

STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION

Docket No. DW 24-_____

Mill Brook Village Water System, LLC
Transfer of Ownership Proceeding

JOINT DIRECT TESTIMONY OF MARC LIECHTI AND JUSTIN AHMANN

April 30, 2024

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I. INTRODUCTION

Q. Please state your name.

A. My name is Marc Liechti.

Q. Please describe your educational background.

A. Gewerbe Schule Rapperswil, Switzerland, 1985
Bachelor of Science in Underground and Surface Engineering

Q. Mr. Liechti, please describe your professional background.

A. I am President and Chief of Operations in water system management, and AutoCAD design for Alpine Pacific Utilities. My strengths are efficiency and the ability to translate goals into workable designs. I provide construction inspection on many of Alpine Pacific Utilities' projects.

Q. Mr. Liechti, please describe any licenses you hold.

A. Certificate of Completion as a Chainman Southern California Joint Apprentice Committee. Certificate of Completion of Union Apprenticeship as Carpenter and Bricklayer. I am a licensed water operator (5AB) and wastewater operator (3C) in Montana.

Q. Mr. Ahmann, please state your name.

A. My name is Justin Ahmann.

Q. Mr. Ahmann, please describe your educational background.

A. I have a bachelor of science degree in civil engineering from Iowa State University.

Q. Mr. Ahmann, please describe your professional background.

A. Since 2004, I have been working in the engineering field supporting large capital infrastructure.

Q. Mr. Ahmann, please describe any licenses you hold.

A. I am a licensed professional engineer in New Hampshire, Montana, Virginia, North Dakota, and Alberta (Canada). I am a licensed water operator (5AB) and wastewater operator (2C) in Montana. Our credentials are attached as Attachment 1.

II. MANAGERIAL, FINANCIAL, TECHNICAL, AND LEGAL EXPERTISE TO OWN AND OPERATE MILL BROOK VILLAGE WATER SYSTEM.

Q. Have you ever owned and operated water utilities?

A. Yes, please see the table below of water systems we currently own.

Q. Mr. Liechti, please describe your experience owning and operating water utilities.

A. I serve as Chief Executive Officer of Alpine Pacific Utilities and have fifteen years of experience in utility management alongside the executive engineering teams of Fortune 500 companies.

Q. Mr. Ahmann, please describe your experience owning and operating water utilities.

A. I specialize in asset management and is responsible for infrastructure optimization and applications, including reliability engineering, forecasting, and capital budgeting. I provide Alpine Pacific Utilities with an understanding of the infrastructure design, permitting, and construction. I have been a manager to water, sewer, and hydroelectric operators, performed project management to third party contractors, and executed all stages of mergers/acquisitions in structures with debt and equity members.

Q. Mr. Liechti and Mr. Ahmann, please describe how this past experience is relevant to your proposed ownership and operation of Mill Brook.

A. We own eight water systems in Montana, one in Pennsylvania, and one in Maine. We have been successful in serving water systems with billing, operating, compliance, and conducting major reports by duplicating our approach in a remote fashion by teaming with local support. A summary of those systems appears in the below table:

Name of Utility	Docket No. and State	Number of Customers
East Vassalboro Water Company	Maine Docket No. 2023-00113	85
Jefferson Estate Sewage Treatment Plant	Pennsylvania Docket No. A-2021-3026700	92
Flathead Utility (three systems)	Montana Docket 2022.9.086	295
AP Kookoosint	Montana Docket 2018-10.070	17
AP Williams	Montana Docket D2019.3.13	46
Fox Hill Utilities	Montana Docket D2017.1.5	76
Alpine Pacific Utilities	Montana Docket N2014.9.80	151
AP Countryside	Montana-operator for developer and docket is in process	40

Q. Do you believe the above experience demonstrates that you have the requisite managerial, financial, and technical expertise to own and operate Mill Brook?

A. Yes.

Q. Please state the form of ownership by which you will hold Mill Brook.

A. We plan to be the owners of Mill Brook, similar to how James Ingram presently owns Mill Brook. We do not plan on forming a separate company to own Mill Brook. According to the terms of the Purchase Agreement Section 5.11(d), at closing we will receive signed deeds, endorsements, and “other good and sufficient instruments of sale, conveyance, transfer and assignment” necessary to legally own Mill Brook. Once the closing occurs, we expect to have the legal right to own and operate Mill Brook.

Q. Based on the closing documents you will receive, do you expect to satisfy the legal element of the “Public Good” test?

A. Yes.

Q. Please describe how you propose to operate Mill Brook.

1 A. Again, similar to how Mill Brook is presently managed, we propose to hire a local water
2 operator for gathering testing samples. We have not yet entered into a contract for
3 operational services but expect these fees to be market rate, similar to what Mill Brook
4 presently pays. Billing would be handled online and with our Montana support staff
5 (mailing payments to). See Attachment 2 for a sample bill format we use for our other
6 water systems. Repairs and outage responses would be handled by a company, Alpine
7 Pacific Power & Water, LLC, we have that does work on our small hydroelectric plants
8 as well as our water systems. Attached as Attachment 3 is a sample affiliate agreement
9 between Alpine Pacific Power & Water, LLC and Hydro Hooligans that would serve as
10 the basis for an affiliate agreement between Justin Ahmann and Marc Liechti and Hydro
11 Hooligans for services rendered for the Mill Brook water system. Upon Commission
12 approval of the asset transfer, we would file a finalized agreement for services.

13 **Q. Please describe how you will manage Mill Brook's accounting and**
14 **PUC/DOE/NHDES regulatory filings.**

15 A. That will be handled by Justin Ahmann. Similar to how James Ingram presently files
16 reports for Mill Brook, annual reports and rate cases will be filed timely by Justin
17 Ahmann. We understand that most of Mill Brook's required regulatory filings are done
18 online and we will continue that type of filing. We do not expect our purchase of Mill
19 Brook to change how reports are filed. An attorney will be hired, as needed.

20 **Q. Do you have access to capital in the event future investments are needed to Mill**
21 **Brook? Please explain.**

22 A. Yes. The only utility we have debt on is for Flathead Utility. The remaining capital
23 needs have been met without the need for debt. If debt financing is needed, we will

1 pursue that as we did for Flathead Utility. Our understanding is that Mill Brook currently
2 has no debt.

3 **Q. Have you reviewed the rules governing water utilities recently issued by the NH**
4 **Public Utilities Commission and the NH Department of Energy?**

5 A. Yes. We are aware that the Commission's water utility, rate case, and customer relations
6 rules have recently changed or are in the process of changing and that the Department of
7 Energy has or will soon have rules for these matters as well.

8 **Q. Have you obtained a proposed insurance binder for when you acquire Mill Brook?**
9 **Please explain.**

10 A. Yes. We currently have insurance on all our systems.

11 **Q. Please describe how you propose to conduct customer billing for Mill Brook and**
12 **whether you propose any changes to the billing process.**

13 A. In this day in age there are two customer types: 1) mailing a check monthly with the
14 desire to speak with a person. Jessi Liechti in Montana does this job for our other
15 systems and her role will expand here. 2) other customers prefer an online platform to
16 login and see billing status and make direct deposits or ACH payments. Our current
17 software does this and can be expanded to offer electronic billing and payment to the Mill
18 Brook customers.

19 **Q. Please describe who customers will contact for questions concerning, for example,**
20 **billing, account information, water outages, new service connections, and**
21 **disconnections.**

22 A. See response to previous question. If there is an outage or emergency, we have a phone
23 number that dispatches our affiliate to respond.

1 **Q. Please describe your local presence.**

2 A. We live in Montana, however, we plan to use our affiliate, Alpine Pacific Power &
3 Water, LLC and Hydro Hooligans, in addition to any other local operator, to maintain
4 and operate the Mill Brook water system. Our affiliate has employees in the states in
5 which we operate utilities and provides day-to-day maintenance and operational services
6 for our water systems.

7 **Q. Do you plan any improvements to Mill Brook's customer service operations under**
8 **your ownership? If so, please explain.**

9 A. Yes. We plan to maintain the same level of customer service operations with the
10 exception of introducing electronic billing and payment through our website. Currently,
11 Mill Brook does not have a web site for customers or electronic bill pay. Therefore, our
12 web site and electronic bill pay will be added customer service features for customers.
13 Please see Attachment 4 for a sample page of our web site: <https://aputilities.com>.

14 **Q. Please describe the tax implications of you owning Mill Brook as individuals.**

15 A. Mill Brook is a limited liability company and as such, it will be treated as a partnership
16 by virtue of it being owned by two individuals after the closing as opposed to its present
17 ownership structure of having one owner/member.

18 **Q. Are you familiar with rate of return regulation of utilities and the use of historical**
19 **test years?**

20 A. Yes.

21 **Q. When do you forecast needing to file a full rate case after you acquire Mill Brook?**

22 A. We like to watch a system for 12 months to understand the cycles then if needed file a
23 rate case.

1 **Q. Please describe the due diligence you conducted before entering into the Purchase**
2 **Agreement for Mill Brook.**

3 A. We inspected the system and apprised ourselves on the status of whether there were any
4 maintenance or system deficiencies reported in Mill Brook's NH Department of
5 Environmental Services (NHDES) Sanitary Survey. There were no reported deficiencies.
6 We familiarized ourselves with the cost of operating the system to see if the rates
7 adequately cover the operations and any anticipated improvements. We also familiarized
8 ourselves with Mill Brook's past regulatory filings and requirements (such as the rate
9 adjustment mechanism from its 2014 rate case).

10 **III. DESCRIPTION OF PURCHASE AGREEMENT**
11

12 **Q. Please provide an overview of the terms of the purchase agreement.**

13 A. The Buyers intend to acquire the entirety of Mill Brook, therefore the Buyers will acquire
14 not only the assets of Mill Brook but also the liabilities, easements, corporate structure,
15 customer accounts, permits to operate, equipment, and supplies. These items are listed
16 on the Bill of Sale and Schedule 1.1 attached to the Purchase Agreement that is attached
17 to the James Ingram's pre-filed direct testimony. There is no buyer's or acquisition
18 premium; the purchase price is set at \$52,000.

19 **Q. When do the parties propose to close the transaction?**

20 A. Per the terms of the Purchase Agreement, and in accordance with RSA Chapter 541, the
21 closing is anticipated to occur within thirty (30) days of the Commission's final,
22 unappealable order authorizing the transaction.

23 **Q. Will customers be paying for any transaction costs for this sale?**

24 A. No.

1 **Q. Are any brokers involved with this transaction?**

2 A. No.

3 **IV. NOTICE TO CUSTOMERS**

4

5 **Q. Please describe how you will introduce yourselves to the Mill Brook customers.**

6 A. We plan to make a mailing to the 44 customers explaining who we are and our intention

7 to keep things as consistent as possible. When we purchase water systems, we do not like

8 to change things immediately. We will make note in that mailing how to contact us

9 (email, phone, address, outage number, etc.)

10 **Q. Do you have any other testimony to offer?**

11 A. No.