

STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION
Lakes Region Water Company, Inc.
Docket Nos. DW 10-141 and DW 13-041

REQUEST FOR APPROVAL OF FINANCIAL MANAGER

NOW COMES Lakes Region Water Company, by and through its counsel Upton & Hatfield, LLP, and requests that the Commission approve the hiring of its Financial Manager pursuant to Order No. 25,391 as follows:

1. On July 13, 2012, the Commission issued Order No. 25,391 in DW 10-141 which stated that: “Mr. Mason, as President of Lakes Region, faces difficult challenges in his efforts to ensure Lakes Region’s continued financial viability, while continuing to handle the daily operations of Lakes Region’s physical plant. To that end, we strongly recommend that Lakes Region hire a new full-time, permanent Manager to address financial, compliance, and planning matters, to be appointed by the reconstituted Board of Directors as soon as possible, hopefully no later than January 1, 2013.”
2. Following Order No. 25,391, Lakes Region Water Company undertook an extensive search for a Financial Manager including, but not limited to, advertisements on the Company’s web site, the Conway Daily Sun, the Laconia Citizen, customer mailings, and personal communications, as directed by the Commission.
3. The Company has reached an agreement to hire Timothy J. Fontaine to serve as its Financial Manager for an annual salary of \$50,000 per year plus the Company’s standard single person benefits, subject to the Commission’s approval of a

rate surcharge provided by Order No. 25,391. A statement of Mr. Fontaine's qualifications and experience is attached.

4. The Company believes that Mr. Fontaine will assist the Company in the areas of financial planning and rate regulation. The Company believes Mr. Fontaine's employment as the Company's Financial Manager will reduce rate case expenses and improve the Company's financial performance.

5. Order No. 25,391 directed that "[t]he salary of the Manager ... would be paid by means of a rate surcharge applied equally to all customer bills." The Company requests that the Commission approve its decision to hire Mr. Fontaine as its Financial Manager and direct that the Company file a rate surcharge to reflect its costs based on annual salary of \$50,000 per year, plus standard single person Company benefits.

6. Order No. 25,391 imposed the following conditions on the hiring of a Financial Manager:

- (1) the Manager must be a resident of Lakes Region's service area (Belknap, Carroll, or Grafton Counties), so as to ensure the Manager's availability for full-time service to Lakes Region;
- (2) the Manager must have documented experience in (i) utility management/compliance, (ii) business accounting, or (iii) financial restructuring (ideally, the Manager would have experience in all three areas);
- (3) the Manager must be selected through an open hiring process that would include (i) advertising in the Laconia and Conway newspapers, (ii) a one-time mailing to Lakes Region customers

advertising the opening, and (iii) posting on an employment opportunities website with New Hampshire-wide exposure;

- (4) the Manager will report to the Board of Directors of Lakes Region.

The documented costs of these hiring efforts are to be recouped through the Manager-related rate surcharge, which shall be accounted for, and submitted to the Commission for approval, within 10 days of the hiring of the Manager.

Order No. 25,391, Page 25.

7. The Company has complied with all of the conditions for hiring a Financial Manager, except the requirement that the manager “must be a resident of Lakes Region’s service area (Belknap, Carroll, or Grafton Counties).” The Company requests the Commission’s approval notwithstanding this condition because the Company’s efforts to locate a Financial Manager who is a resident of its service area have thus far proved unsuccessful. If the Company is unable to hire Mr. Fontaine, it will need to greatly expand its candidate search with no guarantee that a successful candidate may be found.

8. In addition, as indicated in the Testimony of Thomas Mason and John Dawson in Docket No. DW 13-041, the Company plans to seek rate increases for capital improvements placed in service in 2011 and 2012. If the Company is required to seek a Financial Manager who is a resident of its service territory, it will likely lose the benefit of a Financial Manager in the preparation of its next rate case.

9. The Company sought the concurrence of the Commission staff, Advocate staff, and the Office of Consumer Advocate, concerning the Company’s decision to hire

Mr. Fontaine as its Financial Manager. The Commission staff, Advocate Staff, and the Office of Consumer Advocate took no position. The position of other parties is not known.

WHEREFORE the Company respectfully requests that the Commission:

- A. Grant this request for approval of Mr. Fontaine to serve as its Financial Manager pursuant to Order No. 25,391;
- B. Order that the Company submit a compliance tariff for a rate surcharge to reflect recovery of annual salary of \$50,000, plus standard single person company benefits, taxes and related costs; and
- C. Grant such other relief as justice may require.

Respectfully submitted,

**LAKES REGION WATER
COMPANY, INC.**

By its Counsel,

UPTON & HATFIELD, LLP

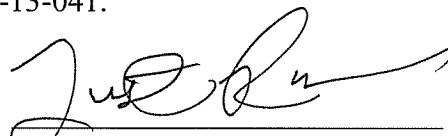


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Dated: March 5, 2013

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing was this day forwarded to all parties on the official service lists for DW 10-141 and DW-13-041.


Justin C. Richardson

TIMOTHY J. FONTAINE, MBA, MS
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Financial Manager / Controller

Accounting / Financial Management & Analysis / Budgeting

I am a financial professional with progressive accounting and finance experience. I have worked closely with senior management and BOD's advising them on rate case filings and strategic financial direction. I have a reputation for timely / accurate financial reporting / analysis, forecasting, budgeting, cash management, cost reduction, improving processes, and strategic planning. I am proficient in the use of QuickBooks, MS Word / Excel, and Paychex. Areas of strength include:

Resourceful cost containment: Successfully balanced 13MM budget despite a 10% decrease in state funding at the Community College level. Achieved through streamlining processes, realigned resources, and vendor negotiations; under my financial leadership our college avoided workforce reductions in the wake of significant budget cuts in F/Y 2010-2011. Under my leadership MCC was one of two colleges in the community college system that achieved an operating surplus.

- ✓ **Big picture process orientation:** Played key role on senior leadership team in the design of organizational policies and practices at both New Hampshire Electric and the State of NH resulting in cost savings and reduction in cycle time and process improvements
- ✓ **Technical proficiency, HR & Accounting:** Successfully upgraded and improved financial planning, reporting, budgetary and payroll functions at the college and electric utility.
- ✓ **People-Centered:** Cited numerous times for ability to achieve rapid trust and buy-in from staff, colleagues & board members through collaboration and personal warmth

PROFESSIONAL EXPERIENCE

Robert Half International, Manchester, NH

Controller

2011- present

Provide hands on accounting, tax, audit and special projects. I assisted organizations in preparing for their annual audit. In collaboration with the CFO I improved a number of accounting processes such as formalizing the accounts reconciliation process, coordinating monthly closings and assisted in their Federal Tax filings. With short notice I assumed the controller position in one organization. My responsibilities include P/R, A/R, budget, cash management, financial reporting and tax reporting. These roles are very much hands that require significant expertise in various aspects of business management and accounting. Being flexible and the ability to multi task are essential in order to be successful in these roles.

Manchester Community College, Manchester, NH

Controller

2008-2011

Insured accuracy and productivity of financial operations across all departments; developed and improved monthly / annual financial reports; managed preparation of financial forecasts; supervised staff of twelve.

- Successfully developed / implemented new participatory budgeting system / procedures that involved all responsible parties at the college.
- Vendor selection and contract negotiation saved \$600K over a 5 yr period.
- Initiated improvements changes to the financial forecast and budgeting practices...
- Developed a contribution margin model to evaluate profitability of each of the academic programs and instructors at the college. Other colleges in the system adopted this methodology.

State of NH Health Insurance Program
Finance Director

2005-2008

Responsible for the financial aspects of State's 350MM self-insured health benefits program including assist in the development of annual working rates, accounting/performance reporting and forecasting, coordination of external audits, management of required statutory reserves.

- Improved accounting system resulting in improved quality of financial information.
- Worked with diverse staff across state departments to procure and process information, establishing the first accounting system guaranteeing equitable allocation of fund surpluses to participating agencies
- Provided leadership of budgetary process resulting in the stabilization and reduction of both health care / operating costs.

Public Utilities Commission
PUC Examiner / Analyst

2002-2005

Reviewed constituents' annual reports and filings for accuracy and thoroughness. Reported results / recommendations to senior leadership. Audited books and records of organizations seeking rate relief.

- Developed and or revised audit programs and testing procedures.
- Provided guidance to staff on complex audit engagements.
- Assisted the Securities Exchange Commission staff on intrastate audits and provided technical guidance.

NH Electric Cooperative
Director of Strategic Services
Director of Finance and Administration
Controller

1989-2001

Increasing levels of responsibilities leading up to complete direction of company's \$110MM operating budget, including rate case development, accounts receivable, accounts payable, payroll, construction, maintenance and financial reporting. Managed 15 FTE's. Implemented first formal financial budgeting accounting systems, integrated accounting software and hardware; developed company's strategic plan during NHPUC mandated utility divestiture.

- Implemented the first participatory annual budget. Orchestrated budget process with all departments and senior management concluding with the presentation of a final budget approved by the CEO and BOD.
- Designed and implemented organizations initial Quality Improvement Initiative. Savings include reducing process cycle times (monthly closings), refining processes resulting in reductions in rework, redundancies and refinements.
- Chaired a team to overhaul EDP system. Responsibilities included RFP development, selection, recommendation and implementation. Change over resulted in improved financial information / reporting, reduction in data reenter, module integration, and vendor support.
- Annual savings of 25k realized in changing accounting firms. I was responsible for championing this initiative, RFP, analysis, and recommendation to the CEO and BOD.

EDUCATION

BS Accounting, Southern NH University, Manchester NH
MBA, MSHR Rivier College, Nashua NH
Graduate Certificate, Quality Management Rivier College (18 Credit Hours)