

Agreement

Between

New England Service Company and Abenaki Water Company

Whereas, New England Service Company is a Connecticut Corporation, duly authorized to conduct its business in New Hampshire under the name "NESC Water" (hereinafter "NESC"), and,

Whereas, Abenaki Water Company (hereinafter "AWC") is a New Hampshire Corporation operating water and wastewater systems under the jurisdiction of the N.H. Public Utilities Commission and Department of Environmental Services, and,

Whereas, AWC is a wholly owned subsidiary of NESC and desires certain water and sewer services, and,

Whereas, NESC is a corporation which furnishes certain water and waste water services, and

Now therefore, this agreement is made effective this 26th day of August, 2017 between NESC and AWC and all provisions of this agreement shall commence fully in force on August 26, 2017 as follows.

- a) Scope of services to be provided by NESC for AWC which owns and operates White Rock Water System in Bow, the water and wastewater systems of Lakeland Water System in Belmont and the Rosebrook Water System in Bretton Woods.
 1. Stand-by duty on a continuous basis (24/7) for emergencies and unexpected or non-scheduled necessary work.
 2. Meter reading on a monthly, quarterly, or as needed basis.
 3. Routine system rounds such as facility checks and monitoring water quality, sewer system monitoring, and oversight and overview of distribution and collection systems.
 4. Regulatory and compliance reporting.
 5. Shut offs and turn on of water services for, as an example, overdue payments, new services.
 6. Flushing annually and more frequently as appropriate for water mains and maintenance of quality.
 7. Valve exercising.
 8. On site/field resolution of water quality and service issues.
 9. Providing miscellaneous on-site customer service as required.

10. Performing ongoing cross-connection inspections.

11. Inspection of wastewater pumping and collection systems including manhole flows.

12. Other routine, periodic, and related tasks as necessary.

b) Qualifications of operating personnel provided by NESC:

1. The chief operator shall have as a minimum, Grade II distribution and treatment licenses. Any operations conducted by lesser grade personnel shall be the responsibility and under the review of the chief operator.
2. Wastewater pump station maintenance shall be performed by licensed domestic and industrial pump installers.

c) Insurance

1. Liability insurance – while this agreement remains in force, NESC shall have personal injury and property/liability insurance of at least \$1,000,000 in the aggregate and not less than \$500,000 per occurrence. Similarly, subcontractors employed shall have the same levels or more of insurance.
2. Workman's compensation – NESC shall continuously maintain workman's compensation insurance for all its employees/operators involved with this agreement. Workman's compensation coverage shall at least equal the maximum statutory limit provided for by law. Furthermore, NESC shall not employ subcontractors in the performance of its duties under this agreement unless said contractors provide the same workman's compensation coverage as NESC.

d) Termination

1. By mutual agreement – all provisions of this agreement shall become null and void in the event the parties mutually agree in writing to terminate this agreement, setting forth the agreement and the effective date of such termination. Likewise, the parties may modify this agreement in part or its entirety by mutual and simultaneous agreement at any time.
2. By one party notice – either party may terminate all provisions of this agreement by giving a notice of termination in writing to the other party. In such an event, a full termination of this agreement shall occur within sixty (60) days of the receipt of such notice by the party served. Between the receipt of a notice of termination and the expiration of the sixty (60) day period, both parties shall be bound by all provisions of this agreement.

e) The following schedule of charges rendered by NESC and paid to NESC shall be increased by 2.5% annually:

1. For AWC's Lakes Region and area water and waste water systems

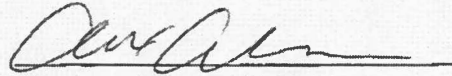
- a) Regular work hours - Operator \$75 per hour
- b) NH Administrative Support/Accounting
*To be billed at Cost plus Benefits and Overhead
- c) NH Administrative Support for Billing Procedures \$60 per hour
*To include time spent driving to and for post office
- d) Overtime work hours - Operator (usually for emergency and unplanned jobs) \$112 per hour
- e) Overtime work hours - Administrative Support/Accounting
*To be billed at Cost plus Benefits and Overhead
- f) On call coverage (24/7) to be billed through payroll hours on a weekly basis as outlined below for each Water System
 - *Lakeland Water - 1.0 hours
 - *Lakeland Sewer - .50 hours
 - *White Rock - .50 hours
- g) All other labor to be billed at cost

2. For AWC's Northern Region (Rosebrook)

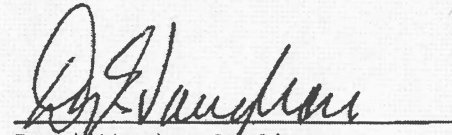
- a) Regular work hours - Operator \$75 per hour
- b) NH Administrative Support/Accounting
*To be billed at Cost plus Benefits and Overhead
- c) NH Administrative Support for Billing Procedures \$60 per hour
*To include time spent driving to and for post office
- d) Overtime work hours - Operator (usually for emergency and unplanned jobs) \$112 per hour
- e) Overtime work hours - Administrative Support/Accounting
*To be billed at Cost plus Benefits and Overhead
- f) On call coverage (24/7) to be billed through payroll hours on a weekly basis as outlined below for each Water System
 - *Rosebrook Water - 2.0 hours

g) All other labor to be billed at cost

In Witness thereof, NESC and AWC have hereunto affixed their signatures as of the date above first written.



Alex Crawshaw, President
Abenaki Water Company



Donald Vaughan, President
New England Service Company



The State of New Hampshire
Department of Environmental Services

Clark B. Freise, Assistant Commissioner



January 26, 2017

Alex Cranshaw
 Abenaki Water Co.
 37 Northwest Drive
 Plainville, CT 06062

Subject: Rosebrook Water (0382010)
 Pressure Reduction Project

Dear Mr. Cranshaw:

We understand that you are in the process of presenting drinking water system upgrades to the community. The biggest issue that you plan to address is the high pressure areas throughout the system and in some locations are high enough to pose safety concerns. A normal system pressure range recommended by this department is 60 to 80 psi, with a minimum and maximum of 35 psi and 100 psi, respectively. It is our understanding that the existing water system owned by Rosebrook Water can exceed 200 psi in some locations. This extremely high pressure creates a safety risk, increased water loss through water main breaks or leaks, increased operating costs, and the necessity of home pressure reducing valves (PRVs). You have also indicated that the system lost insurance coverage because of numerous claims caused by the excessive pressure.

We are in support of and recommend system modifications which will reduce the public health risk and will maintain pressures within the recommended range. Not only will this provide for a safer and less costly system to operate, it also creates the ability for the operating company to take back ownership of system maintenance from home and commercial owners who are currently maintaining their own PRVs.

If you have any questions, please do not hesitate to reach out to me at Randal.Suozzo@des.nh.gov or 271-1746.

Sincerely,

Randal A. Suozzo, P.E.
 NHDES Drinking Water & Groundwater Bureau

cc: Don Vaughan, Abenaki Water Company



Twin Mountain Fire Department

Twin Mountain Fire Department
PO Box 119
104 Route 3 North
Twin Mountain, NH 03595

Phone: 603-846-5545
FAX: 603-278-7944
email: twinmountainfirerescue@
townofcarroll.org

February 25, 2017

Mr. Donald J. T. Vaughan
Abenaki Water Company
37 Northwest Drive
Plainville, CT 06062

Re: Rosebrook Water System

Dear Mr. Vaughan:

The Twin Mountain Fire Department is a municipal department providing fire protection services for Bretton Woods, served by the Rosebrook water system. As presently configured, the Rosebrook system has pressures as high as 200 psi in some areas. This pressure is excessively high and potentially dangerous from the perspective of operating fire hydrants and other equipment. Typically, municipal systems operate between 50 and 75 psi which is generally adequate for fire fighting purposes.

As the current owner and operator of the Rosebrook system, Abenaki has presented a plan for improvements to the system that would lower the maximum pressure to 100 psi while still maintaining adequate fire flows. The Twin Mountain Fire Department supports this project and believes that it would improve safety and reliability of the system.

Respectfully,

Jeremy Oleson
Fire Chief

Cc: TMFD - File

Exhibit 4
Abenaki Water Company
Projected Capital Program for the Rosebrook System
Estimated Company Investments in Present Day Dollars
November 14, 2017

Project No.	Project Description	2018	2019	2020	2021	Comments
1.	Purchase and install miscellaneous meters.	\$5,000	\$7,500	\$7,500	\$7,500	Replace existing and install new meters as they become inoperative or as new customers occur.
2.	Install SCADA system.	\$20,000	-	-	-	Facilitate remote data access to enable operator to proactively monitor system as well as to be timely alerted.
3.	Lower certain company-owned services and install curb stops. Also, replace or install new services.	\$15,000	\$15,000	\$17,500	\$20,000	System has a history of service freeze-ups. New customers are expected to come online.
4.	Invest in Horizons pressure reduction design.	\$70,000	-	-	-	Complete phase two of the pressure reduction proposal. Furnish engineering plans and specifications.
5.	Construct one to two pump stations in connection with above. Obtain easements.	\$100,000	\$500,000	\$500,000	\$500,000	All investments in relation to pressure reduction project. Install pump station, pipelines, pressure reduction valves, instrumentation, etc.

Total utility plant Improvements*	<u>\$210,000</u>**	<u>\$522,500</u>	<u>\$525,000</u>	<u>\$527,500</u>
--	---------------------------	-------------------------	-------------------------	-------------------------

* Subject to local and state reconstruction and paving projects, governmental mandates, operational maintenance, and regulatory changes. Does not include capitalized labor and overheads.

** Source of funds	Depreciation:	\$ 64,000
as approved in	½ Net Income:	\$ 18,000
this docket:	Debt:	<u>\$128,000</u>
		<u>\$210,000</u>