

STATE OF NEW HAMPSHIRE  
PUBLIC UTILITIES COMMISSION

September 6, 2017 - 10:11 a.m.  
Concord, New Hampshire

27 SEP '17 AM 8:28

RE: DW 16-257  
BOW LAKES ESTATES WATER WORKS:  
Request for a Show Cause.

PRESENT: Chairman Martin P. Honigberg, Presiding  
Commissioner Kathryn M. Bailey  
Commissioner Michael S. Giaimo

Clare Howard-Pike, Clerk

APPEARANCES: Reptg. Bow Lakes Estates Water Works:  
Jillian E. Colby, Esq. (Kalil...

Reptg. PUC Staff:  
John Clifford, Esq.  
Mark Naylor, Director/Gas & Water Div.  
Robyn Descoteau, Gas & Water Division

Court Reporter: Steven E. Patnaude, LCR No. 52

CERTIFIED  
ORIGINAL TRANSCRIPT

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\* \* \*

**E X H I B I T S****EXHIBIT NO.      D E S C R I P T I O N      PAGE NO.**

|   |  |   |
|---|--|---|
| 7 | Fully executed agreement<br>between Bow Lakes Estates Water<br>Works, Inc. and Hampstead Area<br>Water Company, Inc. | 5 |
|---|--|---|

**P R O C E E D I N G**

CHAIRMAN HONIGBERG: Good morning, everyone. We're here in Docket 16-257, which is about Bow Lake Estates Water Company. I thought we were going to be here for a show cause hearing, although I understand that it may be something different than what we anticipated.

Before we do anything else, let's take appearances.

MS. COLBY: Jillian Colby, on behalf of Bow Lake Estates Water Works, Inc., and Stanley Oliver.

MR. CLIFFORD: And John Clifford, on behalf of Commission Staff. And with me at counsel's table is Mark Naylor, Director of the Gas & Water Division, and Robyn Descoteau, an Analyst in the Gas & Water Division.

CHAIRMAN HONIGBERG: So, Ms. Colby, what are we up to this morning?

MS. COLBY: We actually have with us -- okay.

CHAIRMAN HONIGBERG: You can sit.

MS. COLBY: Okay. Thank you. A

1 fully executed agreement to sell the water  
2 system to Hampstead Area Water Company. We've  
3 been working on this for quite some time. And,  
4 through no fault of Mr. Oliver's, we hit some  
5 title issues. There are two lots that come  
6 with the sale where the pumphouse is located.  
7 The mortgages were from 1991, and the people  
8 that the mortgages were to have passed away.

9 So, when Hampstead Area Water Company  
10 did their title search to finalize the sale  
11 prior to coming to, they found these mortgages  
12 from 1991. The people are deceased. We had to  
13 go back and search the probate records, find  
14 their heirs, and then track down their heirs,  
15 which was not as easy as we thought.

16 We finally got the final signature  
17 last week to the mortgage discharges. So, the  
18 only issue left is a tax lien to the Town of  
19 Stratford that Mr. Oliver will be paying this  
20 week.

21 And I actually have with me a copy of  
22 the agreement to submit to you.

23 CHAIRMAN HONIGBERG: Okay. Why  
24 don't -- do you have copies of that?

1 MS. COLBY: I have multiple copies.

2 CHAIRMAN HONIGBERG: All right.

3 We'll have those marked as exhibits then, if  
4 you're going to submit them.

5 Clare, you want to help her?

6 MS. HOWARD-PIKE: Uh-huh. Thank you.

7 (The document, as described, was  
8 herewith marked as **Exhibit 7** for  
9 identification.)

10 MS. COLBY: Thank you.

11 CHAIRMAN HONIGBERG: Okay. What else  
12 can you tell us?

13 MS. COLBY: It appears to me, based  
14 upon the record that I've read, that the main  
15 goal here -- sorry, I'm used to court -- is to  
16 have Mr. Oliver transfer the water system to a  
17 qualified company that's capable of filing  
18 annual reports and following all the  
19 procedures.

20 As such, we would request a  
21 continuous of the show cause hearing until the  
22 sale goes through. I would expect another  
23 month and a half. And the onus is on Hampstead  
24 Area Water to file with you now.

1 CHAIRMAN HONIGBERG: Mr. Clifford,  
2 thoughts?

3 MR. CLIFFORD: I'm reading the letter  
4 agreement. And it's -- and my thought would be  
5 that the Commission -- the Staff would support  
6 a continuance of the hearing until a date  
7 certain, to give Ms. Colby and HAWC time to  
8 file that agreement based on the  
9 representations made today.

10 So that I think Staff would support  
11 keeping this docket open for the, you know,  
12 hopefully uneventful, I mean, for the  
13 possibility that this does not happen, so that  
14 we still have some authority here to pursue the  
15 forfeiture of the franchise, etcetera.

16 But, based on the representations I'm  
17 hearing today, I think we want to give them a  
18 little bit of time -- a little bit more time, a  
19 very small window, to pay that lien, which I  
20 would request that Ms. Jillian [Ms. Colby?]  
21 file with Commission Staff, either a letter or  
22 a copy of the payment of that lien, and those  
23 mortgage discharges as filed with the Strafford  
24 County Registry, so we know that this thing is

1 moving forward.

2 CHAIRMAN HONIGBERG: Ms. Colby, I  
3 assume you have no problem providing Staff with  
4 copies of documentation of the completion of  
5 the various things that need to be completed?

6 MS. COLBY: Not at all.

7 CHAIRMAN HONIGBERG: As you sit here,  
8 Ms. Colby, having spoken with your client, are  
9 you aware of anything that would prevent this  
10 from going forward or any -- I mean, I  
11 understand you're -- we don't know what might  
12 happen. But, as you sit here, you're not aware  
13 of anything that would prevent this from going  
14 through?

15 MS. COLBY: I am not. The largest  
16 issue that we faced with the sale was the  
17 unknown title problems. Those I personally  
18 worked on rectifying myself. I hold a \$2,000  
19 deposit in my escrow account from Hampstead  
20 Area Water Company. And I've spoken with  
21 Attorney Levine on their behalf. And it  
22 appears as though, once the title issues are  
23 resolved, we're ready to go.

24 CHAIRMAN HONIGBERG: Commissioner

1 Bailey.

2 CMSR. BAILEY: And the only issue  
3 with respect to the title is that it get  
4 recorded?

5 MS. COLBY: Absolutely. And, in  
6 fact, I have copies of the mortgage discharges,  
7 if you would like to see them?

8 CMSR. BAILEY: Sure.

9 MS. COLBY: Along with an affidavit.

10 CMSR. BAILEY: And, then, Mr. Oliver  
11 has to pay a tax lien?

12 MS. COLBY: There's a small tax lien  
13 that came up while we were negotiating. It's  
14 for 1,169.15 to the Town of Stratford, which he  
15 will be paying this week or the beginning of  
16 next week, depending on the town's hours.

17 CMSR. BAILEY: And will you provide  
18 copies of that to Staff?

19 MS. COLBY: Absolutely.

20 CMSR. BAILEY: By, let's pick a date?

21 MS. COLBY: The end of next week.

22 CHAIRMAN HONIGBERG: What is the date  
23 at the end of next week? The 15th?

24 MR. CLIFFORD: The 15th, I believe.



1 CHAIRMAN HONIGBERG: Yes, September  
2 15th.

3 CMSR. BAILEY: Just one more  
4 question. When did -- what date did Mr. Morse  
5 sign the agreement, because it's not dated?

6 MS. COLBY: Bear with me for one  
7 moment.

8 *(Short pause.)*

9 MS. COLBY: May 2nd.

10 CMSR. BAILEY: They signed it on May  
11 2nd?

12 MS. COLBY: Yes.

13 CMSR. BAILEY: Before you signed it?

14 MS. COLBY: Yes. Mr. Oliver signed  
15 it prior, and then Mr. Levine sent it over to  
16 his client who signed it on May 2nd. When it  
17 came back to us, we dated it May 4th.

18 CMSR. BAILEY: But I thought that the  
19 reason that we continued the hearings  
20 repeatedly was because the purchase and sale  
21 wasn't signed?

22 MS. COLBY: It wasn't signed by  
23 Mr. Levine. So, we had gone back and forth  
24 with changes several times. Mr. Oliver signed

1 his copy immediately. Then, they signed it on  
2 May 2nd, sent it to me, but it wasn't dated, so  
3 we did it at May 4th at that point.

4 CMSR. BAILEY: I'm really confused.  
5 Because this is September 6th, and I thought  
6 that we had continued the hearings because HAWC  
7 hadn't signed the agreement. And you had to  
8 get the mortgage cleared before they signed the  
9 agreement. And now you're telling me they  
10 signed it in May?

11 MS. COLBY: No. They signed the  
12 agreement -- they signed the agreement first,  
13 and then they ran the title. After they ran  
14 the title, that's when the mortgage issue came  
15 up.

16 CHAIRMAN HONIGBERG: Refresh our  
17 memories then. Why did we continue the  
18 hearings that were scheduled for the summer? I  
19 understand why we continued the April hearing  
20 to May, that was because the agreements weren't  
21 signed. Then, why were the continuances needed  
22 subsequently?

23 MS. COLBY: Because there was a title  
24 issue holding up the sale.

1 CHAIRMAN HONIGBERG: All right. I  
2 think, given what you've told us and what you  
3 provided, we are prepared to continue the  
4 hearing, to give you and your client a chance  
5 to finish what needs to be finished.

6 You'll be providing Staff with the  
7 various items that we've discussed, including  
8 clearing that lien and providing proof of it by  
9 the end of next week, September 15th.

10 You can work with Mr. Clifford on  
11 identifying a date to continue this hearing to,  
12 so you know some point at which we're expecting  
13 to be together again.

14 Is there anything else that we need  
15 to deal with?

16 Commissioner Bailey.

17 CMSR. BAILEY: I'm sorry, but you  
18 filed a letter on May 4th. And the purchase  
19 and sale agreement was attached, and it was not  
20 signed by HAWC on that date. And you say, in  
21 your Motion to Continue, that the letter  
22 agreement has been forwarded by Hampstead today  
23 for signature, but there's no signature. So,  
24 can you --

1 MS. COLBY: I believe that the letter  
2 agreement came back later that afternoon. It  
3 may have been the next day, I may be wrong. It  
4 was within that week timeframe. And, then,  
5 shortly thereafter was when the title issues  
6 were resolved.

7 CMSR. BAILEY: So, when you filed  
8 this letter on May 4th with us, it was your  
9 understanding that they had signed the  
10 agreement?

11 MS. COLBY: Correct.

12 CMSR. BAILEY: Even though your  
13 attachment doesn't have a signature on it?

14 MS. COLBY: I did not have the  
15 original signed document back yet.

16 CMSR. BAILEY: Okay.

17 MS. COLBY: I had Mr. Oliver's  
18 document. But I did not have the document from  
19 Hampstead Area Water, or I would have attached  
20 it.

21 CMSR. BAILEY: Okay.

22 MS. COLBY: But I did have some  
23 e-mail traffic between myself and Mr. Levine  
24 indicating that we were going forward. We were

1 just looking for final signatures.

2 CMSR. BAILEY: Okay.

3 CHAIRMAN HONIGBERG: All right. Is  
4 there anything else we need to deal with?

5 Mr. Clifford.

6 MR. CLIFFORD: I notice there is a  
7 member of the association that's here. And I  
8 just wanted to see if he had anything to say,  
9 or any questions?

10 CHAIRMAN HONIGBERG: Why don't you  
11 identify yourself, sir.

12 MR. GOODSPEED: Yes. My name is  
13 Steven Goodspeed. I'm President of the Island  
14 Association, and that represents about forty of  
15 the homeowners that are on the water system.  
16 There's another dozen that are on their own  
17 private wells. So, I was here basically to  
18 observe. And there's a lot of interest in the  
19 people that are on the water system, seeing  
20 this move forward and be resolved.

21 CHAIRMAN HONIGBERG: I'd imagine so.  
22 Anything else, Mr. Clifford?

23 MR. CLIFFORD: So, no, I have nothing  
24 further to add. So, we support the

1           continuance. And I'll get with Ms. Colby and  
2           we'll try to identify a date.

3                   CHAIRMAN HONIGBERG: All right.  
4           Anything else we can do for you this morning?

5                   MR. CLIFFORD: No.

6                   CHAIRMAN HONIGBERG: All right.  
7           Thank you. We will adjourn.

8                           **(Whereupon the hearing was**  
9                           **adjourned at 10:24 a.m.)**