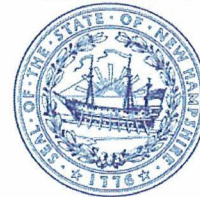




The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES

Thomas S. Burack, Commissioner

Exhibit JJB-1



February 3, 2014

Donald Ware
Pennichuck Water Works, Inc.
25 Manchester Street
Merrimack, NH 03054

Subject: Drinking Water State Revolving Loan
FY 2013 Project Priority List

Dear Mr. Ware:

The purpose of this letter is to remind you that the FY 2013 Drinking Water State Revolving Fund (DWSRF) Project Priority List has been finalized, and that the following projects are on the funded portion of the list:

Public Water System: Pennichuck Water Works, Inc.

Project Descriptions:

- 1) Timberline Booster Station Pump Replacement & Electrical Upgrades (\$330,000);
- 2) Nashua Core Main Replacement (\$2,640,000) ;
- 3) PEU-Hardwood Treatment, Storage and Pump Station Replacement (\$572,000);
- 4) PEU-Locke Lake Winwood and Monroe Area Water Main Replacement Phase 1 (\$400,000);
- 5) W&E Water (\$550,000)

Please be advised that the recent federal DWSRF appropriation added a new "Buy American" requirement to the DWSRF program. Unfortunately, this will apply to DWSRF projects such as yours that did not have approved plans and specifications or an executed loan agreement in place by January 17, 2014, which was the enactment date of the Consolidated Appropriations Act of 2014. All iron and steel products used in these DWSRF-funded projects must be produced in the United States. The appropriation included the following definition: *...the term "iron and steel products" means the following products made primarily of iron and steel: lined and unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction material.* We are awaiting guidance of from EPA, and will provide updates as we learn more.

We ask that you keep DES informed as your projects move forward. If you have questions on the above, contact me at 271-2953.

Sincerely,

Daniel Dudley, P.E.
Drinking water and Groundwater Bureau

Pennichuck Water Works, Inc.
Proposed 2014 SRF Funded Water Main Projects
Revised February 4, 2014

PIPE SEGMENT OR PROJECT NAME	CITY/TOWN	MATERIAL	LENGTH (FEET)	EXISTING/NEW PIPE DIAMETER (INCHES)	ESTIMATED COST	AGE OF PPE	PIPE AGE USEFUL LIFE	FULLY DEPREC
Foundry Street**	AMHERST	TRANSITE	1,465	6/8	\$ 234,400.00	1950	70	No
Main Street (Bridge Crossing)	AMHERST	TRANSITE	150	6/12	\$ 70,500.00	1950	70	No
Boston Post Road**	AMHERST	TRANSITE	2,052	6/12	\$ 471,960.00	1950	70	No
Cross St	AMHERST	TRANSITE	410	4/6	\$ 65,600.00	1950	40	YES
Burke St	NASHUA	CAST IRON UNLINED	3,160	6/12	\$ 537,200.00	1892-1906	70	YES
Eldrige St	NASHUA	CAST IRON UNLINED	410	6/6	\$ 143,500.00	1888	70	YES
Grove St*	NASHUA	CAST IRON UNLINED	260	4/4	\$ 49,400.00	1888	70	YES
Oak St*	NASHUA	CAST IRON UNLINED	520	4/6	\$ 106,600.00	1887-1924	70	YES
Robinson Ct*	NASHUA	CAST IRON UNLINED	260	2/4	\$ 98,800.00	1888	40	YES
Ridge St*	NASHUA	CAST IRON UNLINED	325	4/4	\$ 71,500.00	1902-1959	40	YES
Cross St*	NASHUA	CAST IRON lined in 2010	350	6/6	\$ 77,000.00	1888	70	YES
Temple St*	NASHUA	CAST IRON UNLINED	1,030	10/12	\$ 278,100.00	1908	85	YES
Franklin St*	NASHUA	CAST IRON UNLINED	264	24/24	\$ 138,735.00	1897	100	YES

Total LF - 10,656 Total - \$ 2,343,295.00

Planning Contingency - \$ 296,705.00

Total Estimated SRF \$ in 2014 - \$ 2,640,000.00

Significant Adjustments

*City of Nashua sewer projects added in January 2014

** Project scope increased by Town of Amherst January 2014