



The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner



June 12, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

APPROVED G & C
DATE 7/11/18
ITEM # 32

REQUESTED ACTION

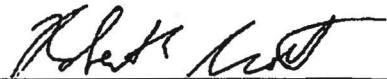
Authorize the Department of Environmental Services to approve the assumption of a Drinking Water loan from Tioga River Water Company, Inc., Gilford, NH to the Abenaki Water Company, Inc., Plainville, CT under the provisions of RSA 486:14 and N.H. Code of Administrative Rules Env-Dw 1100 et seq. effective upon Governor & Council approval.

EXPLANATION

The Tioga River Water Company, Inc. received Governor and Council approval to borrow \$230,000 from the Drinking Water State Revolving Loan Fund (DWSRF) program on October 2, 2009, Item #Late O for water system improvements including pump replacement and other pump house improvements. The project was completed and a Supplemental Loan Agreement was approved by Governor and Council on December 14, 2011, Item #67 to repay back \$230,000 with 50% (\$115,000) principal forgiveness.

An Asset Purchase Agreement for Abenaki to acquire Tioga is currently being pursued. Abenaki Water Company, Inc. wishes to assume the DWSRF loan with existing terms and conditions for the remainder of the 20 year term at 2.864% with the final payment due November 1, 2031. The remaining balance of the loan is \$86,147.

We respectfully request your approval.


Robert R. Scott
Commissioner

Date Request Received: 10/25/2018
Request No. Staff 2-1

Date of Response: 11/8/2018
Witness: Pauline Doucette

REQUEST:

Staff 2-3

Follow up to Staff 1-8:

The Projected Financials appear to be a combination of the Abenaki Water Company and Tioga River Water Company 2017 Public Utilities Commission Annual Reports. Should not these schedules include all items related to the purchase such as, but not inclusive of: 2018 activity, financing information, financing costs, acquisition costs, and acquisition adjustments? Please submit updated copy of Projected Financials, if agreed. If not, please explain why not.

RESPONSE:

Please see attachment Staff 2-3 - Updated financials. Please also note, that based on these updated financials, the Purchase price calculation has changed. Attached is Staff 2-3 Updated Purchase Price Calculation that was originally provided in Response 1-13.

Attachment 2

Property (including Utility Land), Plant and Equipment	\$366,674
Less Accumulated Depreciation	(\$154,666)
Less Utility Plant Acquisition Adjustment (Net)	\$ -
NET PLANT	<u>\$212,008</u>
Less CIAC (net of amortization)	(\$72,893)
Less Principal amount of any SRF loans assumed by Buyers	(\$84,825)
Plus: Material/Supplies	
Deferred Costs/Expenses (assumed in Rate Base)	
Prepayments (property taxes as of 10/31/17)	<u>\$1,058</u>
Total Purchase Price	<u>\$55,348</u>

Note: The Unamortized Debt Exp is associated with the SRF loans.
To the extent that AWC assumes the SRF loans, then it probably
Should assume the related financing costs.

Date Request Received: 10/3/2018
Request No. Staff 1-1

Date of Response: 10/17/2018
Witness: Donald Vaughan

REQUEST:

Staff 1-14

Re: Testimony of Pauline M. Doucette, page 4, lines 17-23 and page 5, lines 1-3: Is there a modification that can be made to the existing meters to meet Abenaki's requirements which would cost less than total replacement? If so, please detail and provide a cost estimate. If not, please explain.

RESPONSE:

There is no modification that can be made to the existing meters which would cost less than total replacement. Existing meters are made by a different manufacture and are incompatible with data collection equipment as well as software utilized by Abenaki. Furthermore, although Abenaki does not have specific data, many of the existing meters are aged, have not been tested, and should be replaced. In this age of lead-free brass as it relates to water utilities, this condition alone would dictate meter replacement.

Date Request Received: 10/3/2018
Request No. Staff 1-1

Date of Response: 10/17/2018
Witness: Norman H. Harris, III

REQUEST:

Staff 1-18

What is the monthly charge from the Town of Gilford for providing meter read information to Tioga Woods?

RESPONSE: Currently, the Town of Gilford reads the meters and provides the readings to Tioga/GVWD once per quarter. There is no charge to Tioga/GVWD for the meter data.

THE RECREATION CENTER OF NEW HAMPSHIRE



TOWN OF GILFORD
OFFICE OF THE TOWN ADMINISTRATOR
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Gilford, NH 03249

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December 18, 2018

Ms. Pauline Doucette, President
Abenaki Water Company
32 Artisan Court #2
Gilford, NH 03249

RE: Meter Replacement

Dear Ms. Doucette:

I have spoken with our Sewer Superintendent, Kevin Carlisle, regarding the recent meeting we had discussing Abenaki Water Company's request to change out the Town's current meters in the Gilford Village Water District.

As Mr. Carlisle and I have discussed, the Town of Gilford is in agreement with Abenaki's proposal to change out the current meters at Abenaki's cost, with the condition that the Town reserves the right to install its own meters and readers in the future if this arrangement proves to be unsatisfactory. We would also appreciate it if the meters being replaced were to be returned to the Town's Sewer Division.

The Town requests that Abenaki Water communicate with Mr. Carlisle regarding when the meter change project will begin. Please also provide monthly data to Mr. Carlisle using gallons for billing purposes. This can be done in an excel spreadsheet sent by email directly to Mr. Carlisle at kcarlisle@gilfordnh.gov. If you have any questions Mr. Carlisle can be reach at 603-527-4788.

The Town of Gilford looks forward to working with Abenaki Water Company in the near future.

Sincerely,

Scott J. Dunn, Town Administrator