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N.H.P.U.C. Case No. DIVI 10

Exhibit No.__

Witness Stepher

Justin C. Richardson

From:

Pillsbury, Sarah [Sarah.Pillsbury@des.nh.gov]

Sent:

Tuesday, March 20, 2012 10:02 AM

To:

Justin C. Richardson

Cc:

Roy, Stephen; Klevens, Cynthia M; Willoughby, Susan

Subject: RE: Lakes Region Water

Justin,

In response to your request, I checked with staff and the items listed below are the LRWC systems that have open violations or enforcement that have not been closed out by DES; note that these items are tracked by the enforcement/compliance section of this bureau:

<u>Item A.)</u> System Id No. - **1842030**: System Name - **Indian Mound Golf Club** - Notice of Violation [NOV] issued in January 2012 for a sanitary survey issues pertaining to unsafe pumphouse electrical service and inoperable treatment equipment.

Item B.) System ID No. - **1842060**: System Name - **Deer Cove Water** - Notice of Violations [NOV] issued in January 2012 for failure to submit water quality samples in accordance with the lead and copper rule.

Item C.) System ID No. - 1612010: System Name - Paradise Shores/Suissvale -Letter of Deficiency [LOD 08-033] originally issued in March 2008 for deficiency of source capacity, this LOD has been amended/ re-issued three times, with compliance deadline shifts each time. The current (third amended) LOD was issued in April 2009; associated tasks in this third amended LOD has compliance deadlines to address the system's source deficiency through November 2010 (all past due). This third amended LOD remains open, and no tasks have been closed out.

Regarding the status of items A.) and B.): DES is aware that LRWC is taking some action to address items A.) and B.). For instance, they have submitted a preliminary application to the DWSRF to address Item A and have committed to additional sampling at Deer Cove. In both instances, an investment in treatment is anticipated and it is unclear to staff when full compliance will be achieved. The engineer contact for item A is Cindy Klevens. For item B it is Susan Willoughby.

Regarding the status of item C.): The source capacity deficiency at the Paradise/Suissvale system has led to the need to issue temporary emergency approvals for well(s) on the Mt. Roberts property near the system's new tank site on numerous occasions, the first being in July 2007 (before the new tank was online). Recently (Feb 2012), DES accepted a schedule submitted by LRWC that reflects their intent to proceed with a pumping test program for two new small community wells on the Mt. Roberts property. It is significant to note that the targeted production rate for these wells are for small volumes that are less than that needed to address the source deficiency at the system as it is currently configured. This approach was accepted by DES in order to reduce the risk to the public health posed by continually connecting and disconnecting these supply wells to the system in an intermittent 'on-the-fly'/temporary connection manner, with temporary power and piping. Moreover, DES accepted this approach in recognition of the fact that there is an ongoing dialogue underway about the long term demand that Suissvale may,

or may not, need from the Paradise Shores system; which, in turn, may affect the ultimate need for these wells at the system at all. Please note that acceptance by DES of the schedule to permit two new <u>small</u> wells on the Mt. Roberts property does not release or close out the current LOD [08-033 third amended] issued to LRWC by DES; that LOD remains in effect and must be addressed once the amount of water needed for the system is sufficiently understood.

Let me know if you have further questions about LRWC's compliance status.

Sarah Pillsbury, Administrator Drinking Water & Groundwater Bureau, NHDES 29 Hazen Drive, PO Box 95, Concord, NH 03302 Tel: (603) 271-1168 | Fax: (603) 271-5171

-----Original Message----From: Justin C. Richardson [mailto:jrichardson@upton-hatfield.com]

Sent: Friday, March 16, 2012 6:24 PM

To: Pillsbury, Sarah

Cc: Justin C. Richardson; Tom Mason; Lakes Region Water Company Inc.

Subject: Lakes Region Water

Sarah:

At the hearings before the PUC last week, there was speculation as to whether the suspended sentence imposed on Lakes Region Water as a result of the Court's order in the Tamworth case (attached) might be imposed. The Company is obviously concerned as great effort and expense has been undertaken to bring the Company's 17 water systems into compliance with regulatory requirements. In our view, imposition of the suspended sentence would unfairly punish the Company and take away limited resources to make further improvements.

I suggested to Tom Mason that he contact you and ask if you could offer an opinion as to whether the Company is in "compliance with laws governing supply of water to the public for domestic use, including Department of Environmental Services" as required by the Court order. See Paragraph 11. I spoke with Tom today and understand that you asked that the Company submit this request in writing for your consideration.

The Company does not ask that you express any opinion as to matters unrelated to the DES Drinking Water Supply Program, such as those involving the Courts, the Public Utilities Commission or other programs within DES. In addition, the Company understands that the Mt. Roberts well is being addressed under a schedule approved by DES and continued compliance is required. The Company further understands that any opinion would be for informational or advisory purposes, and would not legally bind the State of New Hampshire or its agencies.

Subject to the foregoing, the Company would greatly appreciate if you could offer your opinion as to the Company's current compliance status with the DES Drinking Water Programs.

On behalf of the Lakes Region Water Company, thank you for your consideration of this request. If you have any questions, please feel free to contact me or Tom Mason.

Very truly yours.

/s/

Justin Richardson

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