

**STATE OF NEW HAMPSHIRE**  
**BEFORE THE**  
**PUBLIC UTILITIES COMMISSION**

Docket No. DW 24-\_\_\_\_\_

Mill Brook Village Water System, LLC  
Transfer of Ownership Proceeding

**DIRECT TESTIMONY OF JAMES INGRAM**

April 30, 2024

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**I. INTRODUCTION**

**Q. What is your name and what is your relationship with Mill Brook Village Water System, LLC (Mill Brook)?**

**A.** My name is James Ingram. I am the owner of Mill Brook.

**Q. Please describe your educational background.**

**A.** I have a Bachelor in Science degree in Architectural Engineering from Rodger Williams University in Rhode Island.

**Q. Please describe your professional background.**

**A.** After graduating from Rodger Williams University in 1980 I started Maranatha Construction. In 1985, I moved to Thornton and began developing subdivisions, including the actual site work development, home design, and construction of the homes. This work included constructing 5 water systems in the past 30 years. Although four of those five water systems are now run by their respective condominium or homeowner's associations, Mill Brook is owned by James Ingram.

**Q. What are your responsibilities and involvement in Mill Brook?**

**A.** As the original developer I, through Maranatha Construction and Mountain River Development Associates L.L.C., purchased land and constructed the water system in 1988. Since then, I have maintained and funded the overall operations of Mill Brook, including water quality and supply, distribution, engineering, customer service, and water system capital improvements. I have been in charge of the water system since its inception. All land and interests owned by Maranatha Construction and Mountain River Development Associates, LLC have been conveyed to James Ingram or Mill Brook.

**Q. What is the purpose of your testimony?**

1 A. My testimony is to support the transfer of Mill Brook to another owner. As I testified in  
2 Docket No. DW 14-176, my intent has always been to “transfer ownership to another  
3 company who is in the water utility business.” (Testimony of J. Ingram, dated August 6,  
4 2014, in Docket No. DW 14-176, at page 3).

5 **II. DESCRIPTION OF MILL BROOK WATER SYSTEM AND RATES**

6 **Q. Please generally describe Mill Brook’s water system.**

7 A. Mill Brook has rights and easements to the land the wells and pump house are on, as well  
8 as distribution system. Maranatha Construction originally funded all aspects of  
9 construction of the water system, which is 100% complete, including construction of the  
10 distribution system and curb stops for all 64 lots. The wells and pump house facility are  
11 located in The Falls at Mill Brook Condominium development. Easements have been  
12 granted and recorded assuring Mill Brook maintains the rights to maintain and operate  
13 the water system. Distribution lines outside of The Falls at Mill Brook land are either in  
14 existing public or private right of ways (ROW’s). The homeowner customers own their  
15 service line from the curb stop to the home, in accordance with Mill Brook’s tariff and  
16 N.H. Admin. R. Env-DW 504.07. Lakes Region Water Service Company is the primary  
17 operator of the system.

18 **Q. Is Mill Brook in compliance with NH Department of Environmental Services**  
19 **regulations?**

20 A. Yes.

21 **Q. Is the water service to customers metered?**

22 A. No. The water system was completed in the late 1980s when it was not uncommon for  
23 water systems to not have metered service. Retrofitting these residences for meters

1 would be more expensive than the benefit of having a volumetric metered component to  
2 the water charge given that the average water use per day in 2022 was about 114 gallons  
3 per day customer account.

4 **Q. Please describe the source of supply for Mill Brook.**

5 A. Mill Brook has one dug well and two bedrock wells. The water system was originally  
6 designed to serve 68 connections, however, only 64 lots were created, and since then  
7 James Ingram has given up additional unbuilt lots, leaving the full build out to now at 50  
8 connections. Point being, the system is well overbuilt for the customers it serves. Mill  
9 Brook uses the dug well as part of its treatment of blending water for the Uranium  
10 coming from the drilled wells. The water from any one of these wells is sufficient to  
11 meet the needs of the water system but to meet NHDES regulations, the system has  
12 redundancy by a factor of two. In 2013, one of the existing wells stopped producing.  
13 Mill Brook installed the second new drilled well. Presently, the entire water system has  
14 treatment installed for Iron, Manganese, Uranium, and pH.

15 **Q. With affiliates having funded the construction of Mill Brook, has that affected the**  
16 **rate base component of Mill Brook's revenue requirement?**

17 A. Yes. As noted in Mill Brook's last rate case, in 2014, the total plant in service was pro  
18 formed to \$512,357 but because most of that was expensed by the unregulated  
19 companies, only \$70,106 was left for rate base for Mill Brook's revenue requirement.  
20 That low rate base has greatly benefited customers because Mill Brook does not earn a  
21 return on the expenses over \$70,106 even though the assets are providing service to  
22 customers.

23 **Q. Please explain the rest of the components of Mill Brook's revenue requirement.**

1 A. The present authorized annual revenue requirement is \$23,568 which is based on the  
2 \$70,106 rate base; \$16,823 in operating expenses; and a rate of return of 9.6%. This  
3 revenue requirement was based on a 2014 test year.

4 **Q. Has Mill Brook been earning its authorized rate of return since its 2014 test year**  
5 **rate case? If yes or no, please explain.**

6 A. Based on \$70,106 in rate case, Mill Brook's expected revenue is \$6,730.18. Mill Brook  
7 earned its authorized revenue requirement in 2016. Mill Brook had a negative return in  
8 2022 and 2019. Since 2015, Mill Brook has averaged a net income of \$3,554.29.

9 **III. DESCRIPTION OF PURCHASE AGREEMENT**

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

11 A. The Buyers intend to acquire the entirety of Mill Brook, therefore, this is a stock  
12 transaction. The Buyers will acquire not only the assets of the water company but also  
13 the liabilities, easements, corporate structure, customer accounts, permits to operate,  
14 equipment, and supplies. These items are listed on the Bill of Sale and Schedule 1.1  
15 attached to the Purchase Agreement. See Attachment 1. There is no buyer's or  
16 acquisition premium; the purchase price is set at \$52,000.

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

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

21 **IV. NOTICE TO CUSTOMERS**

22 **Q. Has Mill Brook notified customers of the proposed sale of the company?**

1 A. No, not yet. Mill Brook has drafted a proposed notice. It is attached to this testimony as  
2 Attachment 2. Mill Brook intends to solicit input for this notice from the Commission,  
3 Department of Energy, Office of the Consumer Advocate, and other stakeholders or  
4 intervenors. Very small accounts receivable (12/30/23 \$397.12 over two customers).  
5 One missed a payment that was received shortly thereafter. The other customer has been  
6 nonpaying for almost 3 quarters.

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

8 A. No.