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STATE OF NEW HAMPSHIRE



**PUBLIC UTILITIES COMMISSION**  
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October 5, 2020

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

RE: DW 19-135 Lakes Region Water Company, Inc.  
Petition for Approval of CoBank Financing  
Staff Supplement to August 14, 2020 Staff Recommendation

Dear Executive Director Howland:

On August 14, 2020, Commission Staff (Staff) recommended that the Commission approve Lakes Region Water Company Inc.'s request for financing.<sup>1</sup> The recommendation included a copy of the Company's response to Staff data request 3-20 (Staff DR 3-20). *See* Staff Recommendation, Bates page 117.

On October 1, 2020, Lakes Region Water Company, Inc. (Lakes Region or the Company) updated its response to Staff DR 3-20. Accordingly, in order to maintain the accuracy of Staff's attachments, and thus the integrity of Staff's recommendation, Staff hereby supplements its recommendation with this letter and with a copy of the Company's updated response, as Bates pages 176-189. Staff further states that the Company's updated response to Staff DR 3-20 does not change the analysis or recommendation that Staff filed on August 14th.

In its updated response to Staff DR 3-20, the Company indicated that it has begun replacing the Wildwood pump station (project) and that the work is 25% complete. Lakes Region stated that the Company "became increasingly concerned that the system did not meet the 'just and reasonable' standard" and "decided to move forward with [the Wildwood project]."

The Company also stated that it "decided to move forward with construction *based on Staff's August 14, 2020 report and recommendation.*" (Emphasis added). According to Staff Counsel:

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<sup>1</sup> On August 26, 2020, Lakes Region Water Company Inc. filed a response to the Staff Recommendation, asking the Commission to conclude that the Company's decision to finance the projects is "prudent and reasonable."

...Staff is employed to assist the Commissioners, and has no independent authority to make binding decisions with regard to cases before the Commission....The decision making role is explicitly given to the Commissioners, not the Staff, even in cases where the Commission designated Staff to hear a case and make a hearing officer's report. RSA 363:17-a, 363:17.

*Verizon-New Hampshire*, Order 23,893 (January 11, 2002, Docket No. 01-028) at 17-18.

Thank you for your attention to this matter.

Sincerely,

*/s/ David Goyette*

David Goyette  
Utility Analyst III, Gas-Water Division

cc: Service List

Attachment: Lakes Region's updated Response to Staff 3-20, with attachments, and Company Counsel's email cover letter dated October 1, 2020.

**From:** [Justin Richardson](#)  
**To:** [PUC - Discovery; douglas.brogan@gmail.com; Descoteau, Robyn; Frink, Stephen; Goyette, David; Laflamme, Jayson; Leone, Anthony; Noonan, Amanda; PUC - OCA Litigation; Justin Richardson; Schwarzer, Mary; Tuomala, Christopher; Leah Valladares](#)  
**Subject:** Updated Response to Staff 3-20  
**Date:** Thursday, October 1, 2020 11:17:59 AM  
**Attachments:** [Updated Response to Staff Set 3-20 v01.pdf](#)

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**EXTERNAL:** Do not open attachments or click on links unless you recognize and trust the sender.

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Mary:

In discussing pending matters before the Commission, the Company advised me that it had moved forward with construction of the Wildwood Project based on Staff's approval recommendation. Although not included in Staff's report, I recommended that the Company update its response to Staff 3-20 dated February 22, 2020 because the Company had stated that the Wildwood project was on hold pending PUC approval. I therefore worked with the Company to update its response to document its decision to move forward with the project due to the need to improve service to customers that did not meet the Company's standards.

I do not think anything further is required. I understand that the Company previously filed an E-22 covering this project. However, if you have any questions, please feel free to reach out to me by email. Phone may be difficult today.

Justin

Justin C. Richardson  
[NH WATER LAW](#)  
586 Woodbury Avenue  
Portsmouth, NH 03801  
[justin@nhwaterlaw.com](mailto:justin@nhwaterlaw.com)  
(603) 591-1241

This email and any attachments may contain confidential and/or legally privileged information. Unauthorized disclosure of such information is prohibited by law. If you are not the intended recipient or have received this message in error, please notify me as soon as possible.

Lakes Region Water Company

DW 19 – 135

Staff Set 3

Date Request Received: 1/14/2020

Date of Response: 2/21/2020

**UPDATE: October 1, 2020**

Request No. Staff 3 – 20

Witness: Leah Valladares

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The petition in DW 19-135 indicates the Wildwood project is “expected to start in 2019 and be completed in 2020” (p. 2). The response to Staff 1-12 (b) in that docket states the “anticipated date for substantial completion ... is June 30, 2020.” In this regard please indicate the current status of the following:

- a) Project design;
- b) Project approvals (NHDES, town, other);
- c) Project construction.

**RESPONSE (2/21/2020):**

Plans for upgrades to the Wildwood system are on hold pending PUC review and approval in this proceeding. The design, approvals or construction plans will be finalized based on approval in this proceeding. See Response to 3-21, below.

**UPDATED RESPONSE (10/01/2020):**

This response is being updated to comply with Rule Puc 203.09 (k).

After the Company’s February 22, 2020 Response above, the Company continued to receive customer calls and reports of discolored water and low pressure. *See e.g. customer comments to NHPUC, attached.* As a result, the Company became increasingly concerned that the system did not meet its standards for service or the ‘just and reasonable’ standard.

On June 2, 2020, Staff informally advised the Company during the Technical Session in Docket No. 19 - 177, that it intended to issue a report recommending approval of the proposed financing.

On June 30, 2020, the Company submitted preliminary plans to NHDES and the Town of Albany. *See Attached.* On August 14, 2020, Staff submitted its report recommending approval.

Due to the need to improve service to customers, the Company decided to move forward with construction based on Staff’s August 14, 2020 report and recommendation. As of this date, construction is 25% complete. However, the Company’s plans to finance the project have not changed. Upon approval, the Company will use the financing to refinance the project with debt.

Lakes Region Water Company

DW 19 – 135

Staff Set 3

Date Request Received: 1/14/2020

Date of Response: 2/21/2020

The lower cost debt will reduce the costs to customers and improve the Company's capital structure. In addition, it will make cash (equity) available for improvements to other systems, including one system (Far Echo) that requires additional supply wells to alleviate water shortages that have been exacerbated by extreme drought conditions. *See Response to Staff 5-1.*

To Whom it may concern,

We have lived at #55 Tabor Circle for 14 years now and the water has always been bad. We put a WaterSoft Filter system in 2013. On top of that we use a Brita Filter for drinking water. We have always noticed the pressure being low around the holidays and over the summer when rental houses are full.

The biggest issue we have had is the orange in the hot water. It used to turn the water in bath orange when the kids were little, and ruin white clothes in the washer. The iron has started to stain our sinks and showers orange over the years regardless of what I use as a cleaning agent. Right now the pressure has been ok at our house. It does turn brown and murky during the day but it's on random days. I will try to send pictures.

Sincerely,

Heather Odell  
#55 Tabor Circle - Albany

To Whom it may concern,

I've been at 35 Tabor Circle in Albany for over 20 years now and the water has been an issue on and off for as long as I can remember. At times totally brown and unusable, staining fixtures and ruining loads of laundry. After my complaints, our previous water company eventually began posting on our doors when they would work on the water as a forewarning, so we could prepare, wouldn't destroy entire wardrobes before we realized what was happening. They would also flush the system after work was performed and advised us to do the same from an exterior source on the house. This helped to mitigate the damage as every time the water was worked on, the brown rust would worsen and be at its darkest. It would take a while for it to be useable, even for washing. Lugging water periodically was the norm. The time I refused to pay the bill for a span of 3 months when my water was completely unusable, my water was turned off, forcing me to pay for unusable (outside of flushing toilets, but you couldn't even bath in it) water. By the way, I had paid for all other quarters, even when it was yellowish, just not the quarter I had to replace clothes, use the laundromat and purchase drinking water.

Improvements were made over the years and things got better for longer periods of time, with issues on and off. I know many of my neighbors complain of pressure issues, but that has never been an issue for us. It was until we remodeled a few year ago and replace yellow bathroom fixtures with white ones that even when it was "good" it wasn't that good. Yellow against white shows up when yellow against yellow does not.

Recently we have had to haul water again, as the water is yellow/brown in color and tastes terrible even though being filtered inside the house. This has been going on for several weeks. We did see the water company at the water house at one point not long ago, during which time the water became darker brown/yellowish. The color then lightens, making one think it's on the mend and then, surprise, it darkens again.

Since the switch over of water companies we have never received notice that the water will be worked on and subsequently change in color and taste, and it doesn't get "flushed" at outside sources. A warning would be appreciated, but really what I'd be after is a permanent solution.

I'm finally writing in for help because we're not getting any younger and water is so heavy to carry. We're tired of lugging it in. I would like to see the water we always have to pay for be usable for all things at all times (outside of needed maintenance). Hope that's not asking for too much.

Thanks for your attention to the matter,  
Colleen Cormack  
35 Tabor Circle  
Albany, NH

To Whom It May Concern:

Why is each household in the Wildwood development (Albany, NH) paying for water that is brown, smells of iron, tastes strange, stains the bathtub and shower, and turns our light-colored clothes orange?????? Please have the courtesy to provide me with an answer.

I have to pay for water to drink and laundromat costs, not to mention how exhausting it is to scrub and scrub and scrub with the hopes that this time the orange stains on my shower and bathtub will come out.

Lisa L  
Tabor Circle  
Albany

----- Forwarded message -----

From: **Lisa L** <[sunsparklingsnow@gmail.com](mailto:sunsparklingsnow@gmail.com)>

Date: Mon, Jun 15, 2020 at 7:57 PM

Subject: Wildwood water

To: <[lrwater@lakesregionwater.com](mailto:lrwater@lakesregionwater.com)>

Good evening Justin,

I wanted to share with you that over the past several days I have noticed the water has a very metal / iron taste.

Also, the color has changed from clear to brown often. This metal taste is coming through my Brita and was not there before. The smell of the metal is very strong from shower/faucets.

Is there an update you can provide us? Thank you very much

Lisa





Good Afternoon!

To whom it may concern,

I wanted to say thankyou for taking our communities input and for preparing to put in a new system/improving it for our neighborhood here at Tabor Circle in Albany, NH.

My husband and I have been living here since 2007 and have noticed a significant difference in the water over the years. I am grateful for this new company and really hope we see improvements.

Changes we have noticed with our water over the years:

Less Water pressure~Way less!  
Brownish red water that stains everything  
Poor taste in water  
Constantly needing to change water filters

Be Well!

Sincerely,

Jamie Webb  
72 Tabor Circle

## Justin Richardson

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**From:** Leah Valladares <leah@lakesregionwater.com>  
**Sent:** Tuesday, June 9, 2020 10:00 AM  
**To:** Brogan, Doug; robyn.descoteau@puc.nh.gov; steve.frink@puc.nh.gov; Goyette, David; Justin Richardson; jayson.laflamme@puc.nh.gov; Leah Valladares; anthony.leone@puc.nh.gov; amanda.noonan@puc.nh.gov; discovery@puc.nh.gov; ocalitigation@oca.nh.gov; mary.schwarzer@puc.nh.gov; christopher.tuomala@puc.nh.gov  
**Subject:** 21 Wildwood

Good morning,

Below is an email from one of the Wildwood Customers sharing their experience with their water.

I have been reaching out to those customers and will be forwarding the emails to the Discovery list as they come in.

Leah Valladares | Utility Manager  
**Lakes Region Water Company, Inc.**  
420 Gov. Wentworth Highway | PO Box 389  
Moultonborough, NH 03254  
**Direct # (603) 707-0644**  
(O) 603.476.2348 (F) 603.476.2721  
[www.lakesregionwater.com](http://www.lakesregionwater.com)

Leah Valladares | Utility Manager  
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**From:** Brian Hargraves <brykris28@yahoo.com>  
**Sent:** Monday, June 08, 2020 7:14 PM  
**To:** Leah Valladares <leah@lakesregionwater.com>  
**Subject:** Re: rusty water

On Monday, June 8, 2020, 7:13 PM, Brian Hargraves <[brykris28@yahoo.com](mailto:brykris28@yahoo.com)> wrote:

i wanna say thank you for responding again to a on going issue that we continue to have we bought this house on 21 wildwood road Albany NH in 2015 and the water conditions seem to be getting worse brown or rusty water and the lack of water pressure i have been using water filters that are supposed to last 6 months and having to change out in three and we continue to hear that it's been corrected and hopefully it will be soon

Thank you Brian and Kristen Hargraves

## Justin Richardson

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**From:** Leah Valladares <leah@lakesregionwater.com>  
**Sent:** Tuesday, June 9, 2020 10:02 AM  
**To:** Brogan, Doug; robyn.descoteau@puc.nh.gov; steve.frink@puc.nh.gov; Goyette, David; Justin Richardson; jayson.laflamme@puc.nh.gov; Leah Valladares; anthony.leone@puc.nh.gov; amanda.noonan@puc.nh.gov; discovery@puc.nh.gov; ocalitigation@oca.nh.gov; mary.schwarzer@puc.nh.gov; christopher.tuomala@puc.nh.gov  
**Subject:** 18 Wildwood Ave

Email from yesterday.

Leah Valladares | Utility Manager  
**Lakes Region Water Company, Inc.**  
420 Gov. Wentworth Highway | PO Box 389  
Moultonborough, NH 03254  
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[www.lakesregionwater.com](http://www.lakesregionwater.com)

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**From:** Ashley Benes <ashley@lakesregionwater.com>  
**Sent:** Monday, June 08, 2020 1:38 PM  
**To:** Leah Valladares <leah@lakesregionwater.com>  
**Subject:** FW: Water issues

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**From:** Lakes Region Water Co.  
**Sent:** Monday, June 8, 2020 8:50 AM  
**To:** Justin Benes ([justin@lakesregionwater.com](mailto:justin@lakesregionwater.com)) <[justin@lakesregionwater.com](mailto:justin@lakesregionwater.com)>; Richard Dearborn <[rick@lakesregionwater.com](mailto:rick@lakesregionwater.com)>; Brandon Smith <[brandon@lakesregionwater.com](mailto:brandon@lakesregionwater.com)>; Richard Dearborn <[rick@lakesregionwater.com](mailto:rick@lakesregionwater.com)>  
**Subject:** FW: Water issues

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**From:** Bethlynn Wilson <[bethlynn.wilson@yahoo.com](mailto:bethlynn.wilson@yahoo.com)>  
**Sent:** Saturday, June 6, 2020 10:39 AM  
**To:** Lakes Region Water Co. <[lrwater@lakesregionwater.com](mailto:lrwater@lakesregionwater.com)>  
**Subject:** Water issues

Hi Justin,

I live at 18 Wildwood Rd, Albany.  
Our water turned brown this morning and we have had terrible water pressure for three days now. My neighbor heather Odell said this was the appropriate way to notify you of our issues?

Thank you,  
BethLynn Howard

## Justin Richardson

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**From:** Leah Valladares <leah@lakesregionwater.com>  
**Sent:** Thursday, October 1, 2020 10:39 AM  
**To:** Justin Richardson  
**Subject:** FW: Wildwood - New Water Storage / Pump House  
**Attachments:** image001.jpg; ATT00001.htm; Wildwood Preliminary Plan View Layout 05 02 19.pdf; ATT00002.htm

Leah Valladares | Utility Manager  
**Lakes Region Water Company, Inc.**  
420 Gov. Wentworth Highway | PO Box 389  
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[www.lakesregionwater.com](http://www.lakesregionwater.com)

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**From:** Leah Valladares  
**Sent:** Tuesday, June 30, 2020 10:07 AM  
**To:** Klevens, Cynthia <Cynthia.Kleuens@des.nh.gov>; Thomas.Willis@des.nh.gov  
**Cc:** Tom Mason <Tom@lakesregionwater.com>; Justin Benes <justin@lakesregionwater.com>; Bruce Lewis <lewis.h2o@comcast.net>  
**Subject:** FW: Wildwood - New Water Storage / Pump House

Good morning Cindy and Tom,  
Attached is the design submitted to the Town of Albany for the building permit.

Any questions please direct them to Tom Mason.

Sincerely,

Leah Valladares | Utility Manager  
**Lakes Region Water Company, Inc.**  
420 Gov. Wentworth Highway | PO Box 389  
Moultonborough, NH 03254  
**Direct # (603) 707-0644**  
(O) 603.476.2348 (F) 603.476.2721  
[www.lakesregionwater.com](http://www.lakesregionwater.com)

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**From:** Justin Benes <[justin@lakesregionwater.com](mailto:justin@lakesregionwater.com)>  
**Sent:** Tuesday, May 07, 2019 9:22 AM  
**To:** Leah Valladares <[leah@lakesregionwater.com](mailto:leah@lakesregionwater.com)>  
**Subject:** Fwd: Wildwood - New Water Storage / Pump House

Sent from my iPhone

Begin forwarded message:

**From:** "lewis.h2o@comcast.net" <[lewis.h2o@comcast.net](mailto:lewis.h2o@comcast.net)>

**To:** "Tom Mason" <[lrwh2oserv@yahoo.com](mailto:lrwh2oserv@yahoo.com)>, "Peter Hilton" <[pwhilton99@gmail.com](mailto:pwhilton99@gmail.com)>, "Justin Benes" <[justin@lakesregionwater.com](mailto:justin@lakesregionwater.com)>

**Subject:** Wildwood - New Water Storage / Pump House

**Good afternoon:**

Attached please find a preliminary plan view layout for Wildwood, based on Peter's and my visit and conversation, along with additional information provided from your office. The overall building will be about 16' x 26', with the end of the tank / outdoor hatch extending 5'6" or so beyond the walls.

Please review and comment.

Thanks,

**Bruce W. Lewis, Manager**

Lewis Engineering

44 Stark Lane

Litchfield, NH 03052

Office 603-886-4985

Cell 603-493-1619

[lewis.h2o@comcast.net](mailto:lewis.h2o@comcast.net)



Please read & consider saving electronically & not printing this email

**John 3:17**