill Extension\Exhibit 03 Oak Hill Ext Water Rights Deed 06-15-10.Doc

Return to: Robert C. Levine, Esq. Lewis Builders, Inc. 54 Sawyer Avenue Atkinson, NH 03811

EXHIBIT 4

MORTGAGE DEED

KNOW ALL MEN BY THESE PRESENTS that ABDALLAH CONSTRUCTION CORPORATION., a New Hampshire Corporation Company, of 100 Raymond Road, Town of Chester, County of Rockingham, State of New Hampshire 03036 (hereinafter referred to as (the MORTGAGOR), for consideration paid, GRANTS to LEWIS BUILDERS DEVELOPMENT, INC., a New Hampshire corporation, with offices at 54 Sawyer Avenue, Town of Atkinson, County of Rockingham, State of New Hampshire 03811, (hereinafter referred to as the MORTGAGEE), WITH MORTGAGE COVENANTS,

a certain parcel of land situate in Rockingham County, Town of Chester, New Hampshire, and shown on plan of land entitled "Map 5, Lot 104, Boundary plan, Alta's Way, Route 121A, Chester, New Hampshire", dated December 27,2005 through revision dated December 18, 2006, prepared by Promised Land Survey, LLC, and recorded in the Rockingham Registry of Deeds as Plan no. D-34394, together with the buildings and improvements from time to time to be erected by MORTGAGOR and situated on said land and all appurtenances and easements thereto belonging or appertaining thereto (hereinafter referred to as the Premises) and attached as Schedule A.

This Mortgage is granted to secure the MORTGAGOR'S performance under a certain Promissory Note (the Note) of even date given by the MORTGAGOR to the MORTGAGEE.

The within described premises is not homestead property.

This mortgage is upon the STATUTORY CONDITIONS, for any breach of which the mortgagee shall have the STATUTORY POWER OF SALE.

Advertising of any foreclosure notice shall be in some newspaper published in Rockingham County. The proceeds of any such sale shall be charged with expenses thereof, including reasonable attorney's fees and costs.

The obligations of this mortgage cannot be assumed by any third party without the consent of the MORTGAGEE.

WITNESS our hands and seals this day of July , 2010.

Dated:
Witness

ABDALLAH CONSTRUCTION CORPORATION, MORTGAGOR

George Abdallah, President

STATE OF NEW HAMPSHIRE COUNTY OF ROCKINGHAM

Personally appeared before me this day of _______, 2010, the above-named George Abdallah of ABDALLAH CONSTRUCTION

CORPORATION, and being duly authorized, did acknowledged that he understood the foregoing to be a Mortgage Deed and that the same is his voluntary act and deed.

Notary Public/Justice of the Peace

My commission expires:

SCHEDULE A

A certain tract of land situated in Chester, County of Rockingham, and State of New Hampshire, bounded and described as follows, viz:

A certain tract or parcel of land situated in the Town of Chester, County of Rockingham and State of New Hampshire, and shown on plan of land entitled "Map 5, Lot 104, Boundary plan, Alta's Way, Route 121A, Chester, New Hampshire", dated December 27,2005 through revision dated December 18, 2006, prepared by Promised Land Survey, LLC, and recorded in the Rockingham Registry of Deeds as Plan no. D-34394 bounded and described as follow:

Beginning at Northeasterly corner at a granite bound set by Sandown Road (Route 121A) and along the westerly sideline of said road S 56° 57' 19" E a distance of 303.07 feet to a point at a stone wall; thence turning and running S 50° 12' `12" E a distance of 27.15 feet to a point; thence turning and running S 00° 07' 44" W a distance of 19.30 feet to a point; thence turning and running S 14° 42' 39" W a distance of 11.59 feet to a point; thence turning and running S 26° 26' 11" W a distance of 79.66 feet to a point; thence turning and running S 28° 25' 36" W a distance of 75.45 feet to a point; thence turning S 26° 17' 37" W a distance of 98.32 feet to a point; thence turning and running S 27° 00' 56" W a distance of 75.98 feet to a point; thence turning and running S 27° 50' 12" W a distance of 115.98 feet to a point; thence turning and running S 25° 22' 19" W a distance of 69.28 feet to a point; thence turning and running S 26° 55' 58" W a distance of 288.43 feet to a point; thence turning and running S 26° 06' 13" W a distance of 79.89 feet to a point; thence turning and running S 27° 02' 05" W a distance of 108.06 feet to a point; thence turning and running S 26° 21' 47" W a distance of 70.16 feet to a point; thence turning and running S 25° 15' 13" W a distance of 139.46 feet to a point; thence turning and running S 28° 08' 42" W a distance of 253.91 feet to a point; thence turning and running S 28° 12' 03" W a distance of 83.20 feet to a point; thence turning and running S 21° 35' 43" W a distance of 27.43 feet to a point; thence turning and running S 28°31' 08" W a distance of 42.76 feet to a point; thence turning and running S 25° 11" 51" W a distance of 257.73 feet to a point; thence turning and running S 30° 47' 03" W a distance of 36.81 feet to a point; thence turning and running S 28° 51' 05" W a distance of 40.54 feet to a point; thence turning and running S 26° 34' 12" W a distance of 50.33 feet to a point; thence turning and running S 28° 34' 38" W a distance of 33.82 feet to a point; thence turning and running S 25° 59' 31" W a distance of 49.30 feet to a point; thence turning and running S 28° 31' 44" W a distance of 45.88 feet to a point; thence turning and running S 24° 23' 29" W a distance of 20.01 feet to a point; thence turning and running S 21° 21' 56" W a distance 16.09 feet to a point; thence turning and running N 59° 03' 38" W a distance of 61.32 feet to a point; thence turning and running N 60° 14' 37" W a distance of 71.26 feet to a point; thence turning and running N 57° 35' 02" W a distance of 68.88 feet to a point; thence turning and running N 58° 25' 50" W a distance of 61.77

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Containing twenty seven and 851/1000th (27.851) acres, more or less.

PROMISSORY NOTE

\$28,670.00

Date: $\frac{5/8/10}{}$

ABDALLAH CONSTRUCTION CORPORATION, by George Abdallah, its President, promises to pay to Lewis Builders Development, Inc., (LBDI)the sum of Twenty Eight Thousand Six Hundred Seven and 00/100th Dollars (\$28,670.00), in principal, as follows:

This Note is payable in installments of Two Thousand Eight Hundred Sixty Seven and 00/100th (\$2,867.00) Dollars paid upon the closing of each of the remaining Ten (10) lots in the Alta's Way project located in Chester, New Hampshire for which LBDI shall issue a partial release for said lot. The remaining outstanding balance of all principal will be paid in full at the final closing (i.e., the 10th closing). This note will accelerate and become due and owing in full if **ABDALLAH CONSTRUCTION CORPORATION**, it successors or assigns, conveys the subdivision in whole or in part as part of a bulk sale to a third party. Any balance still outstanding after two (2) years from the date of substantial completion of the water system will become immediately due and payable to LBDI from **ABDALLAH CONSTRUCTION CORPORATION**.

This Note is secured by a Mortgage of even date. **ABDALLAH CONSTRUCTION CORPORATION** may prepay this note at any time.

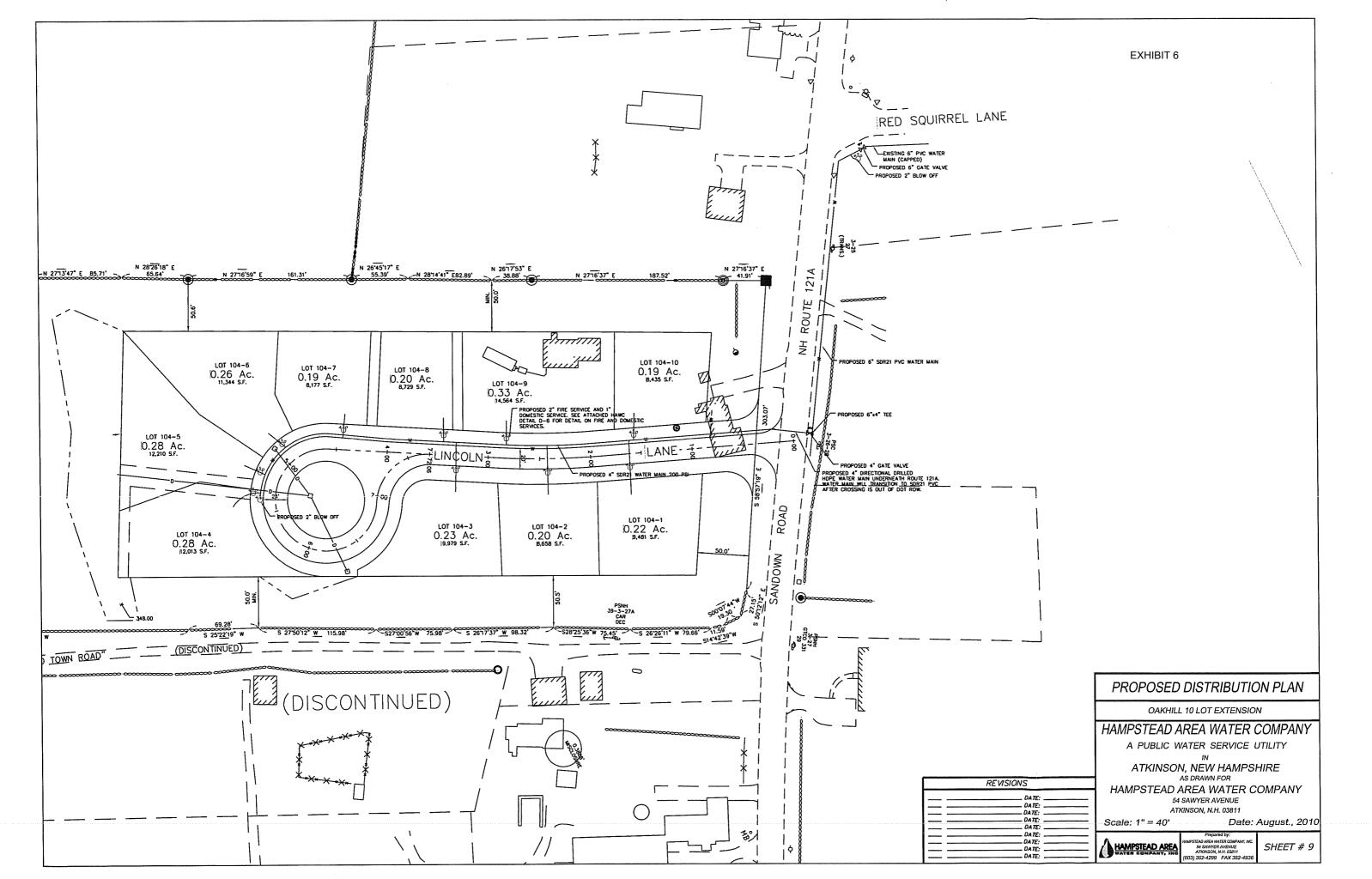
ABDALLAH CONSTRUCTION CORPORATION

George Abdallah, President

ACKNOWLEDGED AND ACCEPTED LEWIS BUILDERS DEVELOPMENT, INC.

Christine Lewis Morse, its Vice President duly authorized

F:\Legal\HAWC\Oak Hill Extension\Exhibit 05 Oak Hill Ext Promissory Note 06-15-10.Doc



PROPOSED FRANCHISE AREA OAK HILL EXTENSION

A certain tract of land situated in Chester, County of Rockingham, and State of New Hampshire, bounded and described as follows, viz:

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Containing twenty seven and 851/1000th (27.851) acres, more or less.

EXHIBIT 8 OAK HILL EXTENSION

SCHEDULE OF COSTS OF ACQUISITION

I. SCHEDULE OF CONSTRUCTION COSTS

See the Agreement between Abdallah Construction Corporation (Abdallah), Lewis Builders Development, Inc., (LBDI) and Hampstead Area Water Company, Inc. (HAWC) as per Exhibit 1

II. SCHEDULE OF PAYMENTS FROM HAWC TO ABDALLAH

The total amount of payment shall be \$0.00, as the system will be acquire solely as Contribution in Aid of Construction (CIAC)

III. SCHEDULE OF CONVEYANCE/ASSIGNMENT OF THE SYSTEM TO HAWC FROM ABDALLAH

Abdallah shall execute a bill of sale of the System, completed in accordance with Exhibit 1 and within Thirty (30) days after the grant of the franchise area to HAWC, as Contribution in Aid of Construction (CIAC) (See Bill of Sale, attached as Exhibit 2).

F:\Legal\HAWC\DW-10-000 Oak Hill Extension\Exhibit 08 Oak Hill Ext Schedule Of Costs 07-30-10.Doc

EXHIBIT 9

Page 1 of 1

Classification Account		Transmission & Distribution Mains Number: 331							
Unit Descri	ption:	Oak Hill Exte Chester, NH	ension						
Total Cost	48 000 00	Est. Cost of F	Removal		Est. Salvage				
Net Cost	+0,000.00	Rate of Depr		2.00% Est. Life in Yrs. 50			•		
Date Acquired	2010	Yearly Depre			Est. Yr of Retire		•		
	Add	ditions Reti		ditions Reti				ce	
Date	Units	Amounts	Units	Amounts	Units	Amounts	Remarks or Location		
8/1/10		48,000.00				48,000.00	(CIAC = 48,000)		

Date	Units	Amounts	Units	Amounts	Units	Amounts 48,000.00	Remarks or Location (CIAC = 48,000)
8/1/10		48,000.00				48,000.00	(CIAC = 48,000)
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TOTALS 48,000.00 0.00 48,000.00

Continuing Property Record

Page 1 of 1

Classification Account		Services			Number:	333	
Unit Descri	otion:	Oak Hill Exte Chester, NH	ension				
Total Cost Net Cost Date Acquired	20,000.00	Est. Cost of F Rate of Depre	eciation	2.50%	Est. Salvage Est. Life in Yrs. Est. Yr of Retire		
Date	Add Units	itions Amounts	Retir Units	ements Amounts	Balan Units	ce Amounts	Remarks or Location
8/1/10	10	20,000.00			\ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \ \		2" Water Service (CIAC=20,000)

0.00

20,000.00

20,000.00

TOTALS

Continuing Property Record

Page 1 of 1

Classification /	Account	Meters			Number:	334	
Unit Descri	ption:	Oak Hill Exte Chester, NH			A A A A A A A A A A A A A A A A A A A		
							-
Total Cost	3,640.00	Est. Cost of F	Removal		Est. Salvage		
Net Cost		Rate of Depr	eciation	4.50%	Est. Life in Yrs.	22	
Date Acquired	2010	Yearly Depre	ciation	163.80	Est. Yr of Retire		•
		itions		ements	Balan		
Date	Units	Amounts	Units	Amounts	Units	Amounts	Remarks or Location
							New meters (CIAC =
8/1/10	10	3,640.00				3,640.00	3,640)
						3,640.00	

	I						

TOTALS 3,640.00 0.00 3,640.00

STATE OF NEW HAMPSHIRE THE NEW HAMPSHIRE PUBLIC UTILITIES COMMISSION

HAMPSTEAD AREA WATER COMPANY, INC

DW 10-

PETITION TO EXPAND FRANCHISE, OPERATE WATER SYSTEM INSIDE OF THE NEW FRANCHISE AREA, ACQUISITION OF ASSETS AND APPROVAL OF THE APPLICATION OF EXISTING RATES

PRE-FILED TESTIMONY OF JOHN SULLIVAN

- Q. Please state your name and business address:
- A. John Sullivan. 54 Sawyer Avenue, Atkinson, New Hampshire.
- Q. What is your present employment?
- A. I am the controller for Lewis Builders Inc., employed as are most employees, by Lewis Builders Development, Inc., a wholly-owned subsidiary of Lewis Builders, Inc.
- Q. As controller for Lewis, do your duties also include similar duties for Hampstead Area Water Company, Inc. (HAWC)?
- A. Yes.
- Q. HAWC has submitted a "Petition To Expand Franchise, Operate Water System Inside Of The New Franchise Area, Acquisition Of Assets And Approval Of The Application Of Existing Rates". Would you explain briefly what the purposes are for this petition?
- A. Yes. There are basically three reasons for this petition. First, the Company is seeking the approval of the Commission for the proposed system extension in Chester, New Hampshire. Secondly, the Company is requesting that the Commission approve the acquisition of these system assets and operate the system extension within the new franchise area. Thirdly, the

Company is seeking Commission approval for applying the existing rates to the proposed franchise area.

Q. What is the proposed system?

A. The current project would be an extension of the existing satellite system of Oak Hill and the construction of a water system extension into the Alta's Way development. We will be acquiring that system extension as CIAC from the developer. The cost of the system being acquired is \$68,000. The out of pocket cost to HAWC is \$0.00.

Q. What are the system assets being acquired?

A. Those assets are listed on the Bill of Sale, the Project Cost Schedule, and the Continuing Property Report, attached as Exhibits 2, 12, and 9 respectively.

Q. What are the rates proposed for the franchise area and how were they derived?

A. We are proposing that the Commission approve the application of the existing consolidated rate with the same base charge of \$10.00 per month and consumption rate of \$4.55 per 100 cubic feet as is presently approved for HAWC.

Q. Does this conclude your testimony?

A. Yes.



The State of New Hampshire

RECEIVED MAY 17 20

DEPARTMENT OF ENVIRONMENTAL SERVICES

Thomas S. Burack, Commissioner

May 12, 2010

HAMPSTEAD AREA WATER COMPANY INC 54 SAWYER AVENUE ATKINSON NH 03811

Attn: Charles Lanza

Subject: CWS CHESTER - Map 5, Lot 102; Oak Hill - EPA # 0432020 - Project # 999324

Dear Mr. Lanza:

Our office has reviewed and hereby approves the plans for the revised proposal for the expansion of the 'Oak Hill' public water supply system located on NH Route 121A in the Town of Chester. The water supply system's two existing wells have the following ID # 0432020 001 and 0432020 002, and location/descriptions: Bedrock Well 1, 55' Southwest of the Pumphouse and Bedrock Well 2, 2,050' Southeast of the Pumphouse.

The permitted production volumes for the wells were 27,360 and 56,880 gallons respectively. A total number of 60 units with a total of 185 bedrooms are approved and the approved design flow for the expanded water supply system at this time is 27,750 gallons per day.

Please be advised that this approval shall lapse four years from the date of this letter, if construction of the expansion to the water supply system has not started. In addition, if construction of the expansion has started at that time, but it has not begun operation; the water system's design will have to meet all then current design criteria prior to its start-up.

All new construction of the water supply system is to be in accordance with NH Administrative Rule Env-Ws 372.21, 372.22, 372.23, 372.24, 372.25, and 372.32 (*Design Standards for Small Community Water Systems*). This approval is also subject to the following conditions:

- 1. A copy of the final water distribution pipe plan must be submitted to DES for review and approval prior to the start of construction for the expansion.
- 2. There shall be no in-ground irrigation systems installed at any of the 10 proposed homes included in the expansion.
- 3. Fuels and other regulated contaminants shall not be stored, nor shall septic tanks and leach fields, buildings, roadways, parking lots, etc. be located, within the wells' 200 foot protective radius areas as shown on the site plan. The top of each well casing must be at least one foot above the final finished grade.

- 4. A sampling tap shall be installed for each water supply source in order to sample each source's water quality individually. Each sampling tap should be located on each incoming source line prior to its entry to the first on-line storage tank and upstream of any check valves. It should be located at least 12 inches above the floor or finished grade. Sampling taps must also be installed between each treatment unit and after the last treatment unit in order to monitor the operating performance of each unit.
- 5. The water supply system shall be capable of an immediate connection of a chemical feed pump for the metered application of a disinfectant. An injection tap shall be installed on the source waterline prior to its entry to the first on-line storage tank and an electrical outlet, interconnected with the electrical circuit for the well pumps, shall be provided.
- 6. Each well shall have an appropriately sized tube for electronic drawdown probes or alternate provisions permanently installed in the wells which shall allow determination of the static and drawdown water levels.
- 7. The atmospheric storage tank shall be equipped with a capped filler pipe (lockable, if on the exterior) to accommodate tank truck water delivery.
- 8. A certified operator, with the required grade(s), shall be retained in accordance with Env-Ws 367 (Certification of Water Works Operators) to be in responsible charge of the water supply system.
- 9. The water system's sources shall be wired to operate either simultaneously or to automatically alternate between pumping cycles in order to be sampled together as a blended sample.
- 10. Any in-active or abandoned water supply sources must be physically separated from the water piping system by removing a section of pipe (severing the line). Simply 'valving off' and/or electrical disconnection is not sufficient. Any abandoned wells must be backfilled and sealed in accordance with We-604 to prevent possible injury or groundwater contamination. All sources not abandoned, or otherwise still physically connected to the water supply system, are required to be sampled and monitored.
- 11. All new construction of the water distribution system is to be in accordance with Env-Ws 372.32 and the Water Distribution System Construction Guide that is enclosed with this letter. All piping material, valves, etc. shall conform to the

most recent revision of the appropriate American Water Works Association (AWWA) Specifications. Where such a specification does not exist for the pipe size being used, the minimum pressure rating for the pipe shall be 200 psi and the pipe shall conform to the requirements of American Society for Testing and Materials (ASTM) 2241.

- 12. All new tees, bends, hydrants, blow-offs, etc. shall be provided with thrust blocking designed to prevent movement.
- 13. The separation between new water mains and sewerage pipes shall be in accordance with Env-Ws 372.32.
- 14. All new water mains installed under culverts shall be covered with sufficient earth or other insulation to prevent freezing.
- 15. The maximum spacing for gate valves installed on the new water mains shall not exceed 1500 feet. Gate valves shall be provided at all intersecting water mains.
- 16. Hydrants or other means for flushing the new water mains shall be provided near the ends of all water mains. The sizing of each 'blow-off' shall provide a flushing velocity of at least 2.5 feet per second in the water main.
- 17. All new water distribution piping shall be installed and pressure tested in accordance with AWWA C-600 or C-900 as applicable to the type of pipe chosen.
- 18. A set of 'as-built' plans or 'record drawings', in accordance with Env-Ws 372.33, shall be submitted to DES after all new construction has been completed,.
- 19. Before water service is provided, all new water distribution lines and storage tanks must be flushed, disinfected with chlorine in accordance with AWWA C-651 or C-652, re-flushed, and sampled for acceptable bacteria quality.
- 20. The design flow for the expanded public water supply system will be greater than 20,000 gallons per day. The water system's owner shall be required to register and report its water usage to DES in accordance with Env-Wq 2202 (Water Use Registration and Water Use Reporting).
- 21. At such time as the project is constructed and is ready to go on-line, the owner must contact this office (271-2513) to arrange for a system inspection and the system's water sampling schedule in accordance with Env-Ws

Oak Hill Charles Lanza May 12, 2010 Page 4 of 4

372.34.

If you have any questions concerning this letter, please contact this office at (603) 271-2949 or by e-mail at <u>james.gill@des.nh.gov</u>.

James B. Gill, P.E.

Small Water Systems Section

Drinking Water and Groundwater Bureau

cc: M. Clairmont - NHDES

D. MacDonald - NHDES

OAK HILL EXTENSION

PROJECT COST SCHEDULE

PUC	CONTRACTOR'S	
CODE	DESCRIPTION [Include machine and labor costs]	PRICE
303	Easement Deed	\$0.00
304	Pump House and Site Work	\$0.00
304	Booster Pumping Station	\$0.00
307	Wells (drilling, Testing, engineering)	\$0.00
309	Supply Mains (mains, manholes, pipes, trenching,	
	backfill, valves etc. from pump house to wells	\$0.00
311	Pumping Equipment (Pumps, motors, pump house,	
	plumbing, electric,, connectors, piping, valves etc.)	\$0.00
320	Water Treatment (filters etc.)	\$0.00
330	Distribution Storage (tanks, valves, standpipes,	
	hydro tanks)	\$0.00
331	Transmission and Distribution mains	
	i. 4", 3", and 2" piping	\$48,000.00
333	Services (water lines to curb stop at each customer's	
	property line)	\$20,000.00
334	Meterscustomers x per customer	\$0.00
335	Hydrants x \$3,500.00 per hydrant (includes	
	installation)	\$0.00
339	Miscellaneous (not otherwise included)	\$0.00
Total		\$68,000.00

F:\Legal\HAWC\DW-10-000 Oak Hill Extension\Exhibit 12 Oak Hill Ext Proj Cost Sch 07-30-10.Doc





TEL: 603.362.4299 FAX: 603.362.4936 www.hampsteadwater.com

August 2, 2010

Board of Selectmen Town of Chester 84 Chester Street P.O. 275 Chester, NH 03036-0275

Dear Board Members:

This letter is to advise you that the Hampstead Area Water Company, Inc. is filing a petition with the State of New Hampshire Public Utilities Commission to franchise a limited area in your town.

The purpose of the franchise area will be to serve the newly-developed subdivision/site known as Alta's Way, off of Route 121A, being developed by Abdallah Construction Corporation.

We request that the Board of Selectmen acknowledge, in writing, to the Public Utilities Commission that they have been duly notified of this proposed petition to franchise this limited area. We have provided a form which you can sign and mail in the enclosed stamped envelope.

By signing this letter you are **not** waiving any right to intervene, should you so desire, nor to appear before or take part in the franchise proceedings before the PUC, should you so desire, but are only acknowledging that we have notified you of this proposed franchised petition.

If you have any questions, please do not hesitate to call me at the above number at extension 3019.

Robert C. Levine,

General Counsel

Very truly yours?

RCL/ja encl.

TOWN OF CHESTER

Mr. Douglas Brogan Public Utilities Commission 21 Fruit Street, Suite 10 Concord, New Hampshire 03301-2429

RE: Petition of Hampstead Area Water Company, Inc. to develop a water system extension in Chester to service the Alta's Way development, in Chester, NH.

Dear Mr. Brogan:

Please be advised that the Chester Selectmen have been notified of the proposed petition to acquire and operate a small water system extension in Chester to serve the Alta's Way development, located in Chester, New Hampshire, which will consist of approximately 10 units.

Our address is 84 Chester Street, P.O. 275, Chester, NH 03036-0275, and our telephone number is 603-887-4979.

Dated:	
	Chester Board of Selectmen
	By:
	Title