

ORIGINAL
N.H.P.U.C. Case No. DW 13-17129
Exhibit No. 29
Witness Panel 1
DO NOT REMOVE FROM FILE

DW 00-153

EASTMAN SEWER COMPANY

Joint Petition for Approval of Stock Transfer

Order Approving Stock Transfer

O R D E R N O . 23,608

December 22, 2000

APPEARANCES: Devine, Millimet & Branch, Frederick Coolbroth, Esq., for the Eastman Community Association; Tony Hanslin for Eastman Sewer Company; Thomas G. Wade for the Eastman Community Association; Myron L. Cummings and Donato Ian, customers of Eastman Sewer and Lynmarie Cusack, Esq., on behalf of the Staff of the New Hampshire Public Utilities Commission.

I. INTRODUCTION & BACKGROUND

On July 21, 2000, Eastman Sewer Company (Company) and the Eastman Community Association (Association or ECA) located in Grantham, New Hampshire filed a Joint Petition for Approval of the Transfer of all of the Stock of the Sewer Company to the Association with the New Hampshire Public Utilities Commission (Commission). An Order of Notice was issued setting a prehearing conference for August 29, 2000. The Order of Notice indicated that the filing raised issues under RSA 374:30 and whether the Association had the financial, operational and managerial ability to own the system. The petition asks for approval for the transfer of all outstanding stock consisting of 1,600 common shares to the Association.

The Company currently provides service within the Eastman development to approximately 336 condominium units, 200 single family homes and two commercial customers, the Eastman Visitor Center and the Association. The overall

Eastman Sewer Company, Inc.

DW 13-171

Responses to Schaefer/Van Dolah Set1 (ESC)

Data Request Received: 08/29/13

Date of Response: 09/12/13

Request No. Schaefer/Van Dolah 1-10 (ESC)

Witness: Brian Harding

REQUEST: With respect to the proposed transaction is between the ECA and the VDE and
(SEE ESUC 6)
referring to the spreadsheet mentioned in 9. (above): Please list, explain and justify the
payments by the ESC to Jay Boynton, Attorney at Law and Norman Bernaiche, assessor and any
others in furtherance of the proposed transaction, which bring questionable value to the sewer-
users themselves. Furthermore, please explain why these charges are not totally the
responsibility of the ECA, which is the seller in the transaction.

RESPONSE: To the best of our knowledge, the attached list (see Attachment 7) shows all
payments by ESC which relate to the proposed sale to VDE. While the ESC appraisal done by
Norman Bernaiche was referenced in the Joint Petition filing, this appraisal was not done "in
furtherance of the proposed transaction". It was done as part of an effort to determine any NH
Real Estate Transfer Tax liability if ESC was dissolved and merged with ECA. The appraisal
was completed in December 2011, two months before discussions with VDE even began.

The payments made to Jay Boynton have been for extensive legal services related to the
proposed sale to VDE, including researching, corresponding and meeting with representatives of
the NH Department of Revenue Administration, various communications with other State of

New Hampshire agencies, the Town of Grantham, and other attorneys, the review of historical documents relevant to the proposed sale, the preparation of various filings with the PUC including the 226 page Joint Petition, attendance at the August 1, 2013 Pre-hearing conference at the PUC, participation in the September 17, 2013 conference call with the PUC, and numerous email communications, telephone calls and meetings with representatives of the Joint Petitioners. From the start of Attorney Boynton's work for ESC through June 30, 2013 ESC and ECA split the legal fees 50/50. From July 1, 2013 forward ECA has paid 100% of the fees, due primarily to the cash flow limitations of ESC. A payment of \$2,418 was made to Attorney Albert J. Cirone, Jr. in June 2013 for one-half of the cost to prepare the Purchase & Sale Agreement for the proposed sale to VDE. ECA paid the other half of this cost. ESC paid \$800 to Norman Bernaiche in December 2011 for one-half of the cost to prepare the appraisal for the Eastman Sewer Company, with ECA paying the other half. However, as noted above, the appraisal was not directly related to the proposed sale.

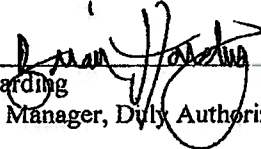
As the owner of ESC, it is reasonable to expect ECA to share in the costs related to the proposed transaction and that has been done. It is not reasonable to expect ECA to pay all the expenses, since the value of the proposed transaction to the sewer customers is undeniable. As cited in the testimony provided by Brian Harding in support of the Joint Petition, approximately \$20,000 in current annual costs paid by sewer customers will be eliminated upon transfer of the system to VDE. The savings of these costs for state taxes, local taxes, additional insurance and additional audit fees will be a direct benefit to the customers, since they pay 100% of these expenses. In addition, the system will be owned and operated by a municipality, which has access to low interest State Revolving Funds and preferred interest rates on bank loans, saving further expenses to the customers when capital projects require financing.

EASTMAN SEWER COMPANY
Transaction List by Vendor
December 1, 2011 through September 19, 2013

	<u>Date</u>	<u>Num</u>	<u>Split</u>	<u>Credit</u>
Boynton, Jay Attorney at Law				
	09/26/2012	08/31/12	5360 · LEGAL FEES	1,313
	10/17/2012	PER BILLING	5360 · LEGAL FEES	1,353
	11/01/2012	october	5360 · LEGAL FEES	348
	12/15/2012	Nov services	5360 · LEGAL FEES	480
	12/31/2012	12/31/12	5360 · LEGAL FEES	158
	02/15/2013	01/31/13	5360 · LEGAL FEES	1,048
	03/01/2013	february	5360 · LEGAL FEES	198
	04/01/2013	march exp	5360 · LEGAL FEES	2,313
	05/01/2013	April	5360 · LEGAL FEES	1,753
	06/01/2013	May	5360 · LEGAL FEES	3,113
	07/01/2013	june exp	5360 · LEGAL FEES	1,408
			Subtotal	13,485
			Reimbursed to ESC from ECA	<u>(6,756)</u>
			Net payments to Attorney Boynton	6,729
Eastman Community Association				
	12/28/2011	50%Bernaiche bill	5020.7 · OTHER CONSULTING	800
	06/01/2013	reim 1/2 for cirone	5020.7 · OTHER CONSULTING	2,418
			<u>Total through 9/19/2013</u>	<u>9,947</u>

Respectfully Submitted,

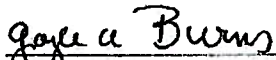
EASTMAN SEWER COMPANY, INC.

By: 
Brian Harding
General Manager, Duly Authorized

STATE OF NEW HAMPSHIRE
COUNTY OF SULLIVAN

Subscribed and sworn to before me this 25th day of September 2013 by Brian Harding,

General Manager, Eastman Sewer Company, Inc.


Notary Public / Justice of Peace
My Commission Expires: 12/9/14

GAYLE A. BURNS
Notary Public - New Hampshire
My Commission Expires December 9, 2014

EASTMAN SEWER COMPANY
Payments to ECA
 All Transactions

Date	Num	Manager fees	G&A employee	Maint. Reim (plow, mov, rep etc)	Postage	Rent	Insurance	Other	Description of Other	Total
10/31/2011	reim oct	200.00	273.84	162.66						636.40
11/30/2011	nov reim	200.00	251.02		40.98					492.00
11/30/2011	payment on advance 222-281							1,500.00	payment toward eca loan to esc	1,500.00
12/01/2011	50%Bennetts bill							4,045.02	property tax on sewer	4,045.02
12/28/2011	reim for dec	200.00	91.28	228.20	241.12			800.00	1/2 of esc appraisal	800.00
08/25/2012	to reim from sc03-03							167.90	customer pd esc/eca together reim esc's theirs	167.90
12/19/2012	to reim for 2012 expenses		1,657.00	2,737.13	893.75	2,200.00	2,995.00	12,641.91	town taxes (12/2011, 2012)	18,770.88
01/10/2013	reim. for 2012 labor				248.00					4,642.13
Total										239,540.54
		30,600.00	38,563.89	24,599.44	13,031.07	28,500.00	34,928.50	69,117.64		239,540.54

5

PURbase

Citations in Text

[N.H.] Re Granite State Electric Co., DR 93-188, Order No. 21,143, 79 NH PUC 123, Feb. 28, 1994.

NH PUC *09/19/94* [70627] *79 NH PUC 501* Eastman Sewer Company, Inc.

[Go to End of 70627]

79 NH PUC 501

Re Eastman Sewer Company, Inc.

DE 94-069
Order No. 21,358

New Hampshire Public Utilities Commission

September 19, 1994

ORDER approving the termination of a lease agreement between a company owning land and sewer plant and the utility operating the plant, for nonpayment of rent by the sewer utility. A license agreement is approved instead, under which the sewer utility retains operational authority, the owner is not deemed a public utility, and only a small license fee need be paid each year. The utility remains responsible for all plant-related maintenance, repairs, insurance, and taxes.

1. LEASES, § 1

[N.H.] Termination — Factors — Default on rent payments — Replacement with license agreement — Sewer service. p. 502.

2. PUBLIC UTILITIES, § 34

[N.H.] Regulatory status — Factors —

Page 501

Ownership of utility plant — Leasing out of plant — Owner not deemed public utility — Operator/lessor deemed public utility — Sewer service. p. 502.

3. PUBLIC UTILITIES, § 36

[N.H.] Regulatory status — Factors — Lease arrangements — Termination of lease — Replacement with license agreement — Responsibility of operator/licensee for plant maintenance, insurance, and taxes — Utility status remaining with operator — Sewer service. p. 502.

BY THE COMMISSION:

ORDER

[1-3] On April 11, 1994, Eastman Sewer Company, Inc. ("Eastman" or the "Company") advised the Commission of certain changes in the arrangements between Eastman and Controlled Environment Corporation ("CEC") which owns the real estate and is responsible for other improvements associated with the sewer facility. Eastman has been operating the sewer facility under a lease agreement originally entered into with CEC in 1982. During the course of the Company's franchise docket before the Commission, this agreement was modified to meet the definition of a capital lease to allow the Company to both capitalize the system assets and to gain more control over the system it uses to provide service.

The value of this capital lease was the subject of Commission review during the Company's first rate case, DR 90-170, in which the Commission established the ratemaking value of the lease. Unable to make the lease payments originally called for in the lease agreement, the Company defaulted under the terms of the lease, and the lease was terminated by ELC, Inc., the successor lessor to CEC.

As a result of the Company's default, the parties to the lease entered into a long term "License Agreement" to allow Eastman to continue its provision of regulated sewer service. The April 11, 1994 communication from the Company included a copy of this License Agreement.

On April 26, 1994 Commission Staff sent a letter to the Company's attorneys advising that it had a number of concerns regarding the License Agreement. Staff's concerns were 1) that the termination of the capital lease appeared to violate Order No. 19,600, issued in DS 88-117 and dated November 2, 1989 under which Eastman was authorized to provide service; 2) that termination of the capital lease resulted in both ELC, Inc. and the Company becoming public utilities requiring specific Commission authorization to provide service; 3) that the License Agreement was unclear as to the responsibility for the funding of capital additions to the system; 4) that the License Agreement restricted Eastman's ability to expand its franchise territory; and 5) that ELC, Inc. was the proper recipient of the rates established by the Commission in DR 90-170 and that the books of the utility should be maintained by the owner of the assets, ELC, Inc.

As a result of discussions between Staff and the Company, on August 9, 1994 the Company submitted a revised License Agreement for Commission approval. The revised Agreement is included herewith as Attachment 1.

The Company has indicated that ELC, Inc., the licensor, has agreed to the modifications made to the License after discussions with Staff. Staff has also concurred that the modifications to the License Agreement have removed their expressed concerns with the original Agreement, and that Commission approval of the Agreement is appropriate.

We have reviewed the License Agreement as modified and find it to be in the public interest.

Based upon the foregoing, it is hereby

ORDERED, that the License Agreement between Eastman Sewer Company, Inc. and ELC, Inc., as an affiliate agreement pursuant to RSA 366:3, is hereby approved.

By order of the New Hampshire Public Utilities Commission this nineteenth day of September, 1994.

Page 502

ATTACHMENT 1

LICENSE AGREEMENT

AGREEMENT made as of this ____ day of August, 1994, by and between ELC, Inc., a New Hampshire corporation with a place of business at Grantham, New Hampshire (the "Licensor"), and Eastman Sewer Company, Inc., a New Hampshire corporation with a place of business at Grantham, New Hampshire (the "Licensee").

WITNESSETH:

WHEREAS, Licensor is the owner of certain real estate located in Grantham and Springfield, New Hampshire, more particularly described on Exhibit A attached hereto (the "Premises");

WHEREAS, Licensor, by virtue of a Bill of Sale, Assignment and Undertaking from Controlled Environment Corporation ("CEC") dated March 31, 1992, is the Lessor under a certain lease, as amended, between CEC as lessor and Eastman Sewer Company, Inc. as lessee (the "Lease");

WHEREAS, said Lease is being terminated this date by Licensor for non-payment of rent thereunder;

WHEREAS, the property subject to Lease consists of the sewer treatment facility located on Licensor's Premises, and all other pipes, equipment and easements utilized in the operation of said sewer treatment facility, including the spray irrigation system located on the Eastman golf course (collectively, the "Sewer System");

WHEREAS, the Licensee holds a public utility franchise to provide sewer disposal service to certain residents at the Eastman Development, and utilizes the Sewer System to do so;

WHEREAS, Licensor has no public utility franchise and has no desire or intention of obtaining same or of operating the Sewer System;

WHEREAS, Licensor desires to grant to the Licensee, and Licensee desires to accept, a license to continue to operate the Sewer System, but only in accordance with the terms and conditions set forth herein.

NOW, THEREFORE, in consideration of the mutual obligations and promises set forth below, the parties agree as follows:

1. *Granting of License.* The Licensor hereby grants to the Licensee, and the Licensee hereby accepts from the Licensor, a license to enter upon the Premises and to continue to operate the Sewer Facility in order to provide public utility sewer disposal service in accordance with the terms and conditions set forth herein.

2. *Consideration and Term.* The consideration for the license granted to the licensee shall be payment of \$2,200 per year, payable on July 1 of each year during the term hereof, and payment of certain other expenses related to the Premises as set forth herein. The term of this license shall

Licensee and the Licensor as insureds as their respective interest may appear, and shall contain an agreement by the insurers that such policies shall not be cancelled without at least ten days' prior written notice to the Licensor. Licensor shall be provided with copies of all policies.

→ 7. Taxes and Utilities. Licensee shall pay all real estate taxes levied or assessed on or with respect to the Premises. Licensee also shall pay all personal property taxes, including inventory taxes, levied or assessed in respect of the personal property and trade fixtures on the Premises belonging to the Licensee or persons, firms or corporations other than Licensor. Licensee also shall pay when due all gas, telephone and electricity charges incurred on the Premises. Licensee will make its own arrangements for the delivery of all necessary fuels to the Premises for providing heat for the Premises, and will pay when due all charges for such fuel.

8. *Default.* In the event that the Licensee exceeds the scope of the license granted hereby, or otherwise defaults under any of the provisions of this Agreement, the licensor shall provide the licensee with written notice of such default by either hand-delivery or first class United States mail, postage prepaid and return requested, which return receipt shall be conclusive evidence of the time of receipt by the Licensee, unless the notice of default is hand-delivered. If the Licensee fails to cure such default within seven (7) days of its receipt of such notice of default, the license granted hereby automatically shall be revoked, and the Licensee shall immediately cease all operations on the Premises and remove its equipment (other than fixtures) and any other personal property within ninety (90) days of such termination. Upon any default by the Licensee, the Licensor shall be entitled to assert any or all of its remedies at law and in equity, including without limitation specific performance and/or monetary damages.

9. *Termination.* The License Term shall expire and terminate upon the occurrence of any of the following events:

- a) January 1, 2044;
- b) Cessation of the Licensee's operations as a public utility regulated by the New

Page 504

Hampshire Public Utilities Commission of the Sewer System;

- c) a change of control of Licensee;
- d) insolvency of Licensee or the commission of an act of insolvency;
- e) the making of an assignment by Licensee for the benefit of creditors;
- f) the filing of any petition or the commencement of any proceeding by or against Licensee for any relief under any bankruptcy or insolvency laws, or any laws relating to the relief of debtors, readjustment of indebtedness, reorganizations, compositions or extensions, provided that in the event any such proceedings are instituted against Licensee, termination of the License Term shall occur only if such proceedings are not dismissed within thirty (30) days; and
- g) the filing of any petition or the commencement of any action seeking by eminent domain or otherwise to take the Premises or any portion thereof, including any portion of the improvements located thereon.

Property Location: 24 CLEARWATER DRIVE SEWER
 Vision ID: 1676 Account #

MAP ID: 2221/2811/ Bidg #: 1 of 1

Bldg Name: Sec #: 1 of 1

Card 1 of 1

Share Used: 4200 Print Date: 05/06/2012 12:17



CURRENT OWNER		TOPO		UTILITIES		STREET/ROAD		LOCATION	
NO BOX 53	GRANTTAM, NH 03753	1 Rolling	1 All Public	3 Unimproved	3 Rural				
Additional Owner:		Other ID: 031255		PRECINCT HEART FREEZE		INDUSTR.		2407	GRANTTAM, NH

RECORD OF OWNERSHIP		BE VOL/PAGE SALE DATE		SALE PRICE		V.C.	
BLD INC	1233 549	05/15/2000	Q	175,000	00	0	
ASSOC PID#		PREVIOUS ASSESSMENT HISTORY		TOTAL			
		Yr.	Code	Assessed Value	Yr.	Code	Assessed Value
		2011	4300	-172,400	2009	4200	164,900
		2011	4200	655,100	2009	4200	482,700

EXEMPTIONS		OTHER ASSESSMENTS		APPRAISED VALUE SUMMARY	
Year	Type Description	Amount	Code Description	Amount	Count
	NBHD SUB		ASSESSING NEIGHBORHOOD		
	200/A		STREET INDEX NAME		
			TRACING		
			BATCH		
SEWER CO.+MAINS (RELECTING)		NOTES		Appraised Bldg. Value (Card)	0
OB2,3+4=PUMP HSES		OVR ONY #1		Appraised Xf (B) Value (Bldg)	0
2004-NEW PUMP HOUSE				Appraised OB (L) Value (Bldg)	486,300
4/7/11 = 100% COMPLT				Appraised Land Value (Bldg)	147,000
ASSESSMENT REVISED PER MEETING				Special Land Value	0
DECKY & KEN RIDER 634,100				Total Appraised Parcel Value	633,300

BUILDING PERMIT RECORD		VISIT CHANGE HISTORY	
Permit ID	Issue Date	Type	Description
2009-S1	09/24/2009	CMF	Commercial
2003-58	06/25/2003	NC	New Construct
Amount		Fsq. Date	% Comp.
210,000		02/24/2004	100
Date Comp.		Comments	Date
04/07/2011		SEWER FACILITY	4/27/2012
04/07/2004		REPLACE PUMP HOUSE	4/7/2011
			2/24/2004
			12/21/1996

LAND LINE VALUATION SECTION		VISIT CHANGE HISTORY	
Use Code	Description	Zone	Frontage
4200	SEWER CO.	RRD	66.00
	RRD		66.00
	RRD		66.00
Units		SP	2,000.00
AC		AC	1.83

BUILDING PERMIT RECORD		VISIT CHANGE HISTORY	
Permit ID	Issue Date	Type	Description
2009-S1	09/24/2009	CMF	Commercial
2003-58	06/25/2003	NC	New Construct
Amount		Fsq. Date	% Comp.
210,000		02/24/2004	100
Date Comp.		Comments	Date
04/07/2011		SEWER FACILITY	4/27/2012
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			2/24/2004
			12/21/1996

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Use Code	Description	Zone	Frontage
4200	SEWER CO.	RRD	66.00
	RRD		66.00
	RRD		66.00
Units		SP	2,000.00
AC		AC	1.83

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			2/24/2004
			12/21/1996

LAND LINE VALUATION SECTION		VISIT CHANGE HISTORY	
Use Code	Description	Zone	Frontage
4200	SEWER CO.	RRD	66.00
	RRD		66.00
	RRD		66.00
Units		SP	2,000.00
AC		AC	1.83

Total Card Land Units:	67.00	AC	Parcel Total Land Area: 53 AC
Total Land Value:	147,000		

Property Location: 24 CLEARWATER DRIVE SEWER
 Vision ID: 1676 Account #

MAP ID: 2221 / 2811 /

Bldg #: 1 of 1 Sec #: 1 of 1 Card 1 of 1
 State Use: 4200 Print Date: 05/06/2012 12:17

CONSTRUCTION DETAIL

CONSTRUCTION DETAIL (CONTINUED)

Element	CA	Ch. Description	Element	CA	Ch. Description
Model	00	Vacant			

Code	Description	Percentage
4300	SEWER CO.	100

MIXED USE

COST/MARKEE VALUATION
 Adj. Base Rate: 0.00
 Section, RCN: 0
 Net Other Adj: 0.00
 Replace Cost: 0
 AVEB 0
 EYB 0
 Dep Code 0
 Remodel Rating 0
 Year Remodeled 0
 Dep % 0
 Functional Obsolescence 0
 External Obsolescence 0
 Cost Trend Factor 0
 Condition 0
 % Complete 0
 Overall % Cond 0
 Months Val 0
 Dep % Ovr 0
 Dep Ovr Comment 0
 Misc Imp Ovr 0
 Misc Imp Ovr Comment 0
 Cost to Cure Ovr 0
 Cost to Cure Ovr Comment 0

OB-OUTBUILDING & YARD ITEMS(A) / XE-BUILDING EXTRA FEATURES(B)

Code	Description	Sub	Sub Description	Uf Units	Unit Price	Gate	Dep	Ri	Ch	%Ch	Unit Value
CARZ	W/DRIVING			192	\$1.00				A		190.00
SHAS	W/DRIVING			936	\$1.00				A		936.00
	LACGONS										13,100
	STOR. FONDS										14,200
	W/RESPLY										157,500
	MAINS ETC.										121,400

BUILDING SUB-AREA SUMMARY SECTION

Code	Description	Assess Area	Gross Area	Est. Area	Unit Cost	Undeveloped Value
		0	0	0	0	0

TR. Gross / Undeveloped Area:

140,800
 633,300
 = 222,275

o On Record

REPORT A LEAK >

REPORT A METER >

PO Box 990 Grantham, New Hampshire 03755 | tel: 603-863-0712 | fax: 603-863-9294

HOME ABOUT THE DISTRICT NEWS, REPORTS AND MINUTES CALENDAR RATES, FEES AND POLICIES WATER QUALITY / SAMPLING CONSTRUCTION UPDATES TIPS CONTACT

Water Rates and Fees Schedule

CHARACTER OF WATER SERVICE

Water is pumped from the wells to the Water Treatment Plant, filtered, treated, and transmitted by mains to the individual service lines.

RESIDENTIAL USAGE

Beginning Fall 2013, meters are read during the last weeks of March, June, September and December to follow a quarterly billing system. Bills will be mailed on the last day of the months listed. Accounts are considered delinquent 30 days from billing date, at which time 1.5% per month (18% per year) interest will be levied on the outstanding balance. A shut-off warning notice may also be sent. Customers subject to water shut-off will be charged a reconnection fee of \$125.

Usage	Cost per 100 gal
0-10,000 gal	70¢
10,001-20,000	75¢
20,001-30,000	80¢
30,001-40,000	90¢
Above 40,000	\$1.00

COMMERCIAL USAGE

Beginning Fall 2013, meters are read during the last weeks of March, June, September and December to follow a quarterly billing system. Bills will be mailed on the last day of the months listed. Accounts are considered delinquent 30 days from billing date, at which time 1.5% per month (18% per year) interest will be levied on the outstanding balance. A shut-off warning notice may also be sent. Customers subject to water shut-off will be charged a reconnection fee of \$125.

Commercial Rates	
Precinct Taxpayer:	Flat rate of \$1.00 per hundred gallons
Non-precinct Taxpayer:	Flat rate of \$1.10 per hundred gallons

WATER RATE CHANGE INFORMATION

To encourage conservation and to abide by requirements of the State of New Hampshire, the VDE has instituted changes in the water rate structure. The new rates are based on a sliding scale; the more you use the more you pay, and the less you use the less you pay. Some homes may not see a change at all while others may see an increase or decrease. The average home will see a modest increase in the semi-annual bill of 1.7% to 2.5% depending on the six-month season.

SERVICE CALLS

Work performed by Village District Personnel is billed on an hourly basis. The minimum charge on any call is for the equivalent of one hour's effort.

**Village District of Eastman
Commissioners' Meeting--Village District of Eastman Office
Jan. 19, 2012
Non-Public Session Draft Minutes**

CLERK'S COMPENSATION

Clerk McClory said she will not be seeking re-election. She said she has concerns about the commissioners having Office Manager Amy Lewis take minutes during their meetings while the office is open.

Commissioners said phone calls can go to voice mail or field operators at the meeting can answer the calls. As for customers coming in, the meeting can be recessed or the field operators can handle them.

The duties of the clerk were reviewed. It was noted that the clerk does not need to attend budget hearings. The office manager will take minutes at the hearings as well.

Commissioner Fairweather noted that the district in 2009 approved compensating the district clerk \$1,200, for which the commissioners included taking minutes at all district meetings and hearings. He said the district needs to have an article to eliminate the compensation.

Clerk McClory said she thinks they should have some amount for compensation since there is some time involved in completing the clerk's duties. She suggested up to \$500 with perhaps \$100 for the annual meeting and compensation for other duties as needed, such as special meetings.

Commissioner Fairweather said he thinks it will be cleaner to have a warrant article to eliminate the \$1,200 compensation and another to pay up to \$500 per year for compensation of duties performed in compliance with state regulations by the commissioners.

EASTMAN SEWER COMPANY

Eastman Sewer Company has asked the VDE to consider taking over the operation of the sewer company. District Manager Weber said she spoke with Joe Desmore, who is the sewer company's field operator, and Commissioner Fairweather said he spoke with sewer Board President Brad Moses.

The ESC is currently under control of the PUC. It is working to disband as a "for profit" company and become a non-profit utility. The request to the VDE was made in consideration of economies of scale to operate a water district and sewer district from the same office.

Commissioners said they are interested in learning more. They agreed to set up a meeting with ESC officials to discuss the issue further. They will request a meeting for 8 a.m. Tuesday, Feb. 7.

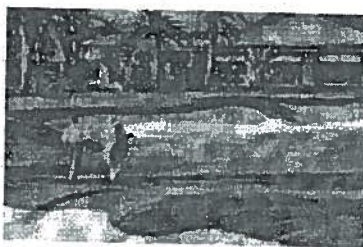
CREDIT FOR EFFICIENT FIXTURES

District Manager Weber asked if commissioners would consider giving credit to customers for replacing old fixtures with efficient equipment. Commissioners said the users will get the benefit of saving money on their bills by using less water.

Commissioners voted to return to public session at 10:27 a.m.

Respectfully submitted,

Lorie McClory



John Stark Hwy
Weare, NH 03281
United States
P: (603) 529-4653
<http://www.oakbrookgolf.com>

The 18-hole "Oak Brook" course at the Oak Brook Golf facility in Weare, New Hampshire features 2,210 yards of golf from the longest tees . Designed by Bill Weber, the Oak Brook golf course opened in 2005. Bill Weber manages the course as the Owner.

Eastman Sewer Company, Inc.

DW 13-171

Responses to Schaefer/Van Dolah Set1 (VDE)

Data Request Received: 08/29/13

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Request No. Schaefer/Van Dolah 1-1 (VDE)

Witness: William Weber

REQUEST: The VDE has suggested that it will appoint a Sewer Advisory Board of three people to do the actual management of the sewer operations. Please identify the proposed members of that board and provide their educational and work experience that would support their being appropriate as managers of sewer operations.

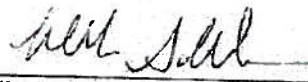
RESPONSE: The VDE has discussed the possibility of appointing a "sewer advisory board", see VDE minutes of April 3rd 2013. At that time two ESC sewer board members had indicated a willingness to serve on that board, however due to the time that has passed since then and the reality that the VDE ESC transfer may not be consummated until March of 2014 neither one of them can commit to serving on a sewer advisory board. The VDE also worked with the ECA to insert an ad in the weekly "Eastman Highlights" (a weekly online community newsletter) seeking volunteers to serve on the sewer advisory board. The ad received no response. The adoption by the VDE Commissioners of a "sewer advisory board" is purely discretionary and is not mandated, although within the powers of the commission to carry out. Statutorily the commission is guided by NHRSA 149-I:19, (adopted by the VDE January 9, 2013) which

allows for the creation of a separate sewer commission, however, any appointment is still at the discretion of the VDE Commissioners.*

*149-1:19 Establishment; Duties. -- Any town or village district which adopts the provisions of this chapter may, at the time of such adoption or afterwards, vote to establish a board of sewer commissioners, consisting of 3 members, which board shall perform all the duties and possess all the powers in the town or district otherwise hereby conferred upon the selectmen.

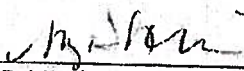
Respectfully Submitted,

VILLAGE DISTRICT of EASTMAN

By: 
William S. Weber
General Manager, Duty Authorized

STATE OF NEW HAMPSHIRE
COUNTY OF SULLIVAN

Subscribed and sworn to before me this ^{25th} day of September 2013 by William S. Weber, General Manager, Village District of Eastman


Notary-Public / Justice of Peace
My Commission Expires:

AMY D. LEWIS, Justice of the Peace
My Commission Expires February 22, 2017

Eastman Sewer Company, Inc.

DW 13-171

Responses to Phillip Schaefer and James Van Dolah Set 2 (VDE)

Data Request Received: 10/17/13

Date of Response: 10/17/13

Request No. Schaefer/Van Dolah 2-1 (VDE)

Witness: William S. Weber

REQUEST: 1. Considering that the VDE is no longer confident that anyone will agree to be a member of the sewer advisory board, please provide commitments from each of the VDE Commissioners that they are willing and able to assume the work of managing a sewer utility in addition to that of managing the water company.

RESPONSE: It is the opinion of the Sewer Users Coalition that the VDE is "no longer confident that anyone will agree to be a member of the sewer advisory board, ...". This is not stated in the VDE response to the prior request, set#1, question 1. The VDE Commissioners are confident that a sewer advisory board can be established if they decide to do so. There is no statutory requirement under RSA: 149-1 to do so.

Eastman Sewer Company, Inc.

DW 13-171

Responses to Schaefer/Van Dolah Set1 (ESC)

Data Request Received: 08/29/13

Date of Response: 09/12/13

Request No. Schaefer/Van Dolah 1-2 (ESC)

Witness: Brian Harding

REQUEST: According to PUC Order 24,368 September 2, 2004, the PUC ordered ESC to undertake a ten-year program of examination of and mapping of all the sewer lines owned by ESC. The anticipated cost of this project was \$15,000 per year.

"Eastman agreed to report annually on the work done on the project. Staff and Eastman also agreed that, if for any reason Eastman were to discontinue the project, it would notify the Staff immediately."

Please provide copies of all the bills for the inspections and all the required reports.

What percent of the project has been completed to date and when will it be totally completed?

Was the inspection project ever discontinued or interrupted? If so, please provide a copy of the notification to the PUC of discontinuance or interruption. Furthermore, if the project has been discontinued or interrupted, please explain why that was in the public interest.

RESPONSE: The Eastman Sewer Company takes very seriously its commitment to maintain the sewer system. During the period of July 2004 to December 2011, ESC has cleaned and video inspected miles of sewer lines. This work has encompassed 24 separate days of work, by three different contractors, in six different years. Other priorities and limited operating funds

prevented this work from being done every year. As shown on the attached invoices (see Attachment 1), a total of \$65,726 has been spent by ESC in the cleaning and inspecting of the lines since 2004. The areas which have been cleaned and inspected were selected at the recommendation of ESC's licensed operator, Water System Operators, Inc. (Henniker, NH). Water System Operators retains the detailed reports and video footage of the work completed by the independent contractors. To the best of our knowledge, no reports which detail this work have been submitted to the PUC by ESC, nor any notification for the years in which this work was not conducted. This was an unintentional oversight on the part of the Eastman Sewer Company.