

EXHIBIT #1



## Exhibit 2 – White Rock System Narrative

The White Rock Water System that serves the Village Shore Estates, in the Town of Bow, has been experiencing issues with declining well yields. There are past actions and reports that indicate the yields have been an issue for some time. The declining yields, coupled with a fragile distribution system constructed of substandard materials, exposes the system to periodic outages when leaks in the system occur, or well production is particularly low, or both. There have been extended periods throughout 2019 when bulk water deliveries were required to meet system demand.

The sources for the system are comprised of three drilled bedrock wells, designated as Wells #1, #2 and #3. The combined yield of the wells was 56 gallons/minute at some point in the past, per a letter from C&C Water Services, Inc. to the New Hampshire Department of Environmental Services (NHDES), dated March 28, 2001. The yields significantly diminished in 1994. In 1999 the combined production of the wells was 35 gallons/minute. Currently, the combined production ranges between 12 and 17 gallons per minute, or 17,280 gpd and 24,500 gpd, respectively. Daily flows for 2018-2019 ranged from approximately 11,000 gpd to 25,000 gpd, with an average of 17,000 gpd. The yield and flow data suggest that the system production capacity is insufficient or marginal, depending on the coincidence of higher flows and lower well production.

Over the years, the wells have been deepened, and increases in yield, if any, were only temporary. In 1994, Well #2 was deepened from 350 feet to 900 feet. Well #3 was deepened in 1998 with some increase in yield that later diminished. In 2001, Well #1 was increased in depth from 426 feet to 1,080 feet, and hydro-fractured, with no increase in yield. It is evident from the information above that a new source for the system must be found, and the appropriate infrastructure must be built for connection to the distribution system.

Locations for potential new sources have been the subject of several studies. Around 2004, Emery & Garret Ground Water, Inc. conducted a hydrogeological study of Lots 56 and 56K, which are parcels of land to the west of the Village Shore Estates. The Town of Bow owns Lot 56. Several possible source locations were identified on Lot 56, and none on Lot 56K. Wright-Pierce engineering conducted a study in 2015 that identified several lots with potential source locations. The lots identified were 62, 62E, 115, 58K and 61. AWC contacted the trustee for Lots 62 and 62E, located to the east of the Village Shore Estates, and was not able to obtain permission for an investigation and eventual construction of a well and supporting infrastructure. Lot 115, located across White Rock Hill Road from the system, has since been subdivided and developed, and is no longer available. Lot 58K was identified as being the least favorable site, with possible bedrock fractures that intersect the existing wells, where there are currently low yields. Lot 61 was identified as a potential site for a bedrock or gravel packed well, and is owned by the Village Shore Estates Homeowners Association. According to the two studies, the lots with the greatest potential for well development are Lots 56 and 61. AWC would need to obtain permission from the Town of Bow for access and use of Lot 56. Given the results of the studies and potential property access, AWC intends to investigate sources on Lots 56 and 61, by drilling test wells. In the event that a source is identified on Lot 56, there may be the opportunity to pump the well to the existing treatment plant, and eliminate the need for a new treatment facility. Potential sources on Lot 61 would likely require a treatment plant for connection to the system. Lot 61 is also located in the 100-year floodplain.

In addition to investigating and constructing a new source for the system, AWC will also line the system's two 15,000-gallon underground steel storage tanks. The tanks were cleaned and inspected in February of 2020. Per the report, the original tank liner was completely deteriorated, and there was active corrosion. Ultrasonic testing indicated that the tank wall thicknesses were within acceptable ranges that would allow for lining of the tanks, rather than a total replacement at a more significant cost.

The final item to be addressed under the requested financing is the installation of strategically located valves to better isolate portions of the system in the event of a break. The increased isolation capability will also be a benefit during leak detection surveys that is a continual program as part of the system operations.