

THE STATE OF NEW HAMPSHIRE

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PUBLIC UTILITIES COMMISSION
21 S. Fruit Street, Suite 10
Concord, N.H. 03301-2429

Tel. (603) 271-2431

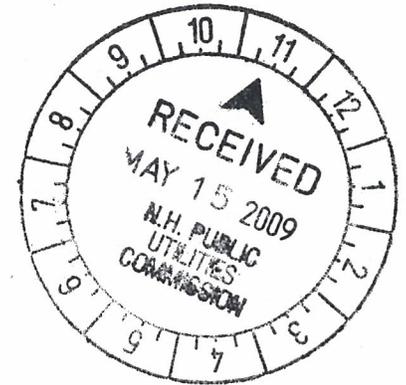
FAX (603) 271-3878

TDD Access: Relay NH
1-800-735-2964

Website:
www.puc.nh.gov

May 15, 2009

Debra A. Howland
Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, NH 03301



Re: DW 09-081, Manchester Water Works
Petition for Expansion of Franchise Area in Goffstown

Dear Ms. Howland:

On April 29, 2009, Manchester Water Works (Manchester) filed a petition with the Commission seeking approval to expand its service area in the Town of Goffstown (the Town). Manchester is a municipal water utility which serves customers both within the City of Manchester and in limited areas of a number of neighboring towns. By Order No. 24,138 (March 14, 2003) in DW 02-161, Manchester is exempt from Commission regulation as to its customers outside the City, but must still seek Commission approval for changes in its franchise boundaries per RSA 374:22 and 26.

In this docket, Manchester seeks permission to expand service under its existing tariff for customers outside its municipal boundaries, to an area in Goffstown bounded generally by the Piscataquog River to the north, Mast Road to the south, the Hillsborough County Farm property to the west and the former Goffstown landfill and existing Manchester franchises to the east. The proposed service area also abuts areas previously granted to Manchester along Mast Road and along limited portions of several streets extending into the general area proposed. A more detailed description and map are included in the filing. Additional information related to the request was provided in response to Staff inquiries, and those responses are attached.

Interest in service has been expressed over the past two decades by both the Town and individual residents in the area. Many private drinking water wells in the area were contaminated by flooding in both 2006 and 2007, providing additional impetus for the current request for service. As a result, the Town passed a warrant article in 2008 authorizing funding for Manchester to extend service.

The project involves construction of 18,700 feet of 6 and 8 inch main, 231 domestic water services, and public fire hydrants. The area to be served is residential in nature. The project is on the funded portion of the state priority listing for Economic Stimulus (American Recovery and Reinvestment Act) drinking water projects. Approval of the petition will allow Manchester to move forward with securing the estimated \$2.5M cost of the project through New Hampshire's State Revolving Loan Fund (SRF), administered by the Department of Environmental Services (NHDES).

An Inter-Municipal Agreement is being drafted that will delineate Manchester's responsibilities to complete the extension, and those of Goffstown regarding reimbursement of Manchester's costs. The stimulus funding will help overcome a significant cost hurdle to the extension, as it is expected to treat half of the overall cost as a grant over the life of the loan in the form of principal and interest forgiveness. Goffstown intends to reimburse Manchester for the remaining portion of the loan through bonding, which will ultimately be paid through accessibility fees assessed to customers receiving service in the proposed area.

While other water utilities serve in Goffstown, the focus of town meetings, public hearings, the warrant article and the more recent request by the Town for service has specifically been on service by Manchester. Consistent with RSA 374:22, III, the Commission has received a letter from NHDES indicating Manchester meets the suitability and availability requirements for water service to the area requested to be served. In addition, the Goffstown Board of Selectmen has provided correspondence indicating its support for the proposed expansion.

Staff has reviewed the petition and other information submitted by Manchester Water Works in this docket. Staff supports approval of Manchester's request, and recommends the Commission approve Manchester's franchise expansion.

If you have any questions regarding this matter, please let me know.

Sincerely,



Douglas W. Brogan
Utility Engineer

Attachment

cc: Service List

DW 09-081
Manchester Water Works Response to
Staff Data Requests – Set 1

Staff 1-1

Please provide a brief background on the statement in paragraph 1 of the petition regarding the expressed “desire to have water service” (who expressed, when, why, etc.).

Response

Over the past 20 years there have been numerous informal inquiries made by both the individual residents as well as by the Town of Goffstown about bring public water service to this area. The current request which was made by the Town of Goffstown in February 2009 is a direct result of the flooding events of 2006 and 2007 along the Piscataquog River which resulted in the contamination of most of the private wells which supply drinking water to the existing 231 +/- home. After several Public Meeting over about an 18 month period the residents of Goffstown passed a warrant article on March 11, 2008 which appropriated funds for the project and authorized the town to seek grants to offset the amount to be bonded.

Staff 1-2

Was any coordination with Grasmere Village Water Precinct or any other local precinct or water service provider required or done in conjunction with the request? If yes, please describe. If no, please explain.

Response

Yes, Manchester water Works has had conversation with Grasmere Village Water Precinct regarding our plan to service the area on a retail basis. Also because both Grasmere and the Goffstown Village Precinct are quasi public entities of the Town of Goffstown they have been kept aware throughout the public hearing and town meeting process regarding the project. The warrant article specifically identified Manchester Water Works as the intended purveyor. At the present time we currently serve several hundred feet into both Lynchville and Danis Parks.

Staff 1-3

Please comment generally on MWW’s plans for expansion into the area, including timing, the relationship to the \$2.5M Stimulus Package/SRF project (“Interconnect with Lynchville Park”) and any other major facilities involved.

Response

The Town of Goffstown requested Manchester Water Works to make application through NHDES for ARRA Funding for the Lynchville / Danis Park Water System Project. At the present time the project has been selected for funding in the amount of \$2,537,000 which is the estimated cost of the public improvements and consistent with the March 11, 2008 bond authorization. Goffstown intends to bond that portion of the capital cost not covered by ARRA. NHDES ranked the project 28th out of the 265 project applications that were received for ARRA Funding. Manchester Water Works and Goffstown are currently working with NHDES to insure that the project is underway by early summer in order to meet the intent of the project being “shovel ready”.

The project includes the installation of approximately 18,700 feet of 6 and 8 inch DI water main, 231 domestic water services and public fire hydrants. There are no other improvements such as a booster pumping station or a storage tank required as Manchester has sufficient hydraulic capacity in the area to serve the project area.

Staff 1-4

The most recent tariff rates provided to the Commission (by letter dated January 19, 2009) for service outside Manchester were effective January 1, 2006. Please confirm that these rates are still in effect, or provide any update.

Response

The tariff rates for customers outside of Manchester which were referenced in my letter to the Commission of January 19, 2009 are still in effect.



MANCHESTER WATER WORKS

281 LINCOLN ST., MANCHESTER, NEW HAMPSHIRE 03103-5093 Tel. (603) 624-6494

BOARD OF WATER COMMISSIONERS

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Asst. Director

May 7, 2009

Mr. Doug Brogan
Water Engineer
NH Public Utilities Commission
21 S. Fruit St., Ste 10
Concord, NH 03301-2429

RE: DW09-081 LYNCHVILLE PARK FRANCHISE EXTENSION

Dear Doug:

In response to your e-mail of May 4, 2009, please find enclosed the following documents:

- Certified copy of 2008 Warrant Article 12 authorizing bonds in the amount of \$2,538,000 for the design and installation of the water distribution system for Lynchville and Danis Park in Goffstown, confirming adoption.
- Copies of correspondence from the Town of Goffstown dated March 2, 2009 confirming the Town's interest in applying for ARRA funding and confirming bond authorization.
- A letter dated March 23, 2009 from the Goffstown Selectmen requesting that Manchester Water Works petition the Public Utilities Commission for an expansion of our franchise to serve the Lynchville/Danis Park area of Goffstown.

With regard to your request for clarification on a couple of issues:

1. The Inter Municipal Agreement referenced in the Warrant Article is currently in the process of being drafted. Generally speaking, the Agreement will require Manchester Water Works to make application for ARRA funding, finalize the design for the project, let and administer the construction contract. Goffstown will be required to reimburse Manchester Water Works for that portion of the costs of the construction not covered by the stimulus grant.
2. The ARRA Stimulus Grant as administered by the New Hampshire Department of Environmental Services (NHDES) through their Drinking

Mr. Doug Brogan
Page Two
May 7, 2009

Water State Revolving Loan requires Manchester Water Works to submit applications for the full amount of the construction project. NHDES intends to offer principal and interest forgiveness on an annual basis for 50% of the project costs.

3. The Lynchville/Danis Park area of Goffstown is made up entirely of single-family residential housing units.

Should you require additional clarification on these points, please feel free to contact me.

Sincerely,



Thomas M. Bowen, P.E.
Director

TMB:ds



Town of Goffstown

TOWN OFFICES
16 MAIN STREET • GOFFSTOWN, NH 03045

May 5, 2009

Thomas M. Bowen, P.E.
Manchester Water Works Director
281 Lincoln Street
Manchester, NH 03103-5093

RE: Verification that Article 12 Passed at the Goffstown 2008 Town Meeting

Dear Director,

At the request of Sue Desruisseaux, Goffstown Town Administrator, I am forwarding a verbatim copy of Article 12 with my signature and seal, certifying that Article 12 passed at the 2008 Town Meeting. The article reads as follows:

ARTICLE 12

Shall the Town raise and appropriate the sum of Two Million Five Hundred Thirty Seven Thousand Dollars (\$2,537,000) for the purpose of designing, constructing and installing a water distribution system which is more particularly described in an overall project plan dated October 18, 2006, which is intended to bring a water distribution system to the Lynchville and Danis Park areas, said improvements to be installed at the direction of and in accordance with the established requirements of the Town of Goffstown? **This appropriation does not impact the town's tax rate.**

And to authorize the issuance of not more than Two Million Five Hundred Thirty Seven Dollars (\$2,537,000) of bonds or notes in accordance with the provisions of the Municipal Finance Act (Chapter 33) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon, the maturity and the other terms and provisions thereof, as may be in the best interests of the Town; and to authorize municipal officials to seek grants to offset the amount to be bonded.

Without impairing in any way the fact that the bonds will be general obligations of the Town, it is the intent to repay this bond issuance by charging an Accessibility Fee to each property benefiting from this water distribution system. This project is contingent on effectuating an acceptable Inter-Municipal Agreement with Manchester Water Works and a successful expansion of Manchester Water Works franchise area. **This appropriation does not impact the town's tax rate.** (60% Ballot Vote required to pass).

Recommended by the Board of Selectmen and Budget Committee.

YES: 1555

NO: 787

PASSED

FAX (603) 497-8993 • TELEPHONE (603) 497-8990 Extensions:
Administration (100) • Assessing (112) • Building/Health (114) • Finance (104) • Planning (117)
Tax Collector (110) • Town Clerk (107)



Town of Goffstown

TOWN OFFICES
16 MAIN STREET • GOFFSTOWN, NH 03045

I, Cathleen Ball, Town Clerk of Goffstown New Hampshire, certify this 5th day of May 2009 that Article 12 was voted in the affirmative at the 2008 Goffstown Town Meeting held March 11, 2008.

Please contact me at the Town Clerk's Office should you require additional information regarding this verification document.

Yours truly,

Cathleen Ball
Town Clerk

Cc: Sue Desruisseaux



Town of Goffstown

TOWN OFFICES
16 MAIN STREET • GOFFSTOWN, NH 03045

March 2, 2009

Mr. Thomas Bowen, Director
Manchester Water Works
261 Lincoln Street
Manchester NH 03103

Re: Lynchville-Danis Parks

Dear Mr. Bowen:

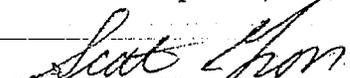
The Goffstown Board of Selectmen wishes to thank you for submitting the Lynchville-Danis Park municipal water project (\$2,537,087) to the NH Department of Environmental Services for consideration of federal economic stimulus funding. The Town of Goffstown has been seeking funds for this very important project for years and appreciates whatever assistance can be provided. As you are probably aware, water quality is a serious issue in these neighborhoods and has been exacerbated by the floods of 2006 and 2007. Residents in this area want a municipal water system but cannot afford the financial burden alone. We understand that the federal economic stimulus funding may require matching funds and we want to assure you that we have the bonding authority to provide a match.

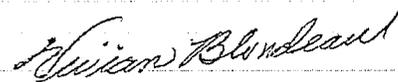
Again, we appreciate your support of this project.

Sincerely,

Goffstown Board of Selectmen


Nicholas Campasano, Chairman


Scott Gross, Vice-Chairman


Vivian Blondeau

John A. Caprio


Philip A. D'Avanza

cc: State Senator Lou D'Allesandro



Town of Goffstown

BOARD OF SELECTMEN

March 23, 2009

Thomas M. Bowen, P.E., Director
Manchester Water Works
Business Office
281 Lincoln Street
Manchester, NH 03103

Re: Request to Expand Franchise Area

Dear Mr. Bowen:

The Goffstown Board of Selectmen respectfully request that Manchester Water Works initiate the process with the Public Utilities Commission to expand Manchester Water Works franchise area to include Lynchville and Danis Parks in the Town of Goffstown. A portion of Lynchville Park is currently in the Manchester Water Works franchise area. If you need a letter of support from the Goffstown Village Water District, then we will approach them for such a letter.

Thank you for your assistance.

Sincerely,

Scott Gross, Chairman

Vivian Blondeau

Philip D'Avanza, Vice-Chairman

Nicholas Campasano

Steve Fournier

cc: Carl Quiram, Public Works Director; File

THOMAS M BOWEN
MANCHESTER WATER WORKS
281 LINCOLN ST
MANCHESTER NH 03103-5093

GUY R CHABOT
MANCHESTER WATER WORKS
281 LINCOLN STREET
MANCHESTER NH 03103-5093

Docket #: 09-081 Printed: May 14, 2009

**FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:**
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

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