

STATE OF NEW HAMPSHIRE

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August 28, 2018

NHPUC 28AUG'18AM10:16

Debra A. Howland, Executive Director
New Hampshire Public Utilities Commission
21 South Fruit Street, Suite 10
Concord, New Hampshire 03301-2429

Re: DW 18-128, Hampstead Area Water Company, Inc.
Petition for Emergency Service, Temporary Franchise, Approval of Contract, and
Approval of the Application of Existing Rates

Dear Ms. Howland:

The purpose of this letter is to recommend that the Commission approve Hampstead Area Water Company, Inc.'s ("HAWC" or "Company") petition to provide temporary emergency water service to Tisdale Trailer Park ("Tisdale") in the Town of Salem. HAWC's request encompasses the following: 1) granting of a temporary franchise to serve Tisdale in accordance with RSA 374:26; 2) approval of a water services agreement between HAWC and Tisdale; and 3) application of HAWC's existing consolidated rate for the provision of service to Tisdale.

On August 10, 2018, HAWC filed its request to provide emergency water service on a temporary basis to Tisdale which serves 57 homes within the Town of Salem. Tisdale is currently unable to provide water service due to e. coli contamination of its well water. HAWC's petition is accompanied by the direct pre-filed testimony of its president, Harold Morse. Due to the emergency nature of the situation and the necessity for providing safe drinking water to the residents of Tisdale, HAWC's petition requested expedited treatment of its filing as well as waiver of a hearing pursuant to RSA 378:9. Staff reviewed HAWC's filing and submitted discovery to the Company on August 16, 2018 to which responses were provided on August 27, 2018. A copy of HAWC's discovery responses are attached to this letter.

HAWC states that the NH Department of Environmental Services ("NHDES") has requested that it provide temporary emergency service to Tisdale's residents via an above-ground connection to HAWC's Lancaster Farms distribution system which is adjacent to the trailer park. The NHDES acknowledgement of the emergency hook-up (see attached) also specifies the following additional measures: 1) installation of a backflow prevention device on the connection, to ensure no transmission of bacteria between Tisdale's and Lancaster Farms' public water systems; and 2) submission of a corrective action plan (CAP) to correct sanitary defects allowing bacterial contamination of the public water supply; specifying tasks in order to identify and correct a possible connection of the wells to shallow groundwater through possible holes in the well casings, as well as a schedule for implementation of these tasks.

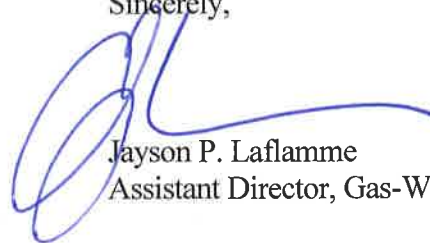
HAWC states that service will be provided through a 1" line from Lancaster Farm's distribution system to Tisdale's system with a single 1" meter installed at the point of connection to the trailer park. HAWC's response to Staff Data Request 1-3 (see attached) indicates that the emergency connection has already been installed and is now providing service to Tisdale. Per HAWC's original filing, the cost of that connection was estimated to be approximately \$6,000 which is to be paid by the owner of Tisdale. HAWC's response to Staff Data Request 1-4 (see attached), however, indicates the actual cost of the connection was \$9,803.

Upon installation, HAWC is proposing to charge Tisdale in a similar manner in which it would charge an apartment building; that is, its current 1" meter rate of \$30 per month plus its current consumption charge of \$5.95 per hundred cubic feet (ccf).¹ These rates are contained in the proposed Water Service Agreement included in HAWC's filing as Exhibit 1. In order to charge these rates, HAWC is also requesting approval of a temporary franchise, in accordance with RSA 374:22 and 374:26, relative to the parcel of property on which the trailer park is situated, referenced as Salem Tax Map 123, Lot 8519.²

HAWC's franchise request is currently proposed on a temporary basis, because it is contingent on whether the owner of Tisdale can rehabilitate the trailer park's wells or, failing that, whether the owner elects to have HAWC supply water to the trailer park on a permanent basis. That decision will be made by November 1, 2018. If by that date, the owner of Tisdale elects to have HAWC be the water supplier for the trailer park, the Company will notify the Commission and petition for the franchise to become permanent. HAWC has notified the Salem Select Board of its franchise request as well as provided it with a letter to be sent to the Commission acknowledging such. As of this date, the Commission has not yet received an acknowledgement from the Salem Select Board.

Upon review of the facts and circumstances surrounding HAWC's requests relative to providing emergency service to Tisdale, Staff recommends that the Commission approve the Company's petition. If you have any questions concerning this matter, please do not hesitate to contact me.

Sincerely,



Jayson P. Laflamme
Assistant Director, Gas-Water Division

Attachments: Discovery Responses
NHDES Acknowledgement

cc: Service List

¹ These rates were recently approved by the Commission in Order No. 26,165 (July 31, 2018) in DW 17-118.

² HAWC's petition originally referenced this lot as Map 12, Lot 8510. However, the Company's response to Staff Data Request 1-1 (see attached) corrected this reference as Map 123, Lot 8519.

DW 18-128
HAMPSTEAD AREA WATER COMPANY, INC.
PETITION FOR EMERGENCY SERVICE, TEMPORARY FRANCHISE, APPROVAL
OF CONTRACT, AND APPROVAL OF THE APPLICATION OF EXISTING RATES
ANSWERS TO STAFF DATA REQUESTS-SET 1

Date request received: 08-16-18
Staff 1-1

Date of Response: 08-23-18
Witness: Robert Levine

Page 2 of 5 of the Company's Petition, Paragraph 5, references the proposed Franchise Expansion Area as Tax Map 12, Lot 8510. However, Exhibit 4 of the Company's filing, which is a copy of the pertinent tax map, appears to indicate that the appropriate reference relative to the Tisdale Trailer Park should be Tax Map 123, Lot 8519. Please verify the appropriate tax map location reference for Tisdale Trailer Park. (Note: Exhibit 6 of the Company's filing, which is the draft of the Salem Selectboard's acknowledgement, references the Tisdale Trailer Park as located on Tax Map 123, Lot 8510.)

ANSWER:

That is a typo. It should properly be just the Trailer Park parcel, Tax Map 123, Lot 8519.

DW 18-128
HAMPSTEAD AREA WATER COMPANY, INC.
PETITION FOR EMERGENCY SERVICE, TEMPORARY FRANCHISE, APPROVAL
OF CONTRACT, AND APPROVAL OF THE APPLICATION OF EXISTING RATES
ANSWERS TO STAFF DATA REQUESTS-SET 1

Date request received: 08-16-18
Staff 1-2

Date of Response: 08-23-18
Witness: Robert Levine

The Commission has not yet received the executed copy of the Salem Selectboard's acknowledgement of notification (Exhibit 6). Please indicate the date on which the Salem Selectboard will be acting on that document for submission to the Commission.

ANSWER:

That is not something we can control. They will act on it or not in the due course of the exercise of their discretion.

DW 18-128
HAMPSTEAD AREA WATER COMPANY, INC.
PETITION FOR EMERGENCY SERVICE, TEMPORARY FRANCHISE, APPROVAL
OF CONTRACT, AND APPROVAL OF THE APPLICATION OF EXISTING RATES
ANSWERS TO STAFF DATA REQUESTS-SET 1

Date request received: 08-16-18
Staff 1-3

Date of Response: 08-23-18
Witness: Harold Morse

Has the requested emergency connection from Lancaster Farms to Tisdale Trailer Park yet been installed and, if so, is it yet providing service to the trailer park?

ANSWER:

Yes on both.

DW 18-128
HAMPSTEAD AREA WATER COMPANY, INC.
PETITION FOR EMERGENCY SERVICE, TEMPORARY FRANCHISE, APPROVAL
OF CONTRACT, AND APPROVAL OF THE APPLICATION OF EXISTING RATES
ANSWERS TO STAFF DATA REQUESTS-SET 1

Date request received: 08-16-18
Staff 1-4

Date of Response: 08-23-18
Witness: Harold Morse

With reference to the proposed cost of the emergency installation in the amount of \$6,000.00, please explain in detail the basis for this amount. If a written estimate for the installation of the emergency connection was prepared, please provide a copy of this document.

ANSWER:

That was an estimate. Please see attached the project cost. That work was done by Lewis Builders Development, Inc. directly with the park owner.

8/27/2018

FINAL COST

Customer Name: Tisdale's Street Address: Rosemary Town: Salem

ITEM	Total
Materials	\$2,126.00
E27 Backhoe	\$1,040.00
Labor	\$702.00
Project Manager	\$3,335.00
legal / survey / easement	\$1,300.00
water meter	\$1,300.00
TOTAL PRICE	\$9,803.00

Laflamme, Jayson

From: Bob Levine <Bob@LewisBuilders.com>
Sent: Tuesday, August 14, 2018 2:26 PM
To: Laflamme, Jayson
Cc: John Sullivan; Harold Morse
Subject: FW: Corrective Action Plan -Tisdale Trailer Park

Hi Jayson,

The communication from DES about Tisdale Trailer Park was by email. It is in the thread below. I believe this is what you were looking for.

Robert C. Levine, Esq.
General Counsel
The Lewis Group of Companies
Hampstead Area Water Company, Inc.
Atkinson Area Waste Water Recycling, Inc.

54 Sawyer Avenue
Atkinson, NH 03811
603-362-5333
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Nothing in this e-mail message is intended to constitute an e-signature, nor does the content hereof create a binding offer or contract.

From: Harold Morse
Sent: Friday, July 13, 2018 4:48 PM
To: John Herbst <Jherbst@LewisBuilders.com>
Subject: FW: Corrective Action Plan

FYI

From: Frost, Shelley [<mailto:Shelley.Frost@des.nh.gov>]
Sent: Friday, July 13, 2018 4:31 PM
To: Rich Bibeau <RBibeau@HampsteadWater.com>; Stephen Fournier <sfournier@HampsteadWater.com>; Harold Morse <Harold@LewisBuilders.com>; 'tisdaletrailerpark@gmail.com' <tisdaletrailerpark@gmail.com>; 'wild-yeti@hotmail.com' <wild-yeti@hotmail.com>
Cc: Klevens, Cynthia <Cynthia.Kleuens@des.nh.gov>
Subject: Corrective Action Plan

Harold,

Thank you for your call earlier today to discuss a short-term, over-ground connection to Lancaster Farms PWS for emergency water supply, and your plan to include a backflow prevention device on that connection, to ensure no transmission of bacteria between Tisdale's and Lancaster Farms' public water systems.

We also discussed Hampstead Water's plan to submit a corrective action plan (CAP) to correct sanitary defects allowing bacterial contamination of the public water supply. The CAP will specify tasks to identify and correct a possible connection of the wells to shallow groundwater through possible holes in the well casings, and a schedule of implementation.

Two notes of caution:

1. If a corroded casing has allowed a connection between the shallow and deep bedrock aquifers, then the bedrock fractures that supply water to the wells may also be contaminated with E. Coli, and so continued bacteria contamination could be an issue. Surging of the fractures with chlorinated water might correct the condition, if it exists; and
2. A connection between shallow and deep aquifers would also be present if the annuli of the two wells were not grouted during well installation (this task of well installation was not required by NHDES until 2006, and the wells were in place when the system was registered with NHDES in 1974). NHDES recommends sealing the exteriors of the well casings, to the top of bedrock if possible.

Finally, please include tasks in the CAP for evaluation of failure of septic systems via clogged septic system elements or direct contact of groundwater by effluent, by a septic system designer and, if indicated by evaluation, repair or replacement of septic systems located in the Sanitary Protective Area (SPA). The septic system locations within the SPA are significant deficiencies.

Thank you.

Shelley Frost, P.E., P.G.

Technical Assistant and Manager, Public Water Systems Sanitary Survey Program
NHDES Drinking Water & Groundwater Bureau
29 Hazen Drive, POB 95, Concord NH 03302-0095
P: (603) 271-2949 F: (603) 271-5171
"NHDES Be Well Informed" water treatment app