

**THE STATE OF NEW HAMPSHIRE
PUBLIC UTILITIES COMMISSION**

DOCKET NO. DW 20-XXX

**PENNICHUCK EAST UTILITY, INC.
TOWN OF SALEM, NEW HAMPSHIRE**

**PETITION TO TRANSFER SERVICE TERRITORY AND ASSETS
AND TO COMMENCE BUSINESS**

NOW COME Pennichuck East Utility, Inc. (“PEU”) and the Town of Salem (“Salem” or “Town”) (together the “Parties”), pursuant to RSA 374:30, and jointly ask that the New Hampshire Public Utilities Commission (“PUC” or “Commission”) approve the transfer of portions of PEU’s service territory abutting Routes 28 and 111 in the Town of Windham (“Windham”), along with certain assets, to Salem. In addition, Salem, pursuant to RSA 374:22 and RSA 362:4, III-a. (a), asks the Commission for permission to commence business in the Town of Windham. As explained herein, Salem would not be considered a public utility because it will not charge new customers a rate higher than 15 percent above what it charges its municipal customers and it will provide an equal level of water service. In support, the Parties state as follows:

1. Salem is a municipality duly established and existing under New Hampshire law, RSA Chapter 31, which owns and operates a public water system providing service in Salem.
2. PEU is a regulated water utility pursuant to RSA 362:2 and 362:4. It is a subsidiary of Pennichuck Corporation, which is owned by the City of Nashua. PEU’s authority to provide water service in Windham stems from Order No. 17,597 in Docket No. DE 85-39.
3. Windham is a municipality duly established and existing under New Hampshire law, RSA Chapter 31, which does not own or operate a public water system.

4. Salem, PEU and Windham are signatories, along with the Manchester Water Works (“MWW”), the Town of Derry, the Hampstead Area Water Company (“HAWC”), and the Town of Plaistow, to the Agreement Regarding the Southern New Hampshire Regional Water Interconnection Project (“Interconnection Agreement”). See Attachment A. The Office of the Attorney General approved the Interconnection Agreement on April 22, 2019.

5. The purpose of the Interconnection Agreement, which was developed in collaboration with the Department of Environmental Services (“DES”), is to address water issues within Windham, Salem, Plaistow, and the HAWC service territory, including contaminated wells in Windham and Windham’s need for additional water capacity. The Interconnection Agreement facilitates the flow of safe and reliable drinking water from MWW through Derry, Windham, Salem, Atkinson, and Plaistow.

6. Among other things, the Interconnection Agreement provides that Salem will construct, own, operate, and maintain a 20-inch water transmission main along Route 128 in Windham from the Derry town line to the Salem town line. In addition, Salem will construct, own, operate, and maintain a 12-inch water main along Route 111 in Windham from the intersection with Route 28 to the vicinity of Klemms Mobil Station.

7. Pursuant to the Interconnection Agreement, PEU agreed that it would cooperate with any filings with the PUC that would be required for Salem to serve retail customers in Windham, and that it would surrender its franchise rights in agreed-upon areas. In particular, Salem and PEU have agreed that PEU will transfer its franchise rights in the areas identified on the map provided as Attachment B, which, in general, about the 20-inch transmission water main along Route 28 in Windham and the 12-inch water main along Route 111.

8. The Windham Board of Selectmen voted at its May 18, 2020 meeting to support this Petition. The Board of Selectmen thoroughly vetted the issues through a series of duly-noticed public meetings. See Attachment C.

9. Pursuant to RSA 374:30, “[a]ny public utility may transfer or lease its franchise, works or system, or any part of such franchise, works or system, exercised or located in this state...when the commission shall find it will be for the public good and shall make an order assenting thereto, but not otherwise.” In determining whether a proposed franchise transfer is for the public good, the Commission assesses, among other things, the managerial, financial and technical expertise of the acquiring party. See, *Lakes Region Water Co., Inc. and Dockham Shores Estates Water Company, Inc.*, Order No. 25,963, at 7 (November 10, 2016).

10. PEU does not currently serve customers in the areas abutting Route 28 but it does provide service to 17 customers in areas abutting Route 111, beginning at the intersection of Route 111 and Range Road and heading southwest along Range Road to its intersection with Edgewood Drive. PEU owns certain assets in that section of Range Road (acquired as a contribution in aid of construction), which it proposes to transfer to Salem at no cost. In the attached pre-filed testimony of Donald L. Ware, Chief Operating Officer of PEU, he describes in detail the portions of the service area that PEU would surrender, as well as the assets that would be transferred, and he explains why the transfer to Salem would be for the public good. See Attachment D.

11. RSA 374:22, I provides that no person or entity shall commence business “in any town in which it shall not already be engaged in such business...without first having obtained the permission and approval of the commission.” Moreover, RSA 362:4, III-a. (a) (1) makes clear that a municipal corporation furnishing water services outside its municipal boundaries is subject

to the franchise application requirements of RSA Chapter 374. RSA 374:26 further requires that the Commission grant such permission “whenever it shall, after due hearing, find that such engaging in business...would be for the public good.” The Commission has stated that “[w]hen determining whether a proposed franchise is for the public good, the Commission assess, among other things, the managerial, technical, and financial expertise of the petitioner.” *Town of Derry*, Order No. 26,255 at 8 (June 7, 2019).

12. Attachment E is the pre-filed testimony of Roy Sorenson, Salem’s Director of Municipal Services. As required by RSA 374:22, he demonstrates that Salem has the financial, technical and managerial expertise to operate and maintain a public utility. In addition, Mr. Sorenson explains that Salem will, as agreed to with Windham, provide service to customers in Windham at rates 15% above the rates it charges in Salem and consistent with the terms and conditions under which it provides service in Salem, and that such rates are below PEU’s rates.

13. As required by RSA 374:22, III, DES has certified that Salem has satisfied DES requirements concerning the suitability and availability of water for service in Windham. In addition, DES confirms that the transfer of the service area from PEU to Salem is consistent with the Interconnection Agreement and is for the public good. See Attachment F.

14. In conclusion, it will be for the public good for PEU to transfer the identified portions of PEU’s service area to Salem and for Salem to engage in business in Windham because, as described herein, such actions will advance the purposes of the Interconnection Agreement. Inasmuch as all interested parties are in agreement, PEU and the Town of Salem ask that the Commission approve this Petition without hearing pursuant to RSA 374:26, or, in the alternative, grant approval by Order *Nisi*.

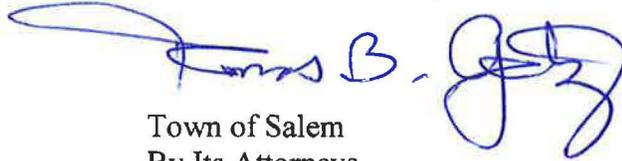
WHEREFORE, the Parties respectfully request that the Commission:

- A. Approve the transfer of the PEU service area and assets as described herein to Salem;
- B. Permit Salem to commence business in Windham; and
- C. Grant such other and further relief as it deems appropriate.

Respectfully submitted,



Donald L. Ware
Chief Operating Officer
Pennichuck East Utility, Inc.



Town of Salem
By Its Attorneys,
McLANE MIDDLETON,
PROFESSIONAL ASSOCIATION
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Certificate of Service

I hereby certify that on the 21st of May, 2020, an electronic copy of the foregoing Petition was delivered to the New Hampshire Public Utilities Commission.



Thomas B. Getz

**STATE OF NEW HAMPSHIRE
Inter-Department Communication**

DATE: April 22, 2019

FROM: K. Allen Brooks *KAB* **AT (OFFICE)** Department of Justice
Senior Assistant Attorney General Environmental Protection Bureau

SUBJECT: Southern Interconnect Agreement Approval Pursuant to RSA ch. 53-A

TO: Erin L. Holmes, Administrator III
Waste Management Division
Department of Environmental Services

The attached agreement has been approved by the Office of the Attorney General as meeting the applicable requirements of RSA ch. 53-A. I note that there appears to be unintentional underlining on pages 3 and 5. In addition, the page numbering indicates 26 pages; however, three of those pages are attachment cover pages which are non-sequential.

/cmc
Enclosure

AGREEMENT
REGARDING
THE SOUTHERN NEW HAMPSHIRE REGIONAL WATER
INTERCONNECTION PROJECT

This Agreement regarding the Southern New Hampshire Regional Water Interconnection Project (“Agreement”) is entered into by and among the following parties: The Town of Derry, New Hampshire (“Derry”); Manchester Water Works (“MWW”); the Town of Plaistow, New Hampshire (“Plaistow”); the Town of Windham, New Hampshire (“Windham”); the Town of Salem, New Hampshire (“Salem”); Hampstead Area Water Company, Inc. (“HAWC”); and Pennichuck East Utility, Inc. (“PEU”), individually “a Party”, and collectively, “the Parties”.

RECITALS

WHEREAS, MWW is a duly established municipal water works entity that develops new water sources and owns and operates a public water system in the City of Manchester, New Hampshire and whereas MWW also supplies water to Derry under a wholesale water agreement dated March 26, 2013.

WHEREAS, Derry is a municipality duly established and existing under N.H. RSA 31 that owns and operates a public water system providing water service in Derry and that purchases water for said water system from MWW pursuant to a wholesale water agreement dated March 26, 2013.

WHEREAS, PEU is a privately-owned water utility authorized by the New Hampshire Public Utilities Commission to provide water service within Windham.

WHEREAS, Windham is a municipality duly established and existing under N.H. RSA 31 that is interested in procuring, either on its own or through another entity, new water sources to replace existing contaminated water sources in Windham and to serve new customers in certain areas within Windham.

WHEREAS, Salem is a municipality duly established and existing under N.H. RSA 31 that owns and operates a public water system providing water service in Salem.

WHEREAS, HAWC is a privately-owned water utility authorized by the New Hampshire Public Utilities Commission to provide water service in portions of the towns of Atkinson and Hampstead, New Hampshire.

WHEREAS, Plaistow is a municipality duly established and existing under N.H. RSA 31 that does not currently own, operate or provide water service to residents of Plaistow but that, by warrant article P-18-25 voted on by Town Meeting on March 13, 2018, has approved conversion of its current fire suppression water system to a potable water and fire suppression system and to establish a municipal water system pursuant to RSA 38:4.

WHEREAS, RSA 53-A authorizes political subdivisions of the State of New Hampshire, quasi-municipal corporations, and privately owned water utilities to enter into agreements for joint public works programs such as those relating to the provision of water services.

WHEREAS, water issues exist within Windham, Salem, Plaistow and within HAWC's service territory all of which require resolution, and whereas these include: properties in Windham that have private wells contaminated by MtBE, including but not limited to properties associated with Klemm's Mobil on the Run (NHDES Site #199008001); Windham's potential need for additional water capacity; the contamination and abandonment of Turner/Campbell production wells in Salem; HAWC's requirement for additional water capacity; private wells in Plaistow that are contaminated by MtBE and other contaminants; and Plaistow's lack of a water supply source.

WHEREAS, pursuant to a Memorandum of Understanding between and among the Parties and the New Hampshire Department of Environmental Services ("NHDES"), the Parties and NHDES have expressed their intent to work collaboratively to facilitate the development, construction and operation of infrastructure that interconnects the water systems of MWW, Derry, Salem, HAWC (in Atkinson and Hampstead) and Plaistow to enable potable water to flow from the MWW source through the aforementioned entities' water systems or service territories ("the Project").

WHEREAS, the Project's goal is to ensure that a flow of safe and reliable drinking water is supplied from MWW and delivered to the water systems of Salem, HAWC (in Atkinson and Hampstead), and Plaistow, and to potential new customers in Windham, in quantities described herein.

WHEREAS, the New Hampshire Drinking Water and Groundwater Trust Fund Advisory Commission ("the Commission") voted on April 18, 2018 to provide \$19.6 million for Phase 1 of the Project from the New Hampshire Drinking Water and Groundwater Trust Fund established pursuant to RSA 6-D:1 and for disbursement of \$11,174,100 for the Merrimack Source Development Charge ("MSDC") associated with the Project and later amended this vote on August 30, 2018 to allow NHDES to use the funds either to pay the MSDC directly or otherwise secure the MSDC capacity needed for the Project, and further to negotiate the terms of the expenditure, resale of MSDC capacity and any recoupment or refund of these funds.

WHEREAS, N.H. RSA 485-F:3, VII (a) requires that all loans or grants provided by the New Hampshire Drinking Water and Groundwater Trust Fund be approved by the Governor and Executive Council.

WHEREAS, on March 21, 2019, NHDES requested approval to fund \$7.3 million of the Project using MtBE settlement funds, and the New Hampshire Department of Justice ("NHDOJ") approved this request on March 22, 2019, such approval being pursuant to a Memorandum of Understanding between NHDES and NHDOJ approved by the Joint Legislative Fiscal Committee on November 22, 2013, and approved by Governor and Executive Council on December 4, 2013.

NOW THEREFORE, in consideration of the foregoing and the mutual covenants and agreements set forth below, the Parties hereby agree as follows:

ARTICLE I. Definitions and Abbreviations

"Agreement" means this agreement including all attachments to it.

“Average Daily Flow” or “ADF” means the total volume of water measured in gallons or cubic feet at a Project metering station or stations during the two highest consecutive monthly MWW billing periods divided by the actual number of days in the applicable billing periods.

“Basis of Design Memo” means the Regional Basis of Design Memorandum prepared by Weston & Sampson on behalf of NHDES dated January 4, 2019 and attached to this Agreement as Attachment A.

“Capacity” means the ability to provide a specified volume of water.

“Ccf” means 100 cubic feet.

“Commission” means the New Hampshire Drinking Water and Groundwater Trust Fund Advisory Commission.

“Disinfection Report” means the Disinfection Study Report prepared by Weston & Sampson on behalf of NHDES dated January 7, 2019 and attached to this Agreement as Attachment B.

“Fire Flow” means water withdrawn from a water system for the express purpose of extinguishing a fire and is not considered typical daily consumption.

“In-town rate” means the rate charged by MWW to retail franchise customers within the geographic boundary of the City of Manchester.

“Maximum Daily Flow” or “MDF” means the highest total volume of water measured in gallons or cubic feet at a Project metering station over any consecutive twenty-four (24) hour period.

“Merrimack Source Development Charge” or “MSDC” means a capital charge assessed by MWW in accordance with Manchester Water Works Rules and Regulations, RSA 38:27 and RSA 38:28 for the purpose of constructing, acquiring, improving, enlarging and/or operating the Manchester Water Works' system. Specifically, all funds collected from the MSDC will be utilized to develop the Merrimack River as an additional source of water supply for MWW.

“MSDC Agreement” means a grant agreement between MWW and NHDES which is attached hereto and made part of this Agreement as Attachment C.

“MSDC Capacity” means capacity reserved for a specific Water Recipient who has paid the associated MSDC.

“MGD” means million gallons of water per day.

“NHDES” means the New Hampshire Department of Environmental Services.

“NHPUC” means the New Hampshire Public Utilities Commission.

“Out-of-Town rate” means the rate charged by MWW to retail franchise customers outside the geographic boundary of the City of Manchester.

“Phase 1” means the time period beginning on December 31, 2020¹ and ending at the beginning of Phase 2 unless the parties hereto agree to an earlier date.

“Phase 2” means the time period beginning on December 31, 2023, and ending at the termination of this Agreement unless the parties hereto agree to an earlier date.

“Project” means the Southern New Hampshire Regional Water Interconnection Project described herein and initially described in the Memorandum of Understanding signed by NHDES on October 5, 2018, and also signed by MWW, Derry, Salem, Windham, PEU, HAWC and Plaistow.

“Trust Fund” means the New Hampshire Drinking Water and Groundwater Trust Fund.

“Water” means potable water unless used in the context of fire suppression in which case it shall mean all water.

“Water Provider” means MWW and Derry, whose role in the Project is to provide water to the Water Recipients consistent with this Agreement.

“Water Recipients” means Salem, Windham, HAWC, and Plaistow.

“Water System” means facilities for collection, storage, supply, distribution, treatment, pumping, metering or transmission of water.

ARTICLE II. – Parties’ Rights and Obligations

A. INDIVIDUAL PARTIES

MWW

Infrastructure:

- Prior to Phase 1, MWW shall increase the intake pipe diameter of the existing Cohas Avenue pump station, located on Cohas Avenue, Manchester, New Hampshire, from 20 inches to 24 inches to increase future throughput of the pump station to meet the Project’s long-term water demand of 3.13 MGD ADF and 4.07 MGD MDF.
- MWW shall apply to the Trust Fund for the funds related to Phase 2 at a time and in a manner necessary to meet its Phase 2 obligations.
- If the Trust Fund approves funding for MWW’s Phase 2 obligations, MWW shall complete capital improvements to its water system necessary to enable a total of up to 3.13 MGD ADF and up to 4.07 MGD MDF of water to be provided to the Water Recipients, including but not limited to possible upgrades to the Cohas Avenue pump station and an increase of one or more water mains.
- MWW will not be financially responsible for capital improvements necessitated by and solely related to Phase 2 of the Project.

¹ Although the firm deadline for Phase 1 is December 31, 2020, all parties must make all reasonable efforts to complete Phase I improvements by May 1, 2020 as indicated in Article II. B. 2 of this Agreement.

Operation:

- Throughout Phase 1, MWW shall supply a total of up to 1.0 MGD ADF and up to 1.3 MGD MDF of water to the Water Recipients, consistent with and subject to the provisions of the MSDC Agreement attached as Attachment C.
- Throughout Phase 2, MWW shall supply a total of up to 3.13 MGD average daily flow and up to 4.07 MGD maximum daily flow of water to the Water Recipients, consistent with and subject to the provisions of the MSDC Agreement attached as Attachment C.
- MWW shall be responsible for all of its operation and maintenance costs, including rehabilitation and replacement of infrastructure, whether or not such costs are associated with the Project.

Rates:

- The rates charged by MWW per cubic foot or gallon used by Water Recipients shall be in accordance with the MSDC Agreement attached as Attachment C.

Other:

MWW shall read the meter at the Londonderry-Derry town line and at the Derry-Windham town line to determine the amount of Project water flowing through the Derry water system and received by Salem at the Derry-Windham town line. MWW shall then bill Salem directly for the amount of water received by Salem. Said billings shall reflect the rates to be paid by Salem to MWW as described herein and in the MSDC Agreement attached as Attachment C, and to Derry as described below. Upon receipt of payment, MWW shall remit to Derry the amount that Derry is due under this Agreement. MWW shall invoice Salem on a monthly basis in arrears. Payments on such invoices shall be made within thirty (30) days.

TOWN OF DERRY

Infrastructure:

Prior to Phase 1, and consistent with the Basis of Design Memo and Disinfection Study, Derry shall design, construct, own, operate, and maintain:

- A new meter station including pumps near the Londonderry-Derry town line on Manchester Road (Route 28);
- Upgrades to the existing Rockingham Road (Route 28) pump station;
- Approximately 7,400 linear feet of 16-inch water main in Rockingham Road (Route 28) from the terminus of the existing Derry water system to the intersection of Route 28 and Goodhue Road south of the Derry-Windham town line; and
- A pressure reducing valve (PRV), in Derry near the Derry-Windham town line consistent with the Basis of Design Memo.
- Derry's capital costs for Phase 1 shall be paid in accordance with the approval by the Commission dated April 18, 2018.

All of the above-described infrastructure is for the purpose of conveying 1 MGD ADF and/or 1 MGD MDF to the Water Recipients through the end of Phase 1 and up to 3.13 MGD ADF and/or 3.13 MGD MDF throughout Phase 2.

Prior to Phase 2, Derry shall:

- Complete capital improvements to its water system necessary to convey a total of up to 3.13 MGD ADF and/or up to 3.13 MGD MDF of water as applicable to the Water Recipients possibly including but not limited to upgrading the pump station at the Londonderry-Derry town line, upgrades to the water main on Manchester Road, upgrades to the water main between Manchester Road and the Tsienneto Road Tank, upgrades to the water main on Rockingham Road, upgrades to the Rockingham Road pump station, and potential localized water main improvements.
- Apply, in a timely manner, to the Commission for the funds necessary to complete all other capital improvements to Derry's water system necessary to convey a total of up to 3.13 MGD ADF and/or 3.13 MGD MDF of water as applicable to downstream Water Recipients.
- If funding is approved, Derry shall design, construct, own, operate, and maintain all other infrastructure necessary to convey a total of up to 3.13 MGD ADF and/or 3.13 MGD MDF of water to Salem, Windham, HAWC, and Plaistow.
- Derry will not be responsible for the cost of capital improvements necessitated by and solely related to the Project.

Operation:

- Throughout Phase 1, Derry shall convey a total of up to 1.0 MGD ADF and/or up to 1.0 MGD MDF of water as applicable to the meter station near the Derry-Windham town line that will measure water provided to Salem at that location.
- Throughout Phase 2, Derry shall convey a total of up to 3.13 MGD ADF and/or up to 3.13 MGD MDF of water as applicable to a meter station or stations to be identified by Windham, Salem and HAWC prior to Phase 2.
- Derry shall own, operate and maintain the meter to be located in the new Rockingham Road (Route 28) station in Windham near the Derry-Windham town line to be constructed by Salem for the purpose of billing Salem.
- Derry shall be responsible for all of its operation and maintenance costs, including rehabilitation and replacement of infrastructure, whether or not such costs are associated with the Project.

Rates:

- Derry shall charge Salem \$1.00 per Ccf for Project-related water until the year 2035, and such charge shall be billed and collected by MWW. After 2035, any party other

than MWW and PEU may seek a change to the rate charged by Derry. If Derry and the Water Recipients agree to a new rate, this Agreement shall be amended to reflect the new rate. If Derry and the Water Recipients cannot reach agreement, they may engage in dispute resolution as set forth in paragraph 32 of this Agreement. Unless and until a new rate is set, the rate described above shall remain in effect, and Derry shall not charge Salem any other fees or costs.

Other:

- All Water Recipients shall be responsible for maintaining their own fire flows and Derry will not be liable for any damages resulting from inadequate fire flows as a result of this Agreement.
- Derry shall not divert or otherwise use any portion of the MWW water delivered to Derry under this Agreement which is intended for use by the Water Recipients.
- Derry and MWW are parties to a wholesale water agreement which requires Derry to participate financially in MWW capital improvements undertaken to maintain/improve MWW service to Derry. Derry's capital improvement financial obligations to MWW under the aforementioned wholesale water agreement will not be triggered by Derry's obligations under this Agreement. In addition, nothing in this Agreement shall impair Derry's or MWW's rights under the aforementioned wholesale water agreement.

TOWN OF SALEM

Infrastructure Related to Service to Salem and HAWC:

Prior to Phase 1, and consistent with the Basis of Design Memo and Disinfection Report, Salem shall design, construct, own, operate, and maintain:

- Approximately 14,000 linear feet of 20-inch transmission water main along Rockingham Road (Route 28) from the intersection of Route 28 and Goodhue Road south of the Derry-Windham town line to the intersection of Rockingham Road (Route 28) and Route 111 in Windham;
- Approximately 2,200 linear feet of 16-inch water main in Rockingham Road (Route 28) from the intersection with Route 111 in Windham to the Windham-Salem town line;
- A meter station including pressure reducing valve ("PRV") and chemical feed system on Rockingham Road (Route 28) in Windham near the intersection of Goodhue Road and Route 28, with the meter located in the station to be owned, operated and maintained by Derry;
- A meter station on Route 111 in Windham near the intersection of Rockingham Road (Route 28) and Route 111;
- A meter station including pressure reducing valve ("PRV") and chemical feed system on Rockingham Road (Route 28) near the Windham-Salem town line; and

- Approximately 650 linear feet of 16-inch water main in Rockingham Road (Route 28) from the Windham-Salem town line to the existing Salem water system.

All of the above-described infrastructure is for the purpose of conveying 1 MGD ADF and/or 1 MGD MDF to the Water Recipients through the end of Phase 1 and up to 3.13 MGD ADF and/or 3.13 MGD MDF throughout Phase 2.

Also prior to Phase 1, and consistent with the Basis of Design Memo and Disinfection Report, Salem shall design, construct, own, operate, and maintain:

- Approximately 1,100 linear feet of 12-inch water main in Shannon Road and Westside Drive from the terminus of the existing Salem water system in Salem to a new meter station to be constructed by HAWC near the Salem-Atkinson town line in Atkinson.

All of the above-described infrastructure is for the purpose of conveying up to 500,000 gallons per day ADF and/or 500,000 gallons per day MDF as applicable through the end of Phase 1 and up to 1.32 MGD ADF and/or 1.32 MGD MDF as applicable throughout Phase 2 from Salem's existing water system into HAWC's water system.

In addition, Salem shall design and construct the following infrastructure and deliver it to HAWC and shall further give HAWC permission to own and maintain said infrastructure within the Town of Salem right-of-way:

- Approximately 2,500 linear feet of 12-inch water main from the new meter station on Westside Drive in Atkinson along Westside Drive in Atkinson and Salem, Shannon Road in Salem, and Providence Hill Road in Salem and Atkinson, to the existing HAWC water system in Providence Hill Road near Atkinson Farm Road in Atkinson.

The full cost of all Phase 1 capital improvements shall be paid by a combination of the MTBE Settlement Fund and the Trust Fund. The capital costs associated with Salem for Phase 1 were approved by the Commission on April 18, 2018.

Infrastructure Related to Service to Windham:

Prior to Phase I, and consistent with the Basis of Design Memo and Disinfection Report, Salem shall design, construct, own, operate, and maintain:

- Approximately 4,500 linear feet of 12-inch water transmission main to be located along Route 111 from the meter located at the intersection of Rockingham Road (Route 28) to the west side of the intersection of Route 111 (Indian Rock Road) and Route 111A (Range Road) in Windham.

All of the above-described infrastructure is for the purpose of conveying approximately 200,000 gallons per day ADF and/or 200,000 gallons per day MDF as applicable through the end of Phase 1 and up to 310,000 gallons per day ADF and/or 310,000 gallons per day MDF as applicable throughout Phase 2. Salem shall place this transmission main in service as soon as possible but no later than six (6) months after construction of the transmission main is completed. To protect water quality, Salem shall ensure at least 20,000 gallons of flow each day prior to placing this water main in service. Salem may serve retail customers from this 12-inch

main and from the transmission main to be located along Route 28 in Windham, including customers in Windham, provided it obtains any necessary NHPUC approval. Salem shall only be required to fulfill its obligations under this paragraph if all of the costs of capital improvements associated with the 12-inch main leading to the area in the vicinity of Klemm's Mobil Gas Station ("Klemm's") are paid for by the MtBE Settlement Fund and/or the Trust Fund. These requirements, however, are not contingent on the Trust Fund paying for any additional costs for the purpose of serving retail customers in Windham, including the cost of connections, water main construction, operation and maintenance, or capital costs.²

Prior to Phase 2, and consistent with the Basis of Design Memo and Disinfection Report, Salem shall construct, own, operate, and maintain capital improvements necessary to convey a total of up to 310,000 gallons per day ADF and/or 310,000 gallons per day MDF of water as applicable for use within the Town of Windham and a total of up to 1.32 MGD ADF and/or 1.32 MGD MDF of water as applicable to HAWC.

Operation:

- Salem shall own, operate and maintain the meter to be located in the new Route 111 station in Windham to be constructed by Salem.
- Throughout Phase 1, Salem shall convey a total of up to 200,000 gallons per day ADF and 200,000 gallons per day MDF for use within Windham.
- Also throughout Phase 1, Salem shall convey a total of up to 500,000 gallons per day ADF and 500,000 gallons per day MDF to HAWC.
- Throughout Phase 2, Salem shall convey a total of up to 310,000 gallons per day ADF and 310,000 gallons per day MDF for use within the Town of Windham.
- Also throughout Phase 2, Salem shall convey a total of up to 1.32 MGD ADF and 1.32 MGD MDF to HAWC.
- Salem shall own, operate and maintain the meter to be located in the new Westside Drive station in Atkinson near the Salem-Atkinson town line to be constructed by HAWC.
- Salem shall be responsible for all of its operation and maintenance costs, including rehabilitation and replacement of infrastructure, whether or not such costs are associated with the Project.
- Salem shall own and operate the 12-inch water transmission main leading to the area in the vicinity of Klemm's upon such terms and conditions as shall be agreed upon by Salem and Windham and consistent with the Agreement.
- Nothing herein shall prohibit Salem from selling water to other municipalities that are parties to this Agreement or from selling water directly to the residents and businesses located within those municipalities.

² To the extent Salem or Windham requests a grant or loan from the Trust Fund for any other capital costs, such as further water transmission main on Route 111, it is anticipated that such a request will be reviewed by the Commission in the normal course.

Rates:

- Pursuant to RSA 362:4, III-a(a)(1), Salem will charge retail customers in Windham a rate agreed to by Salem and Windham which may be no higher than 15% above the rate charged by Salem to its in-town retail customers.
- Salem will charge wholesale customers in Windham, if any, 50 cents more per Ccf than the combined rates charged to Salem by MWW and Derry for water usage.
- Salem will charge HAWC 50 cents more per Ccf than the combined rates charged to Salem by MWW and Derry for water usage.
- Wholesale rates shall be valid until the year 2035. After 2035, any Water Recipient may seek a change to the rate charged by Salem. If the Water Recipients agree to a new rate, this Agreement shall be amended to reflect the new rate. If the Water Recipients cannot reach agreement, they may engage in dispute resolution as set forth in paragraph 32 of this Agreement. Unless and until a new rate is set, the wholesale rates described above shall remain in effect.

Other:

- All Water Recipients shall be responsible for maintaining their own fire flows and Salem will not be liable for any damages resulting from inadequate fire flows as a result of this Agreement.
- For general Project purposes, Salem shall ensure a 250,000 gallons per day minimum usage of Project water calculated as the six (6) month average within the period of January 1 to June 30, and within the six (6) month period of July 1 and December 31, throughout Phase 1 and continuing for the term of the Agreement. For water quality purposes, Salem shall ensure a flow of at least 100,000 gallons each day. Water conveyed by Salem that is used within Windham and Salem shall count toward Salem's minimum usage.

PEU

To the extent that NHPUC approvals may be required for Salem to operate a wholesale water system in Windham and/or to serve retail water customers in Windham, and/or for Windham to establish a municipal water system to serve customers in Windham, PEU will not object to such approvals, including but not limited to surrender of its franchise rights in those areas of Windham that PEU, Salem and/or Windham as applicable have agreed upon, and shall cooperate with Salem and/or Windham in making required filings with the NHPUC.

TOWN OF WINDHAM

Windham agrees to allow all of the activities described in this Agreement to occur. Windham may assume the responsibilities in this Agreement occurring within Windham currently attributable to Salem, and may thereafter assign such responsibilities to another entity, provided that Windham,

Salem, and NHDES agree in writing and subject to necessary regulatory approvals. Windham and Salem shall cooperate to the fullest extent necessary for Salem to design, construct, own, operate and maintain infrastructure in Windham consistent with the Basis of Design Memo and this Agreement.

HAWC

Infrastructure:

Prior to Phase 1, and consistent with the Basis of Design Memo and Disinfection Report, HAWC shall design, construct, own, operate, and maintain:

- A new meter station including pumps and chemical feed along Westside Drive near the Salem-Atkinson town line in Atkinson;
- Approximately 600 linear feet of 12-inch water main in Westside Drive in Atkinson from the new meter station to the existing HAWC water system;
- Upgrades to the existing pressure reducing valve (“PRV”) along Main Street in Atkinson;
- Chemical feed upgrades to existing pumping and treatment stations as necessitated by and solely related to the Project;
- A 1 million gallon water storage tank near Winslow Drive in Atkinson.

In addition, HAWC shall own, operate and maintain the following infrastructure to be designed and constructed by Salem:

- Approximately 2,500 linear feet of 12-inch water main from the new meter station on Westside Drive in Atkinson along Westside Drive in Atkinson and Salem, Shannon Road in Salem, and Providence Hill Road in Salem and Atkinson, to the existing HAWC water system in Providence Hill Road near Atkinson Farm Road in Atkinson.

All of the above-described infrastructure is for the purpose of conveying 500,000 gallons per day ADF and/or 500,000 gallons per day MDF as applicable through the end of Phase 1 and up to 1.32 MGD ADF and/or 1.32 MGD MDF as applicable throughout Phase 2 from the Salem-Atkinson town line.

The Parties recognize that certain costs of the above-described infrastructure were approved by the Commission on April 18, 2018.

Prior to Phase 2, and consistent with the Basis of Design Memo and Disinfection Report, and for the purpose of conveying 500,000 gallons per day ADF and/or 500,000 gallons per day MDF as applicable through the end of Phase 1 and up to 1.32 MGD ADF and/or 1.32 MGD MDF as applicable throughout Phase 2 from the Salem-Atkinson town line, HAWC shall design, construct, own, operate, and maintain all other capital improvements necessary for the Project possibly including, but not limited to, an upgrade of water main in Westside Drive and Village Drive in Atkinson.

Operation:

- Throughout Phase 1, HAWC shall convey a total of up to 250,000 gallons per day ADF and 250,000 gallons MDF to Plaistow.
- Throughout Phase 2, HAWC shall convey a total of up to 570,000 gallons per day ADF and 570,000 gallons MDF to Plaistow.
- HAWC shall own, operate and maintain and read the meter to be located in the new meter station near the Atkinson-Plaistow town line to be constructed by Plaistow to determine the amount of Project water flowing to Plaistow. HAWC shall then bill Plaistow directly for the amount of water received by Plaistow.
- HAWC shall be responsible for all of its operation and maintenance costs, including rehabilitation and replacement of infrastructure, whether or not such costs are associated with the Project.

Rates:

- HAWC shall charge Plaistow 54 cents more per Ccf than HAWC is being charged by Salem. This rate shall be valid until the year 2035. After 2035, Plaistow or HAWC may seek a change to the rate charged by HAWC. If Plaistow and HAWC agree to a new rate, this Agreement shall be amended to reflect the new rate. If Plaistow and HAWC cannot reach agreement, they may engage in dispute resolution as set forth in paragraph 32 of this Agreement. Unless and until a new rate is set, the rate described above shall remain in effect.

Other:

- HAWC shall cooperate with Plaistow to enable Plaistow to construct approximately 1,500 linear feet of 12-inch water transmission main from the terminus of the existing HAWC system in Bryant Woods Road to the Atkinson-Plaistow town line. Such cooperation may include Plaistow leasing or transferring title to HAWC of the main located in Atkinson downstream of the pumping station after it is constructed by Plaistow. It is Plaistow's intent to transfer ownership of the upstream portion (suction side of the pump/meter) of the line to HAWC.
- HAWC will not be responsible for maintaining fire flows to Plaistow; however, HAWC shall make 50% of the storage capacity associated with the Atkinson water storage tank available to Plaistow for fire protection. HAWC will not be liable for any damages resulting from inadequate fire flows in Plaistow.
- HAWC shall ensure a 250,000 gallons per day minimum use of Project water calculated as the six (6) month average within the period of January 1 to June 30, and within the six (6) month period of July 1 and December 31, throughout Phase 1 and continuing for the term of the Agreement.
- HAWC will be responsible for maintaining its own fire flows.

TOWN OF PLAISTOW

Infrastructure:

Prior to receiving Project water, and no later than June 1, 2025 consistent with the Basis of Design Memo and Disinfection Report, Plaistow shall design, construct, own, operate, and maintain:

- A meter station including pumps and chemical feed on East Road or Bryant Woods Road near the Atkinson-Plaistow town line;
- Approximately 1,500 linear feet of 12-inch water transmission main from the terminus of the existing HAWC system in Bryant Woods Road to the Atkinson-Plaistow town line.³ After constructing this main, Plaistow will cooperate with HAWC to enable HAWC to serve customers from this main. Such cooperation may include Plaistow leasing or transferring title to HAWC of the main located in Atkinson downstream of the pumping station after it is constructed by Plaistow. It is Plaistow's intent to transfer ownership of the upstream portion (suction side of the pump/meter) of the line to HAWC.
- Approximately 2,900 linear feet of 12-inch water main in East Road from the Atkinson-Plaistow town line to the existing Plaistow fire suppression system ("FSS");
- A 400,000-gallon water storage tank on Sweet Hill Road;
- Approximately 5,300 linear feet of 12-inch water main in Sweet Hill Road from the existing Plaistow FSS via Palmer Avenue or Hale Spring Road to the site of the water storage tank;
- Approximately 1,000 linear feet of 8-inch water main in Wentworth Avenue from the terminus of the existing FSS to serve MtBE-impacted properties;
- Approximately 2,300 linear feet of 8-inch water main in Westville Road from Plaistow Road easterly to serve MtBE-impacted properties; and,
- Service connections including individual service meters to a minimum of 56 MtBE-impacted properties.

Funding sources for these capital improvements, to the extent they are necessitated solely by the Project, shall be a combination of the MTBE Settlement Fund and the Trust Fund. The capital costs associated with Phase 1 of the Project were approved by the Commission on April 18, 2018.

Operation:

- Plaistow shall be responsible for all of its operation and maintenance costs, including rehabilitation and replacement of infrastructure, whether or not such costs are associated with the Project.

Rates:

- The rate charged by Plaistow to its customers is not subject to this agreement.

³ This water main must be constructed to convey 570,000 gallons per day.

Other:

- Plaistow shall be responsible for fire protection and fire flows within Plaistow utilizing the Project water and the storage capacity associated with 50% of the Atkinson water storage tank and 100% of the Sweet Hill water storage tank. It is also recognized that Project water is the only water source available for Plaistow and, as such, it is the source for fire flow needs. As a result, emergency fire-related conditions may result in a maximum daily usage above the amount identified above.
- No later than June 1, 2025, Plaistow shall ensure a minimum flow necessary to protect water quality which shall be at least 40,000 gallons each day.

B. ALL PARTIES

1. Obligations Contingent Upon Award of Funds from Trust Fund. No Party shall be responsible for any obligation under this Agreement identified as being funded by the Trust Fund or MtBE settlement funds unless and until the Party has been awarded funds for infrastructure identified herein as being paid for by the Trust Fund or MtBE settlement funds.
2. Connections and Project Construction. Any and all connections of one Party's water system infrastructure to another Party's water system infrastructure necessary to effectuate this Agreement shall be of good design and constructed in a workmanlike manner. Before any Party begins Project-related construction, all design plans and specifications for such construction must be approved by NHDES and all Parties except PEU. Such approval shall not be unreasonably withheld. Project design shall be consistent with the Basis of Design Memo, any agreed upon regional design changes presented in writing to NHDES and approved by NHDES, and specifications provided by others and approved by NHDES. Meters incorporated into the construction for the purposes of monitoring and conveying water usage information shall be in accordance with the design specifications set forth by MWW. All parties must make reasonable efforts to complete their Phase 1 improvements by May 1, 2020 and must complete all of their Phase 1 improvements no later than December 31, 2020.
3. Easements/real property acquisitions. Each Party shall be responsible for acquiring any and all easements and/or other interests in real property needed for the construction and installation of those Project facilities or portions thereof which the Party is responsible for constructing. Such Party may seek reimbursement from the Trust Fund for expenses associated with obtaining easements or other property interests needed for and solely related to the Project.
4. Infrastructure Ownership. Each Party's ownership of any infrastructure and any easement and other property rights acquired as part of the Project shall survive the termination of this Agreement.
5. Operation and Maintenance of Facilities. Parties shall operate and maintain Project facilities and their respective water systems or portions thereof used for the Project in accordance with customary engineering and water industry standards. No Party assumes any responsibility for

operating or maintaining any portion of the water system of any other Party unless otherwise specified. Parties shall take steps to control leaks and minimize wasteful water use within their respective service areas.

6. Maintenance and Testing of Metering Devices.

6.1 Any and all metering devices installed pursuant to this Agreement shall be inspected and calibrated by the Party owning the metering device in the manner specified by regulations of the NHPUC. The cost for inspection and calibration will be the responsibility of the Party owning the meter. Each Party conducting such inspection and calibration shall cause a copy of its inspection and calibration reports to be filed at MWW's offices. Said reports shall be available for examination by any Water Recipient, Derry or NHDES at the offices of MWW during normal business hours.

6.2 MWW may request any Water Recipient or Town of Derry to test and certify as to the accuracy of any metering device owned by the Party at any time. MWW must submit such requests in writing to the Party. If the metering device reads within specifications accepted by the NHPUC, the cost of such tests shall be borne by MWW. If the average error over different test rates is greater than that allowed by the NHPUC, the cost of the tests shall be paid by the relevant Party.

6.3 In the case of missing or inaccurate flow records, due to faulty metering device operation or other circumstances, an estimate of flow shall be made by MWW based on past records for a comparable period. The estimates shall be used by MWW to calculate the amount of payments due from Salem.

6.4 Other Parties conducting meter readings for billing or other purposes may use methods comparable to those used by MWW.

7. Measurement of Water Flows. Each Party performing meter readings in connection with this Agreement shall provide other Parties except PEU with access to such meter readings. The measurement of water delivered to all Parties under this Agreement shall be made available by MWW to all Parties for the purpose of determining MSDC capacity, ADF and MDF. These flow measurements will be used in determining flow usage pursuant to the quantities of water outlined in Article II.A. Such flow measurements shall be made by one or more metering devices placed at locations selected by the Parties.

8. Quality of Water. Water Providers and Water Recipients shall operate and maintain their water systems so as to supply water meeting the drinking water quality criteria established from time to time by the United States Environmental Protection Agency and the State of New Hampshire, NHDES.

9. Supply impairment. Water Providers and Water Recipients shall take all reasonable steps to prevent impairment, interruption and reduction of supply of water to the Water Recipients under this Agreement. In the event that such water supply is impaired or otherwise interrupted or reduced by a Water Provider or Water Recipient, the Water Recipients shall, to the extent

possible, adjust their usage of the water supplied in amounts proportional to the water capacity made available to them under this Agreement.

10. Operation and Maintenance Costs. As stated in Article II.A, each Party shall be responsible for all of its operation and maintenance costs and no Party may seek reimbursement from the Trust Fund for such costs associated with Project facilities.
11. Record keeping/documentation requirements. Each Party shall maintain records of its financial and other transactions conducted pursuant to this Agreement, and these records shall be available for inspection by any NHDES and/or any other Party except PEU at each Party's business office during normal business hours.
12. Administration by Joint Board. No separate legal entity is created by this Agreement. Notwithstanding the foregoing, in accordance with RSA 53-A:3, III (a), a Joint Board comprised of a representative of Derry, MWW, Plaistow, Windham, Salem and HAWC will administer the joint cooperative undertaking described in this Agreement. Responsibilities of the Joint Board shall be limited to coordination of the responsibilities arising under the Agreement and no Party, through this Agreement, cedes to the Joint Board any authority over its water system. Said Joint Board shall meet at such times and places as are necessary and convenient to discuss issues of concern to two or more parties.
13. MSDC Purchase and Sale/Water Use. The purchase and sale of the water capacity is described in the MSDC Agreement attached hereto and made part of this Agreement as Attachment C. Among other things, NHDES is providing MWW \$11,174,100 from the Trust Fund to ensure that MWW makes MSDC capacity of up to 3.13 MGD ADF available for purchase by the Water Recipients in the manner and at the prices specified within the MSDC Agreement attached as Attachment C. Subject to the MSDC Agreement:

13.01 MWW shall make water capacity available for purchase by the Water Recipients for use throughout Phase 1 in the manner described below in sections 13.02 through 13.05. To the extent that any Party does not purchase the portion of the Phase 1 MSDC capacity allotted to it by May 1, 2022, MWW shall make the unsold portion available to all of the Parties on a first-come, first-served basis.

13.02 MSDC capacity in the amount of 300,000 gallons per day shall be made available by MWW for purchase by the Town of Salem.

13.03 MSDC capacity in the amount of 200,000 gallons per day shall be made available for purchase directly by Windham, or by Salem if authorized by Windham's Board of Selectmen, for use within the geographical boundaries of Windham in accordance with this Agreement.

13.04 MSDC capacity in the amount of 250,000 gallons per day shall be made available for purchase by HAWC.

13.05 MSDC capacity in the amount of 250,000 gallons per day shall be made available for purchase by Plaistow.

13.06 MWW shall make MSDC capacity available for purchase by the Water Recipients for use throughout Phase 2 in the manner described below in sections 13.07 through 13.10. To the extent that any Water Recipient does not purchase the portion of the Phase 2 MSDC capacity allotted to it by May 1, 2025, MWW shall make the unsold portion available to all of the Water Recipients on a first-come, first-served basis.

13.07 MSDC capacity in the amount of 1.2 MGD shall be made available for purchase by the Town of Salem. This amount is in addition to the Phase 1 capacity allotted to Salem.

13.08 MSDC capacity in the amount of 110,000 gallons per day shall be made available for purchase directly by Windham, or by Salem if authorized by Windham's Board of Selectmen, for use within the geographical boundaries of Windham in accordance with this Agreement. This amount is in addition to the Phase 1 capacity allotted for use within Windham.

13.09 MSDC capacity in the amount of 500,000 gallons per day shall be made available for purchase by HAWC. This amount is in addition to the Phase 1 capacity allotted to HAWC.

13.10 MSDC capacity in the amount of 320,000 gallons per day shall be made available for purchase by Plaistow. This amount is in addition to the Phase 1 capacity allotted to Plaistow.

13.11 In the event of any conflict between any provision of this Agreement and the provisions of the MSDC Agreement attached as Attachment C, the MSDC Agreement shall control.

13.12 Water Use. Use of Project water by a Party shall not exceed that Party's capacity unless otherwise specified in this Agreement.

14. Fluoride. MWW currently fluoridates its water. Therefore, pursuant to RSA 485:14, if the registered voters of a municipality being supplied by this Agreement have not already voted to approve the use of fluoridated water, the public water system serving water users within that municipality must provide written information to such water users that includes the following:

- a. A statement, approved by the NHDES, that the water contains fluoride for the purpose of improving community oral health and, in the event the fluoride levels are diluted from other sources of water or degraded, that the fluoride levels may be too low to effectively prevent tooth decay;
- b. An identification of the source of the fluoridated water; and
- c. The most recent compliance sample result for fluoride that the supplier of water that fluoridated the water has submitted to NHDES.

ARTICLE III. – General Provisions

15. Term and Termination. This Agreement shall be effective as of the date when MWW, Derry, Salem, and HAWC have all signed the Agreement, and shall terminate December 31, 2058, unless terminated sooner or extended by the Parties in writing. This Agreement may be terminated in its entirety by the consent of all Parties.

16. Approvals, Permitting and Other Agreements. This Agreement shall be subject to the receipt of all necessary additional State, local or other approvals. Each Party shall expeditiously seek all approvals needed by it to implement this Agreement so as to ensure completion of Phase 1 by December 31, 2020. Each Party shall provide a copy of the Agreement executed by it to NHDES. Pursuant to RSA 53-A, after NHDES reviews the Agreement, it is anticipated that NHDES will submit the Agreement to the Office of the Attorney General for review. Once approval is obtained from the Office of the Attorney General, it is anticipated that NHDES will file the agreement with the N.H. Secretary of State. Each Party shall file a copy of the agreement with the clerk of the municipality in which that Party is located.
17. Compliance with Laws and Regulations. Each Party shall comply with all applicable State and Federal laws and regulations at its own expense.
18. Assignment. The permanent or temporary assignment or transfer of water capacity and concomitant water use is permitted among Water Recipients only; however, no Party shall assign its rights under this Agreement, including, but not limited to the right to receive the quantities of water specified under this Agreement, or any portion of said quantities, to another Party or person without the express written consent of the affected Parties and NHDES, except that any town may assign its rights to an entity providing water within its town boundary without such consent. The Parties may only use or distribute water purchased from MWW pursuant to this agreement within the geographical boundaries of the towns of Derry, Salem, Windham, Atkinson, Hampstead, and Plaistow.
19. Transferees, Successors, and Assigns. This Agreement in its entirety applies to, inures to the benefit of, and is binding upon and enforceable against the Parties, their lawful successors, and permitted assigns.
20. Limitation of Liability for Certain Events. No Party shall be liable in damages or otherwise for failure to perform any obligation under this Agreement, which failure is occasioned by or in consequence of any act of God, act of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earth quakes, drought, fires, storms, floods, winter freeze, washouts, vandalism, arrests and restraints of rulers and peoples, civil disturbances, labor strikes, power failures, explosions, breakage or accident to machinery or lines of pipe, failure or want of water supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of such party and which act, omission of circumstance such party is unable to prevent or overcome by the exercise of reasonable care.
21. Liability for Negligent and Intentional Acts. No Party shall be relieved of liability for loss resulting from its negligence, intentional actions, or its failure to act or for its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve any Party from its obligations to make payments of amounts then due with respect to water theretofore supplied.

For MWW: Manchester Water Works
Attention: Director
281 Lincoln Street
Manchester, NH 03103

For the Town of Plaistow: Plaistow Town Offices
Attention: Board of Selectmen
145 Main Street
Plaistow, NH 03865

For the Town of Windham: Windham Town Offices
Attention: Town Administrator
3 N Lowell Road
Windham, NH 03087

For the Town of Salem: Town of Salem Municipal Services Department
Attention: Director
33 Geremonty Drive
Salem, NH 03079

For HAWC: Hampstead Area Water Company, Inc.
Attention: President
54 Sawyer Avenue
Atkinson, NH 03811

For PEU: Pennichuck Corporation
Attention: Chief Operating Officer
25 Manchester Street
Merrimack, NH 03054

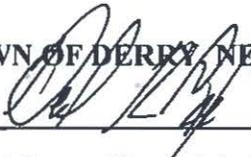
32. Dispute Resolution. The Parties shall first attempt to resolve any dispute with regard to the terms of this Agreement between or among themselves informally by negotiation. If the Parties are unable to resolve a dispute informally, then any Party may initiate non-binding mediation by giving the other Party or Parties written notice of the need to mediate and providing a list of no more than 3 names and qualifications of persons who the initiating Party believes would be qualified to mediate the dispute. Within 15 days after the delivery of the mediation notice, the receiving Party or Parties shall provide notice to the initiating Party designating a mediator from among the 3 persons listed by the initiating Party. If the initiating Party receives no response to the mediation notice within the time specified above, the initiating Party may select the mediator from the 3 persons listed in the mediation notice. The initiating Party shall expeditiously notify the mediator of his/her selection. The mediator shall schedule the mediation session within 2 weeks of being notified of his/her selection. The Parties to the mediation shall make themselves available to attend the mediation session as scheduled by the mediator. The mediation shall be conducted according to the procedures determined by the mediator. All disclosures, discussions, and any determinations or proposals made pursuant to the mediation process shall remain confidential and be treated as compromise and settlement negotiations, and shall not be offered or admissible as evidence in any other proceeding. The expenses of the mediation shall be shared equally by the Parties participating in the mediation.

Disputes regarding rates charged by Parties other than MWW shall be governed by the provisions in this section. With respect to rates only, beginning in the year 2035, any party may, after using the process above, submit a dispute to binding arbitration. The purpose of arbitration will be to determine a reasonable rate. Arbitration shall include all affected Parties and shall be conducted in accordance with procedures promulgated by the American Arbitration Association. The arbitration shall take place before a panel of three arbitrators in Rockingham County unless otherwise agreed to by the Parties involved. The arbitration award shall conform to all applicable rules and laws. This provision shall not apply to the rate charged by MWW.

33. Authority to execute Agreement. MWW, Derry, Windham, Salem and Plaistow represent that they have obtained authority to execute this Agreement through appropriate action by municipal ordinance, resolution or action pursuant to law of their governing bodies. HAWC and PEU represent that they have obtained authority to execute this Agreement through appropriate action in accordance with their corporate by-laws.

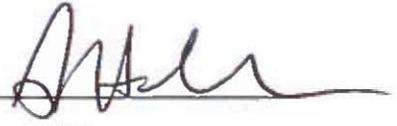
IN WITNESS WHEREOF the Parties have caused this Agreement to be executed as of the dates written below.

TOWN OF DERRY, NEW HAMPSHIRE

By: 

David Caron, Town Administrator

Date: 4/17/19



Witness

MANCHESTER WATER WORKS

By: _____

William R. Trombly, Jr.

President, Board of Water Commissioners

Date: _____

Witness

TOWN OF SALEM, NEW HAMPSHIRE

Christopher Dillon, Town Manager

Date: _____

Witness

TOWN OF WINDHAM, NEW HAMPSHIRE

David Sullivan, Town Administrator

Date: _____

Witness

HAMPSTEAD AREA WATER COMPANY, INC.

By: _____

Name: _____

Title: _____

Date: _____

Witness

TOWN OF DERRY, NEW HAMPSHIRE

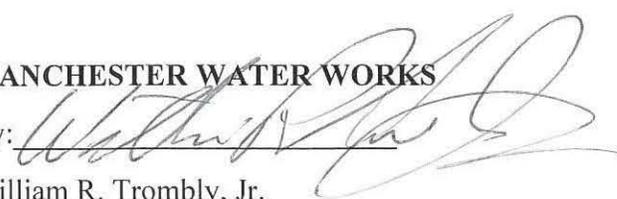
By: _____

David Caron, Town Administrator

Witness

Date: _____

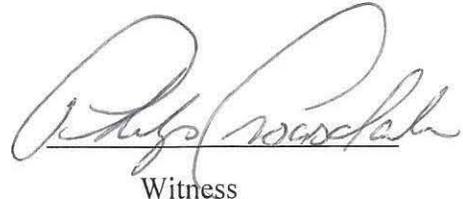
MANCHESTER WATER WORKS

By:  _____

William R. Trombly, Jr.

President, Board of Water Commissioners

Date: 4-11-2019

 _____

Witness

TOWN OF SALEM, NEW HAMPSHIRE

Christopher Dillon, Town Manager

Date: _____

Witness

TOWN OF WINDHAM, NEW HAMPSHIRE

David Sullivan, Town Administrator

Date: _____

Witness

HAMPSTEAD AREA WATER COMPANY, INC.

By: _____

Name: _____

Title: _____

Date: _____

Witness

TOWN OF DERRY, NEW HAMPSHIRE

By: _____

David Caron, Town Administrator

Witness

Date: _____

MANCHESTER WATER WORKS

By: _____

William R. Trombly, Jr.
President, Board of Water Commissioners

Witness

Date: _____

TOWN OF SALEM, NEW HAMPSHIRE

 _____

Christopher Dillon, Town Manager

 _____

Witness

Date: 4/16/19 _____

TOWN OF WINDHAM, NEW HAMPSHIRE

David Sullivan, Town Administrator

Witness

Date: _____

HAMPSTEAD AREA WATER COMPANY, INC.

By: _____

Name: _____

Title: _____

Date: _____

Witness

TOWN OF DERRY, NEW HAMPSHIRE

By: _____

David Caron, Town Administrator

Witness

Date: _____

MANCHESTER WATER WORKS

By: _____

William R. Trombly, Jr.

President, Board of Water Commissioners

Witness

Date: _____

TOWN OF SALEM, NEW HAMPSHIRE

Christopher Dillon, Town Manager

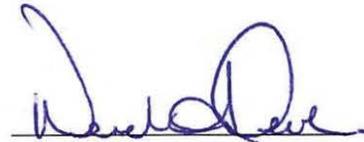
Witness

Date: _____

TOWN OF WINDHAM, NEW HAMPSHIRE



David Sullivan, Town Administrator



Witness

Date: 4/16/19

HAMPSTEAD AREA WATER COMPANY, INC.

By: _____

Name: _____

Title: _____

Date: _____

Witness

TOWN OF DERRY, NEW HAMPSHIRE

By: _____

David Caron, Town Administrator

Witness

Date: _____

MANCHESTER WATER WORKS

By: _____

William R. Trombly, Jr.

President, Board of Water Commissioners

Witness

Date: _____

TOWN OF SALEM, NEW HAMPSHIRE

Christopher Dillon, Town Manager

Witness

Date: _____

TOWN OF WINDHAM, NEW HAMPSHIRE

David Sullivan, Town Administrator

Witness

Date: _____

HAMPSTEAD AREA WATER COMPANY, INC.

By: 

Name: Harold J Morse

Title: President

Date: 04/10/2019



Witness

PENNICHUCK EAST UTILITY, INC.

By: 
Name: CEO, LARRY D. GOODHUE
Title: CEO/CFO/TREASURER
Date: 4/15/19



Witness

TOWN OF PLAISTOW, NEW HAMPSHIRE

Mark A. Pearson, Town Manager
Date: _____

Witness

PENNICHUCK EAST UTILITY, INC.

By: _____

Name: _____

Title: _____

Date: _____

Witness

TOWN OF PLAISTOW, NEW HAMPSHIRE

Mark A. Pearson

Mark A. Pearson, Town Manager

Date: April 15, 2019

[Signature]

Witness

ATTACHMENT A

Regional Basis of Design Memorandum, dated January 4, 2019

M E M O R A N D U M

TO: Erin Holmes, P.E. and Michael Unger, P.E.

FROM: Jeff McClure, P.E., Jeff Provost, P.E.

DATE: January 4, 2019

SUBJECT: Regional Supply Basis of Design - **FINAL**

The purpose of this memorandum is to summarize the basis of design for the Southern New Hampshire Regional Water (SNHRW) project. The project identified how to transmit water supply from Manchester Water Works (MWW) to meet domestic water demands in the towns of Windham, Salem, Atkinson, Hampstead and Plaistow. Two supply volumes from MWW were to be assessed as part of this project; 1.0 million gallons a day (MGD) defined as Phase I flows and 3.13 MGD defined as Phase II flows. The following provides a summary of the basis of design.

PREVIOUS WORK

The following is a listing of all reports that were developed as part of the SNHRW project.

Weston & Sampson Reports

- Town of Windham, NH – Route 111 and Salem Extensions, DES Site Name: Exit 3 Water Main Extension, DES Site No. 201605008 dated April 5, 2017
- Southern New Hampshire Regional Water Main Extension Alternatives - DES Site #201605008 dated April 21, 2017
- Town of Salem Water Supply Study dated February 20, 2018
- Plaistow & Haverhill Interconnection Report Review, Regional Water Main Options, DES Site #201605008 dated March 27, 2018
- Town of Derry, NH – Derry Water System Alternatives Analysis dated June 5, 2018
- Route 111 Water Main Extension Study – Routing Memo dated July 16, 2018
- Field Testing Program Technical Results dated August 2, 2018
- Town of Plaistow, NH – Proposed Potable Water System Basis of Design for Appropriation Budgeting – Final dated October 24, 2018
- Route 28 Water Main Design – Preliminary Design Report - Draft dated November 30, 2018
- HAWC Chloramine Study, DES Site #201605008 - Draft dated November 2, 2018
- Manchester Water Works Hydraulic Modeling Results dated January 2019 - Pending

- Water Rate Cost of Service Study, DES Site # 201605008 – Southern NH Regional Water Supply Options Report – Draft dated November 30, 2018

Underwood Engineers Inc. Reports

- Hydraulics and Alternatives Analysis – East Derry Route – Plaistow Water Feasibility Study dated December 22, 2017
- Water Supply Improvements Phasing – Plaistow Water Feasibility Study dated January 9, 2018
- Water Supply Option from Haverhill – Plaistow Water Feasibility Study dated February 20, 2018
- Peer Review – Derry Water System Alternatives Analysis – Regional Water Supply dated September 12, 2018
- Design of Plaistow Regional Water Improvements – Final dated November 16, 2018

Normandeau Associates Reports

- Town of Plaistow Potable Water Supply Feasibility Study Summary Report, NHDES Site # 198903017, Plaistow Lido, MtBE dated April 4, 2016
- Potable Water Supply Feasibility Study Phase II Technical Submittal, Plaistow Lido, MtBE, NHDES Site # 198903017 dated March 27, 2017

Wright Pierce Reports

- Water Interconnection Study for the City of Haverhill, MA Water Division dated January 2018.

CDM Smith Reports

- Salem/Methuen Interconnection Evaluation – Phase 1 dated March 26, 2018

Town of Plaistow Reports

- Plaistow, NH – Potable Water User Rates & Needs Assessment dated December 14, 2017 (Confidential)

Hampstead Area Water Company, Inc. Technical Documents

- Proposed Page Farm Water Tank Site – Hampstead Area Water Company dated January 9, 2018 and May 8, 2018

DEMANDS/FLOWS

The initial basis of the demand allocation to each water system/community was developed in the April 21, 2017 Southern New Hampshire Regional Water Main Extension Alternatives memo by Weston & Sampson. The initial, estimated Maximum Day Demand (MDD) and brief basis for the demand is summarized in Table 1:

TABLE 1
ORIGINAL ESTIMATED MAXIMUM DAY WATER DEMAND APPROPRIATIONS – April 21, 2017

Water System	Estimated Maximum Day Demand (MGD)
Windham – Exit 3 Area	0.3
Salem Public Water System	1.0
HAWC Water System	0.25
Plaistow	0.5
Total	2.05

- Windham – Exit 3 Area: Provide a maximum day demand of 0.3 MGD to supply the MTBE affected Klemm’s Mobil property, as well as the existing W&E water system operated by Pennichuck Water Works (PWW) since the MTBE bureau has also identified MTBE as being present in the W&E system [below the ambient groundwater quality standard (AGQS)].
- Salem Public Water System: Provide a maximum day demand of 1.0 MGD to offset the loss of the MTBE-contaminated Turner Campbell Well.
- HAWC Water System: Provide an initial maximum day demand of 0.25 MGD to the HAWC system to allow relief for the existing water supply system. HAWC has indicated that a future maximum day demand of approximately 0.5 – 0.75 MGD may be desired, however the final demand supplied to the system will be determined later.
- Plaistow: Provide an estimated future maximum day demand of 0.5 MGD. Future demand is approximately equivalent to the Phase 2 demand presented by Normandeau Associates in Table 1 of a March 27, 2017 report titled “Potable Water Supply Feasibility Study Phase II Technical Submittal”. In that report, the Max Day demand estimate 10 years after the Plaistow potable water system is established is 0.557 MGD.

As the project developed from April 2017 to January 2018, the total MDD requested to serve the four water systems described above increased to 3.13 MGD from 2.05 MGD predominantly due to additional supply requested by Salem and HAWC. In Salem, the Tuscan Village development, among others, prompted a request for additional

supply. In HAWC, there wasn't a particular development that prompted the additional supply request. Per the December 22, 2017 memo by Underwood Engineers, HAWC requested 0.5 MGD supplemental supply from the SNHRW project to meet the 10-year estimated maximum day demands in HAWC. From that same memo, HAWC also requested 1.0 MGD supplemental supply from the SNHRW project to meet the 20-year estimated maximum day demands in HAWC. The Windham demand estimate changed from 0.3 to 0.31 MGD because a transcription error was carried forward during MSDC estimating conducted in early 2018. From the March 27, 2017 Underwood report, the 10-year Max Day demand estimate for Plaistow was 0.557 MGD. However, a transcription error carried forward the value of 0.57 MGD and formed the basis of the 3.13 MGD total SNHRW Max Day demand estimate.

After review of the initial budgetary cost estimate to supply 3.13 MGD to the SNHRW project area, DES requested that the project be divided into two phases; Phase 1A (now referred to as Phase I) and Phase 1B (now referred to as Phase II), in order to reduce the initial capital cost of the project. Under Phase I, the total water supply into the regional system was limited to a total maximum daily flow of 1.0 MGD to serve the four water systems. The maximum amount of water MWW can deliver to the SNHRW project without a new water treatment plant (as of the writing of this memo) under the Merrimack Supply Development Charge (MSDC) program is approximately 1.0 MGD. Table 2 provides a breakdown of the Phase I and Phase II supply appropriations, as approved by DES.

TABLE 2
REVISED ESTIMATED MAXIMUM DAY WATER DEMAND APPROPRIATIONS – PHASE I & II

Water System	Estimated Maximum Day Demand (Phase I) (MGD)	Estimated Maximum Day Demand (Phase II) (MGD)	Estimated Maximum Day Demand (Total) (MGD)
Windham – Exit 3 Area	0.2	0.11	0.31
Salem Public Water System	0.3	1.2	1.5
HAWC Water System	0.25	0.5	0.75
Plaistow	0.25	0.32	0.57
Total	1.0	2.13	3.13

SNHRW Supply Limitations

The SNHRW supply conceptual design is based on supplying domestic demand only (no fire flow) to all end users defined in Table 2. The domestic demand provided will be to satisfy or supplement (depending on the user)

maximum day demands only, except for Windham where all conditions of domestic demand including peak hour, will be met with SNHRW supply.

Water storage tanks are present or are proposed as part of the SNHRW project in Salem, HAWC and Plaistow. Storage tanks, by definition, are designed to provide storage to meet peak hour demands in a water system. Since a water storage tank is not present or proposed under the SNHRW project for Windham, peak hour demands need to be satisfied via pumping capacity at the Rockingham Road Pump Station in Derry. **The estimated peak hour demand for Windham under Phase I is 417 gpm.** Upgrades to Rockingham Road Pump Station, however, should be limited to 1.0 MGD (694 gpm) capacity (for Phase 1 of the SNHRW project) because the impacts on the Derry water system were only evaluated for 1.0 MGD under Phase 1. Any additional SNHRW supply flow under Phase 1 could require additional upgrades to the Derry water system. During a peak hour event in Windham, storage tanks in Salem, HAWC and Plaistow should be able to meet domestic demand for all normal conditions of flow in those water systems while the peak hour demand in Windham is being satisfied by the Rockingham Road Pump Station. Back pressure sustaining valves or other flow control valves should be incorporated into the SNHWR designs to allow this hydraulic condition to occur. It should be noted that in addition to the SNHRW demand, the Rockingham Road Pump Station is satisfying all normal conditions of flow (including peak hour demands) and fire flow in South Derry.

Allocation of Design Flow per Each Component of Project

DES requested that each component of the project (e.g. booster pumping station, transmission main, pressure reducing valve, etc.) be listed with the design flow that the component would convey. The following tables represent the design flow conveyance through each project component for Phase I and Phase II. One element of the design basis for each component was to have “no regrets” of the component from Phase I to Phase II. Therefore, each component that is listed under Phase I of the project was sized to accommodate Phase II flows, too.

**TABLE 3
 CONVEYANCE OF FLOW THROUGH EACH PHASE I PROJECT COMPONENT**

Water System	Phase I Component	SNHRW Design Flow Phase I	SNHRW Design Flow Phase II
Derry	Pump Station @ Derry/Londonderry town line*	1.0 MGD	3.13 MGD
	Upgrade Rockingham Road Pump Station*	1.0 MGD	3.13 MGD
	7,400 LF of 16-inch water main in Route 28 from end of existing Derry water system to Derry/Windham town line	1.0 MGD	3.13 MGD

TABLE 3 (cont.)
CONVEYANCE OF FLOW THROUGH EACH PHASE I PROJECT COMPONENT

Water System	Phase I Component	SNHRW Design Flow Phase I	SNHRW Design Flow Phase II
Derry (cont.)	Pressure Reducing Valve (PRV) and meter near Derry/Windham town line*	1.0 MGD	3.13 MGD
Pennichuck East Utility (PEU)	4,500 LF of 12-inch water main in Route 111 from Route 28 to Klemm's Mobil gas station	0.2 MGD	0.31 MGD
Salem	14,000 LF of 20-inch water main in Route 28 from Derry town line to Route 111 (in Windham)	1.0 MGD	3.13 MGD
	PRV and chemical feed station near Derry town line on Route 28 (in Windham)*	1.0 MGD	3.13 MGD
	Meter pit on Route 111 near Route 28 (in Windham)	0.2 MGD	0.31 MGD
	2,200 LF of 16-inch water main in Route 28 from Route 111 to Salem town line (in Windham)	0.8 MGD	2.82 MGD
	PRV near Salem/Windham town line*	0.8 MGD	2.82 MGD
	650 LF of 16-inch water main in Route 28 from Salem town line to the existing Salem water system	0.8 MGD	2.82 MGD
	1,100 LF of 12-inch water main in Shannon Road from end of Salem water system to Salem/Atkinson town line	0.5 MGD	1.32 MGD
HAWC	Pump Station and meter near the Salem/Atkinson town line on Westside Drive in Atkinson*	0.5 MGD	1.32 MGD
	600 LF of 12-inch water main in Westside Drive in Atkinson from proposed pump station to existing HAWC water system and 2,500 LF of 12-inch water main from proposed pump station to existing HAWC water system in Providence Hill Road near Atkinson Farm Road in Atkinson	0.5 MGD	1.32 MGD
	1.0 MG storage tank near Winslow Drive in Atkinson	0.5 MGD	1.32 MGD
	Chloramine conversion at Midpoint & Midpoint Island, Settlers Ridge Pope Road and Jameson Ridge well stations in Atkinson	0.25 MGD	
	Main Street PRV vault improvements in Atkinson*	0.25 MGD	0.57 MGD
	1,500 LF of 12-inch water main in Bryant Woods Road and East Road in Atkinson from end of HAWC water system to Atkinson/Plaistow town line	0.25 MGD	0.57 MGD
Plaistow	Pump Station and meter near Plaistow/Atkinson town line*	0.25 MGD	0.57 MGD

**TABLE 3 (cont.)
 CONVEYANCE OF FLOW THROUGH EACH PHASE I PROJECT COMPONENT**

Water System	Phase I Component	SNHRW Design Flow Phase I	SNHRW Design Flow Phase II
Plaistow (cont.)	2,900 LF of 12-inch water main in East Road from Plaistow/Atkinson town line to existing Plaistow fire suppression system	0.25 MGD	0.57 MGD
	5,300 LF of 12-inch water main in Sweet Hill Road from existing Plaistow fire suppression system to proposed tank site	0.25 MGD	0.57 MGD
	0.4 MG storage tank on Sweet Hill tank site	0.25 MGD	0.57 MGD
	2,300 LF of 8-inch water main in Westville Road from end of existing fire suppression system near Plaistow Road northeasterly for 2,300 feet.	**	**
	1,000 LF of 8-inch water main in Wentworth Avenue from end of existing fire suppression system westerly for 1,000 feet.	**	**
	Connections to MtBE contaminated parcels	N/A	N/A
	System Flushing & Disinfection	N/A	N/A

* - Phase II improvements to include modifications/replacement of pumps, valves, etc. to accommodate the higher Phase II flows. Building footprint, pipe sizing, etc. was established in Phase I to accommodate Phase II improvements. Refer to Table 4 for listing of Phase II improvements.

** - Improvements recommended to serve MtBE contaminated areas in Plaistow.

Phase II Water Main Routing Alternatives

Table 4 provides a listing of additional project components that would be necessary to convey 3.13 MGD through the Regional project area. It should be noted that the components listed in Table 4 represent one design concept alternative. Other Phase II alternative routes include, but are not limited to, the Warner Hill Loop in Derry, a Londonderry to Windham connection and an East Derry Route to HAWC.

**TABLE 4
 CONVEYANCE OF FLOW THROUGH EACH PHASE II PROJECT COMPONENT**

Water System	Phase II Component	SNHRW Design Flow Phase II
MWW	Upgrade Cohas Avenue Pump Station	3.13 MGD
	2,700 LF of 20-inch water main in Cohas Avenue from the pump station to Bodwell Road	3.13 MGD
Derry	Upgrade pump station at Derry/Londonderry town line	3.13 MGD
	2,000 LF of 24-inch water main in Manchester Road	3.13 MGD

**TABLE 4 (cont.)
 CONVEYANCE OF FLOW THROUGH EACH PHASE II PROJECT COMPONENT**

Water System	Phase II Component	SNHRW Design Flow Phase II
Derry (cont.)	1,200 LF of 16-inch water main in Manchester Road	*
	4,200 LF of 12-inch water main between Manchester Road and Tsienneto Road tank	*
	1,300 LF of 12-inch water main in Rockingham Road	*
	12,300 LF of 16-inch water main in Rockingham Road	3.13 MGD
	Upgrade Rockingham Road Pump Station	3.13 MGD
	Localized water main improvements (TBD)	TBD
Salem	Localized water main improvements (TBD)	TBD
HAWC	2,700 LF of 12-inch water main in Westside Drive and Village Drive between Woodlock Park Lane and Wellington Circle in Atkinson	0.66 MGD

* - Improvement recommended to allow 3.13 MGD to be conveyed through the Derry water system

HYDRAULIC GRADE LINE

In order to convey water from the source (MWW) to the end users (Windham, Salem, HAWC and Plaistow), an assessment of the hydraulic gradeline (HGL) in each existing and proposed water system was necessary. At the interface of each system, a pump station or a PRV was identified to allow conveyance of the design flow from one system to the next. Table 5 below and Figure 1 provide a summary of the HGL for each system.

**TABLE 5
 SNHRW HGL's**

Water System	HGL (ft)
MWW - Londonderry	480.6
Derry Main Service System	471
Derry – Rockingham Road Pump Station Service System	590 – 615*
Derry – Route 28 Reduced Pressure Area	TBD*
Salem & PWW (in Windham)	420*
Salem	346.5
HAWC Main Service System	437
HAWC – Bryant Woods Service System	260*

**TABLE 5 (cont.)
 SNHRW HGL's**

Water System	HGL (ft)
Plaistow	280*

* - To be confirmed during final design

COSTS

Budgetary costs estimates were developed for each component of each phase of the project. The costs presented in the tables below reflect what the current budgetary costs are for Phase I and Phase II for the SNHRW project. It should be noted that refinements in the conceptual design layout have occurred since the original budgetary cost estimates were established. Where different components are being proposed a new cost estimate is presented below.

**TABLE 6
 CURRENT BUDGETARY COST ESTIMATE - PHASE I**

Water System	Phase I Component	SNHRW Phase I Cost
Derry	Pump Station @ Derry/Londonderry town line	\$1,000,000*
	Upgrade Rockingham Road Pump Station	\$750,000
	7,400 LF of 16-inch water main in Route 28 from end of existing Derry water system to Derry/Windham town line	\$2,405,000
	Pressure Reducing Valve (PRV) and meter near Derry/Windham town line	\$850,000*
PEU	4,500 LF of 12-inch water main in Route 111 from Route 28 to Klemm's Mobil gas station (in Windham)**	\$1,215,000
Salem	14,000 LF of 20-inch water main in Route 28 from Derry town line to Route 111 (in Windham)	\$5,600,000
	PRV between Derry town line and Route 111 (in Windham)***	\$1,000,000*
	Meter pit on Route 111 near Route 28 (in Windham)	\$350,000*
	2,200 LF of 16-inch water main in Route 28 from Route 111 to Salem town line (in Windham)	\$715,000
	PRV near Salem/Windham town line	\$900,000*
	650 LF of 16-inch water main in Route 28 from Salem town line to the existing Salem water system	\$215,000
	1,100 LF of 12-inch water main in Shannon Road from end of Salem water system to Salem/Atkinson town line	\$300,000
HAWC	Pump Station and meter near the Salem/Atkinson town line on Westside Drive in Atkinson***	\$1,000,000*

**TABLE 6 (cont.)
CURRENT BUDGETARY COST ESTIMATE - PHASE I**

Water System	Phase I Component	SNHRW Phase I Cost
HAWC (cont.)	600 LF of 12-inch water main in Westside Drive in Atkinson from proposed pump station to existing HAWC water system	\$165,000
	2,500 LF of 12-inch water main from proposed pump station to existing HAWC water system in Providence Hill Road near Atkinson Farm Road in Atkinson	\$675,000
	1.0 MG storage tank near Winslow Drive in Atkinson	\$1,130,000
	1,500 LF of 12-inch water main in Bryant Woods Road and East Road in Atkinson from end of HAWC water system to Atkinson/Plaistow town line	\$405,000
	Main Street PRV improvements	TBD
	Chloramine conversion improvements to Settler's Ridge Pope Road, Midpoint & Midpoint Island and Jameson Ridge well stations	\$300,000
Plaistow	Pump Station and meter near Plaistow/Atkinson town line***	\$850,000*
	2,900 LF of 12-inch water main in East Road from Plaistow/Atkinson town line to existing Plaistow fire suppression system	\$785,000
	5,300 LF of 12-inch water main in Sweet Hill Road from existing Plaistow fire suppression system to proposed tank site	\$1,435,000
	2,300 LF of 8-inch water main in Westville Road from end of existing fire suppression system near Plaistow Road northeasterly for 2,300 feet.	\$345,000****
	1,000 LF of 8-inch water main in Wentworth Avenue from end of existing fire suppression system westerly for 1,000 feet.	\$150,000****
	0.4 MG storage tank on Sweet Hill tank site	\$1,100,000*
	56 connections to MtBE contaminated parcels	\$560,000
	System Flushing & Disinfection	\$150,000

**TABLE 6 (cont.)
CURRENT BUDGETARY COST ESTIMATE - PHASE I**

Water System	Phase I Component	SNHRW Phase I Cost
	Phase I Subtotal	\$24,201,500
	Phase I Contingency (11.1%)	\$2,698,500
	Phase I Total	\$26,900,000
	Original Phase I Budget	\$26,900,000

*Budgetary cost includes \$100,000 for land acquisition/easement costs. These costs are eligible for reimbursement upon approval by NHDES.

**Project is eligible for reimbursement for cost of 12-inch pipe only. However, per the Route 111 Water Main Extension Study – Routing Memo dated July 16, 2018, 16-inch water main is recommended.

***Budgetary cost estimate includes cost for backpressure sustaining valve and chemical feed equipment. Chemical feed equipment is TBD contingent upon the results of further water quality assessment.

****Budgetary cost estimated by Weston & Sampson based upon available information provided by UEI

**TABLE 7
CURRENT DESIGN COST ESTIMATE – PHASE II***

Water System	Phase II Component	SNHRW Phase II Cost
MWW	Upgrade Cohas Avenue Pump Station	\$920,000
	2,700 LF of 20-inch water main in Cohas Avenue from the pump station to Bodwell Road	\$1,080,000
Derry	Upgrade pump station at Derry/Londonderry town line	\$250,000
	2,000 LF of 24-inch water main in Manchester Road	\$900,000
	1,200 LF of 16-inch water main in Manchester Road	\$390,000
	4,200 LF of 12-inch water main between Manchester Road and Tsienneto Road tank	\$1,135,000
	1,300 LF of 12-inch water main in Rockingham Road	\$355,000
	12,300 LF of 16-inch water main in Rockingham Road	\$4,000,000
	Upgrade Rockingham Road Pump Station	\$250,000
	Localized water main improvements (TBD)	\$1,000,000
Salem	Localized water main improvements (TBD)	\$1,000,000

**TABLE 7 (cont.)
 CURRENT DESIGN COST ESTIMATE – PHASE II**

Water System	Phase II Component	SNHRW Phase II Cost
HAWC	2,700 LF of 12-inch water main in Westside Drive and Village Drive between Woodlock Park Lane and Wellington Circle	\$730,000
Phase II Subtotal		\$12,010,000
Phase II Contingency (15%)		\$1,801,500
Phase II Total		\$13,811,500

*Costs for Phase II have not been considered, voted on, or approved by the DWG Advisory Commission. Phase II costs are for planning only. DES makes no commitment to funding Phase II at this time. Phase II improvements are not eligible for MtBE settlement funds since Phase I will address the MtBE impacts. In addition, the improvements listed in Table 7 represent one design concept for conveying 3.13 MGD through the Regional project area. Other possible alternatives for Phase II have been suggested including but not limited to the Warner Hill Loop in Derry, a Londonderry to Windham connection and an East Derry Route to HAWC.

SCHEDULE

The following is a conceptual Phase I project schedule based upon the current understanding of expected project completion dates.

**TABLE 8
 CONCEPTUAL PROJECT SCHEDULE - PHASE I**

Water System	Project Deliverable	Date
Derry	30% Design Completion	1/2019
	Final Design Completion	6/2019
	Construction Completion	6/2020
Salem/PEU	30% Design Completion	12/2018
	Final Design Completion	6/2019
	Construction Completion – Route 28 Water Main	6/2020*
	Construction Completion – PEU water main in Windham and work near Salem/Atkinson border	12/2020
HAWC	30% Design Completion	3/2019
	Final Design Completion	9/2019
	Construction Completion	9/2020
Plaistow	30% Design Completion	3/2019
	Final Design Completion	9/2019
	Construction Completion	12/2020

*Date requested by DES to have SNHRW supply available at the Windham/Salem border

It is unknown when Phase II design and construction would be scheduled. For the purpose of this memo, we assume that the conceptual project schedule for Phase II will be determined at a later date.

RECOMMENDATIONS FOR FURTHER STUDY

As part of the Phase I 30% design process, the following items should be further reviewed by the appropriate parties:

Work in Progress

- Determine ownership and location of the pump station between MWW and Derry water systems (UEI);
- Determine the optimal location of the PRV on Route 28 in Derry (UEI);
- Determine the optimal location of the PRV on Route 28 in Windham (UEI and W&S discussing);
- Identify the local improvements necessary, if any, within the Salem water system (W&S);
- Identify if any chemical feed infrastructure is needed to adjust the water quality of MWW finished water prior to it mixing with Salem finished water (W&S);
- Determine the minimum daily flows that each partner in the Joint Public Works Agreement (JPWA) will be required to use to ensure proper turnover of water in the SNHRW project area;
- Identify if any improvements are needed at the existing Main Street PRV in Atkinson.

Other Recommendations for Study (not currently under contract)

- Conduct further analysis of the Bryant Woods service area in Atkinson. Identify if the limits of the service area could be modified to better serve the highest ground elevation water users in that area of the HAWC system;
- Conduct further analysis regarding disinfection byproduct and/or corrosion control issues derived from Salem/MWW finished water mixing with the HAWC finished water;
- Identify if any chemical feed infrastructure is needed to adjust the water quality of Salem/MWW finished water prior to mixing with HAWC finished water;
- Evaluate chemical feed needs at HAWC/Plaiastow border;
- Evaluate impacts of project on disinfection byproducts and recommend updated DBP monitoring sites as appropriate;
- Prepare emergency response plans (water main break, pump failure, water quality issue, natural disaster, etc.

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ATTACHMENT B

Disinfection Study Report, dated January 7, 2019

MEMORANDUM

TO: Erin Holmes, P.E., Mike Unger, P.E.

FROM: Jeff McClure, P.E., Jeff Provost, P.E.

DATE: January 7, 2019

SUBJECT: Hampstead Area Water Company (HAWC) – Chloramine Study - **FINAL**
DES Site #201605008, PWS #1031010 & #0112080

As part of the Southern New Hampshire Regional Water (SNHRW) project, chloraminated water from Salem will be transmitted into the HAWC chlorinated water system at the Salem/Atkinson town line to provide water supply for HAWC and the neighboring community of Plaistow. Plaistow does not have a municipal potable water system at present but will serve the demands of all their water customers with water supplied by HAWC once a potable water system is established.

Mixing of chlorinated and chloraminated water can produce several unwanted water quality issues. In the transition zone, where chlorine and chloramines mix, water quality complaints from customers can be numerous. Low chlorine residuals, bad taste and odor issues and high levels of disinfection byproducts are often times present in these areas. It should also be noted that the transition zone can migrate depending on the demand patterns in the system making it challenging to monitor all areas being impacted negatively.

Since water quality can be impacted negatively when chloraminated and chlorinated waters mix, DES requested we conduct a study to investigate different options for transmitting chloraminated SNHRW water from Salem into the chlorinated HAWC water system. In addition to Weston & Sampson, Dr. James Malley of the University of New Hampshire (UNH) was consulted on this matter and contributed to the findings in this memorandum. This memo presents a summary of our findings for the following items;

1. Chloramine/Chlorine Mixing Case Study;
2. Chloramine Conversion Assessment;
3. Water System Separation Assessment;
4. Chloramine Destruction Options;
5. Chloramine Monitoring/Sampling Program Development;
6. Lead Service Investigation.

Chloramine/Chlorine Mixing Case Study

The mixing of chloraminated water with chlorinated water is a practice that occurs on a temporary basis in some potable water systems in New England. Most notably, the Massachusetts Water Resource Authority (MWRA) in Massachusetts furnishes chloraminated water to several Massachusetts municipalities that chlorinate their primary source of drinking water but require MWRA chloraminated water to meet demand on an emergency or short-term basis.

On July 13, 2018 representatives from Weston & Sampson, NHDES and UNH attended a presentation at MWRA by Dr. Mandu Inyang and Dr. Betsy Reilly on the Impacts of Blending on Distribution System Water Quality. The following is a brief summary of key issues that the MWRA identified for a water system that blends chloraminated water with chlorinated water:

- Controlling water age in the distribution system is important. High water age is more susceptible to nitrification issues.
- Water age issues are even more critical in areas of unlined cast iron water mains.
- Eliminate any closed valves in the distribution system that are meant to be normally open. This will minimize potential water age issues.
- Maintain optimal storage tank cycling/turnover. Water age can become an issue in tanks that do not properly cycle.
- Maintaining an adequate level of secondary disinfectant whether it be free chlorine or chloramines is also a key parameter in controlling many of the concerns including nitrification, taste, odor and color issues, biofilms and increased bacterial counts as well as potential corrosion control issues from changing oxidation-reduction potential (ORP) in the system.
- Mixing chloramines with chlorine can increase free chlorine levels in the distribution system if breakpoint chlorine is reached during blending. If disinfection byproduct precursors (e.g. organic carbons) are present in the distribution system, increasing free chlorine levels could impact the formation of disinfection byproducts. Nitrogen products can also be released from the breakdown of chloramines if breakpoint chlorination occurs during blending.
- Water quality blending impacts are compounded by different corrosion control strategies and disinfection types. The corrosivity potential of the blended water may be impacted (positively or negatively) after the water is blended. Interior pipe coatings, maintained as part of a routine corrosion control practice, could also be impacted.
- Discolored water is the most frequent water customer complaint in areas where transitional changes occur in water quality. For instance, if high manganese is present in a water system, there may be precipitation of the manganese that occurs at the mixing zone. Odor and taste complaints might also be expected.
- A public information/education plan should be developed that informs the water customers of impending changes to the water system and the potential for temporary water quality impacts.

The following is a summary of monitoring strategies that the MWRA recommends and/or has observed among the chlorinated water communities they furnish chloraminated water to:

- At a minimum, **daily** sampling at selected total coliform rule (TCR) sites is recommended for chlorine residual (free and total), pH, turbidity, temperature and conductivity. Monitoring these parameters is important to assess any impacts that may develop on water corrosivity after the two different waters blend. Alkalinity should also be monitored especially at the mixing zones.
- Calculating corrosion indices based on current water quality data for the two water systems will be helpful to determine if water corrosivity is increased by blending the two waters.
- Heterotrophic plate counts (HPCs) sampling should be conducted if chlorine residual is undetectable. Otherwise, HPC testing should be conducted from time to time. Monitoring for HPCs provides an indication of microbial presence and growth within the distribution system. Rising HPC values may be an indication of nitrogen levels in the distribution system (due to the breakdown of chloramines) or ineffective disinfection (low chlorine residual).
- Microbial monitoring, (e.g. E.coli and total coliform) is performed by communities at TCR sites as part of their routine sampling protocol. Typical monitoring frequency is daily or weekly at these sites. If routine TCR sites are also used for monitoring water corrosivity (see above) then additional E.coli and total coliform testing within the distribution system would most likely not be necessary. If other sites (not designated for TCR monitoring) are chosen for monitoring for water corrosivity, then additional E.coli and total coliform sampling should be considered at those sites.
- Disinfection byproduct (DBP) formation is a concern if either blended water source is high in total organic carbon content. A stringent DBP monitoring program should be conducted initially to develop a baseline and level of understanding of the DBP formation potential within the distribution system.

American Water Works Association (AWWA) Distribution System Monitoring

If simple "Tier I" screening data (such as the monitoring described above) show trends of concern then further evaluation needs to occur involving chlorine to ammonia ratio, nitrite-nitrogen and nitrate-nitrogen. According to Partnership Resources (2014),

"Chloramination and Nitrification Monitoring

There is not one single parameter that can be used for chloramination and nitrification monitoring that will provide comprehensive information about the water's chemistry. Whether in the plant or in the distribution system, testing a combination of parameters is required to fully understand and control the process. Areas where chloramination and nitrification parameters are tested are recommended to include the treatment plant where monochloramine is being formed, areas in the distribution system that may be at higher risk for nitrification, and any area in the system where disinfectant residual may be boosted. A

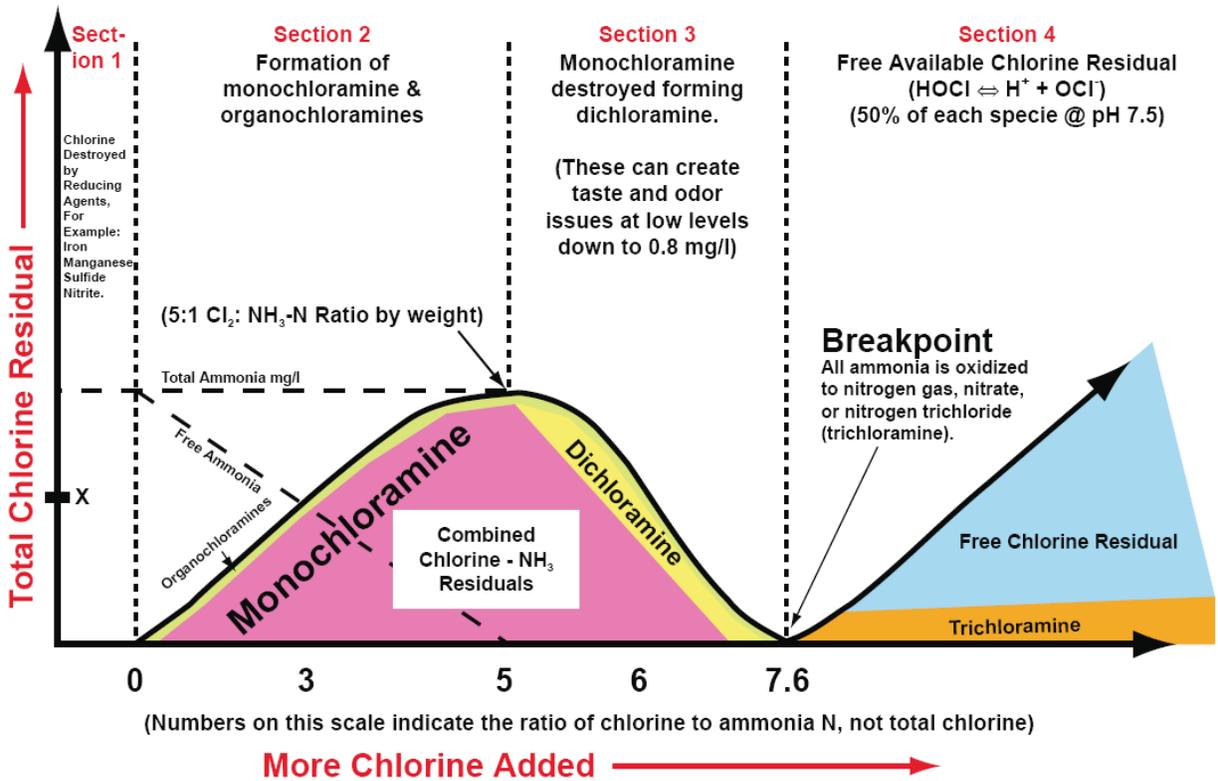
distribution system hydraulic model may assist in identifying and locating these sampling sites. Examples of key sampling sites for nitrification monitoring include:

- Water treatment plant (point of monochloramine formation for process control)
- Distribution system storage tanks
- Pressure zone boundaries
- Areas with the potential for high water age and/or low usage
- Dead ends

Parameters recommended for monitoring chloramine formation and nitrification include the following:

- Chlorine residual
 - Monitoring for free and total chlorine is recommended in many cases. However operators should be aware that accurately measuring free chlorine in the presence of total chlorine using the colorimetric DPD chemistry can be challenging. Even when running a test using free chlorine reagent, total chlorine can react to oxidize DPD, potentially resulting in a false positive result. Consult the reagent manufacturer for more information about performing tests in this application.
- Monochloramine
- Free ammonia
- Total ammonia
- Nitrite
- pH
- HPC

A single monochloramine or total chlorine measurement does not provide sufficient information about water chemistry to identify where the water is relative to the chloramination curve (see figure below). Without additional information, the same total chlorine results could indicate incomplete monochloramine formation, dichloramine and trichloramine formation, or even breakpoint chlorination. The combination of multiple parameters listed above, for example monochloramine, total chlorine, and free/total ammonia, allows utilities to better understand where they reside on the chloramination curve, their level of nitrification risk, and steps that must be taken to maintain process or system control. Field, bench, and continuously monitoring instrumentation is available for the analysis of these parameters, and utilities are encouraged to select the analysis platform that best fits their needs.



There are many steps that can be taken to prevent and control nitrification. For example, nitrification prevention can begin at the water treatment plant by maintaining a chlorine to ammonia ratio that is optimal for monochloramine formation. Steps can be taken to reduce water age in the distribution system, such as adding loops to the system. Tank stratification can be prevented by the addition of mixing. Once established, nitrification may require steps such as flushing to restore water quality.

In any case, utilities that chloramine should consider developing action plans and procedures to address the potential for nitrification and take steps to proactively address any issues to occur. Many systems develop tiered action plans, in which different actions are to be taken depending on the relative concentrations of different parameters in the system. As with any procedure, staff should be trained in its implementation to help ensure that is carried out correctly.

Good understanding of nitrification, its causes, and its impact on distribution system water quality and operations give utilities the tools they need to work towards achieving optimization.

References

This article presents a brief overview of chloramination and nitrification. Many comprehensive resources exist to provide more detailed information about these topics including:

Water Chlorination Principles and Practices – AWWA Manual M20

Nitrification Prevention and Control in Drinking Water – AWWA Manual M56” (Chloramination and Nitrification Monitoring section).

Chloraminated and Chlorinated Water System Case Studies

Weston & Sampson has not identified a community in New England that practices the blending of free chlorine and chloramines on a sustained basis. The following is a listing of a few communities that blend MWRA water with their own water on an emergency or temporary basis. Each community listed below maintains their own sources of supply and their own disinfection and corrosion control practices, as applicable. It should be noted that each community has their own monitoring protocols which are highly dependent on the capabilities of the individual community. While some communities monitor several parameters on a frequent basis other communities may only monitor a couple of parameters:

- **Burlington, MA** – Burlington is a chloraminated system which receives chloraminated MWRA water on an emergency basis. While receiving MWRA water, Burlington performed weekly sampling at TCR sites for the following parameters: chlorine residual (free and total), pH, turbidity, temperature, color, fluoride, iron, manganese and nitrate/nitrite.
- **Lynn, MA** – MWRA conducted a bench top study of Lynn's water system to study the impacts of corrosion control when blending MWRA water with Lynn water sources. Lynn chlorinated their surface water supply (with a target of 0.8 – 1.4 mg/L of free chlorine residual leaving their water treatment plant (WTP)) at the time of the MWRA study. MWRA chloraminates their surface water supply with a target of 2.5 – 3.0 mg/L total chlorine residual leaving their WTP. Lynn uses zinc orthophosphate for their corrosion control with a target of 0.5 -0.6 mg/L of phosphate residual. The target pH in the Lynn distribution system is 7.2. MWRA uses soda ash for their corrosion control practices and targets a pH of 9.5 in the distribution system. The purpose of the MWRA study was to understand water quality impacts from blending MWRA water with local water sources in emergency-supplied communities and to determine corrosion control impacts or potential pipe scale modification in the distribution system.

The MWRA study looked at four source water blending ratios; 100% Lynn/0% MWRA, 75% Lynn/25% MWRA, 50% Lynn/50% MWRA, 0% Lynn/100% MWRA. Water quality parameters such as pH, alkalinity, sulfate, free and total chlorine and phosphate were measured. In addition, the following four corrosion indices of the blended water samples were assessed; chloride to sulfate mass ratio (CSMR), Larson Ratio (LR), Langelier Saturation Index (LSI), Ryznar Saturation Index (RSI). For each corrosion index, the blended water became less corrosive when more MWRA water was introduced. For this study, MWRA water tended to precipitate calcium carbonate which made the Lynn water less corrosive. However, a reduction in zinc and phosphate levels from zinc phosphate used for corrosion control was observed with increasing MWRA water blend which may be impactful to distribution pipe coating in the Lynn distribution system.

- **Peabody, MA** – Peabody chloraminates their surface water supplies. A fire at the Coolidge Avenue Water Treatment Plant in Peabody shut down the WTP. As a result, Peabody increased the MWRA supply in the area of the distribution system served by the Coolidge Avenue plant from 25% MWRA/75% Coolidge water to 100% MWRA water. Desktop modeling predicted that the increase to 100% MWRA water could modify the potential mineral deposits in this portion of the Peabody distribution system. As a result, additional

sampling was performed in the distribution system to identify if the increase in mineral deposits would occur. Several parameters (e.g. Aluminum, Calcium, Chloride, Nitrate, Potassium, Sulfate and Zinc) were found to be significantly elevated at one sampling site. Upon investigation, a buried, closed gate valve was found causing stagnation conditions in the pipe. Upon opening the gate valve, all water quality parameters at the sampling site returned to levels comparable to the levels measured at all other sampling sites in the distribution system. Water age should therefore be closely monitored (and minimized where possible) in all areas of a distribution system to avoid the potential for elevated levels of water quality parameters.

HAWC Options for Receiving SNHRW Water

Water from the SNHRW project will be transmitted through the Salem water distribution system and pumped into Atkinson near the Salem/Atkinson town line near the intersection of Providence Hill Road and Shannon Road in Salem. The exact location of the pump station is still being determined as of the writing of this memo. Water from the chloraminated Salem water system will be a blend of water that is supplied by chloraminated water from Manchester Water Works (MWW) and the town of Salem at the entry point into Atkinson. An estimate of the water quality of the mixture including pH, total organic carbon (TOC), alkalinity and hardness and the potential for disinfection byproduct (DBP) formation was not established under the scope of this study. However, estimating these parameters is recommended.

HAWC currently operates 20 well systems in Hampstead and Atkinson. Each groundwater source is currently chlorinated. As part of the SNHRW project, water will be supplied to HAWC to supplement the existing water sources in HAWC. Additionally, water will be transmitted through HAWC to supply water for the town of Plaistow.

The SNHRW project has been divided into two phases; Phase I is being designed as of the writing of this memo and is anticipated to be online by the end of 2020. Phase II is a future phase of the project that is preliminarily scheduled for 10 to 15 years in the future (however, the actual schedule for Phase II will depend on individual water systems' needs and participation). The following is a breakdown of the SNHRW supply that is scheduled for each water system per phase:

Table 1 – SNHRW Supply for HAWC and Plaistow

Phase	Water System	Supply (MGD)
Phase I	HAWC	0.25
Phase II	HAWC	0.5
<i>HAWC Total</i>		<i>0.75</i>
Phase I	Plaistow	0.25
Phase II	Plaistow	0.32
<i>Plaistow Total</i>		<i>0.57</i>

Since the SNHRW water is chloraminated and the HAWC water is currently chlorinated, DES requested we review the options for supplying chloraminated water to HAWC. The following sections present our findings for;

1. Converting existing HAWC disinfection systems from chlorine to chloramine;
2. Separating the HAWC water system to create chlorinated and chloraminated zones in the water system;
3. Destroying chloramines from the Salem source water prior to entry into the HAWC water system.

HAWC WATER MODEL DEVELOPMENT

Prior to assessing the HAWC water distribution system, we rebuilt the HAWC water model based upon existing GIS data that HAWC provided to us at the beginning of this project. Pipe location, pipe diameters and available pipe material were imported from the GIS data and incorporated into the model. We utilized individual water customer account billing records provided by HAWC to reassign water demand throughout the HAWC system. This was accomplished by geocoding the billing data linking information to the town parcel data. This allowed us to assign actual water demand to the nearest nodes throughout the water model thereby establishing a far more accurate depiction of water demands.

Elevations of model nodes, pump stations, storage tanks, pressure reducing valves and water supplies were assigned using light detection and ranging (LiDAR) data and existing information. Hydraulic information pertaining to each well in Hampstead and Atkinson, the Smith Road Tank in Hampstead and the Sawyer Avenue Tank in Atkinson were also provided to us by HAWC and incorporated into the model.

As part of model development, a roughness coefficient of the inside of the water mains, known as a C value, needs to be assigned to each pipe segment. C-values assigned to existing HAWC water system pipes were obtained from a previous hydraulic model of the HAWC water system and checked for general compliance. However, hydrant flow or other field tests were not performed under the scope of this study to confirm the accuracy of the C-values. Any new pipes added to the model were assigned initial C-values based on available pipe information (pipe diameter and pipe material type).

Once the model was complete, we were able to assess the HAWC water system with more precision. We identified four pressure zones (the Main service system, the Bartlett Brook and Woodland Pond system, the Jameson Ridge system and the Bryant Woods system). This allowed us to better assess which HAWC water supplies could be removed from service to allow for a more manageable source system and it allowed us to identify which existing wells would need to be converted to a chloramine disinfection system.

HAWC System-Wide Chloramine Conversion Assessment Option

This option involves converting existing chlorine feed systems at select HAWC well sites to chloramine feed systems. Ammonia storage and new chemical feed pumps would be necessary to produce chloramine at each site. This option also includes the addition of new analyzers in the well stations to monitor for free ammonia, monochloramine and total ammonia. Under SNHRW Phase I supply for HAWC (250,000 gpd Max.) and present day HAWC Max Day demands (1.0 MGD), the following 13 well stations would need to be converted to chloramine. The well yields listed in Table 2 are the current yields. Should the yields change over time, the stations that would

need to be converted to chloramine could change. Refer to Figure 1 for the location of each well site:

Table 2 –HAWC Well Station Designations – Phase I

Well Station Name	Location of Well	Current Yield (gpm)	Station Designation
SNHRW Supply	N/A	173	N/A
Kent Farm System	Hampstead	110	Primary Chloramine
Settlers Ridge Pope Road	Atkinson	85	Primary Chloramine
Village Green System	Hampstead	65	Primary Chloramine
Midpoint & Midpoint Island	Atkinson	65	Primary Chloramine
Bryant Woods System	Atkinson	45	Primary Chloramine
Cranberry Meadows	Hampstead	40	Primary Chloramine
Angle Pond	Hampstead	40	Primary Chloramine
Jameson Ridge	Atkinson	25	Primary Chloramine
Tanglewood System	Hampstead	18	Primary Chloramine
<i>Total Primary Chloramine Phase I Supply</i>		666 gpm (959,000 gpd)	
<i>Total Primary Chloramine Phase I Demand</i>		652 gpm (939,000 gpd)	
Granite Village	Hampstead	35	Redundant Chloramine
Eastwood Place	Hampstead	35	Redundant Chloramine
Putnam Place System	Hampstead	25	Redundant Chloramine
Jesse Page System	Atkinson	25	Redundant Chloramine
<i>Total Redundant Phase I Supply*</i>		120 gpm (172,800 gpd)	
Bartlett Brook	Hampstead	40	Chlorine-Only
Woodland Pond #5	Hampstead	18	Chlorine-Only
Woodland Pond #6	Hampstead	18	Chlorine-Only
<i>Total Chlorine-Only Phase I Supply</i>		76 gpm (110,000 gpd)	
<i>Total Chlorine-Only Phase I Demand</i>		42 gpm (60,500 gpd)	
<i>Total Phase I Supply</i>		742 gpm (1.07 MGD)	
<i>Total Phase I Demand</i>		694 gpm (1.00 MGD)	

*Redundant Supply not included within total phase I supply amount

Please note, under normal operation, the nine wells listed as 'Primary Chloramine' in Table 2 would supplement the SNHRW supply to meet maximum day demands in the proposed chloraminated section of HAWC. The four wells listed as 'Redundant Chloramine' in Table 2 would provide redundancy with the largest well (Kent Farm) out of service. Alternately, if Salem's water system could provide additional chloraminated supply on a temporary basis, HAWC could explore providing redundancy for the Kent Farm System with Salem water temporarily. However, for this study, we assessed what the requirements would be for HAWC to supplement Kent Farm using

their own sources. We should also note, if additional water supply is developed in HAWC then the number and/or location of the wells that need to provide primary or redundant chloraminated supply in HAWC will change.

It should be also noted that Woodland Pond site #5 and #6, as well as the Bartlett Brook System in Hampstead would remain as separate chlorinated systems under the scenario described above. On Figure 1, these systems are listed as “Cl₂-only well sites”. If these systems require conversion to chloramine these three service systems would need to be converted.

Under SNHRW Phase II supply conditions (750,000 gpd Max.), and 2030 estimated maximum day demands for HAWC (approximately 1.3 MGD) the number of well stations that would need to operate as chloraminated stations would decrease from 13 to nine (with six stations as Primary and three stations as Redundant). Woodland Pond #5, Woodland Pond #6 and Bartlett Brook, would remain as chlorine-only stations under Phase II conditions. Refer to Table 3 and Figure 2.

Table 3 –HAWC Well Station Designations – Phase II

Well Station Name	Location of Well	Current Yield (gpm)	Station Designation
SNHRW Supply	N/A	520	N/A
Kent Farm System	Hampstead	110	Primary Chloramine
Settlers Ridge Pope Road	Atkinson	85	Primary Chloramine
Village Green System	Hampstead	65	Primary Chloramine
Midpoint & Midpoint Island	Atkinson	65	Primary Chloramine
Bryant Woods System	Atkinson	45	Primary Chloramine
Cranberry Meadows	Hampstead	40	Primary Chloramine
<i>Total Primary Chloramine Phase II Supply</i>		930 gpm (1.34 MGD)	
<i>Total Primary Chloramine Phase II Demand</i>		897 gpm (1.29 MGD)	
Angle Pond	Hampstead	40	Redundant Chloramine
Granite Village	Hampstead	35	Redundant Chloramine
Eastwood Place	Hampstead	35	Redundant Chloramine
<i>Total Redundant Phase II Supply*</i>		115 gpm (165,600 gpd)	
Bartlett Brook	Hampstead	40	Chlorine-Only
Woodland Pond #5	Hampstead	18	Chlorine-Only
Woodland Pond #6	Hampstead	18	Chlorine-Only
<i>Total Chlorine-Only Phase II Supply</i>		76 gpm (110,000 gpd)	
<i>Total Chlorine-Only Phase II Demand</i>		57 gpm (82,000 gpd)	
<i>Total Phase II Supply</i>		1,006 gpm (1.45 MGD)	
<i>Total Phase II Demand</i>		955 gpm (1.30 MGD)	

*Redundant Supply not included within total phase II supply amount

HAWC Water System Separation Assessment

For this option, the HAWC water system would be separated to prevent the mixing of chloraminated and chlorinated water under normal conditions of operation. Conversion of some existing well stations from chlorine to chloramine feed would be included in this option. Under Phase I, the boundary line between chlorine and chloramine would be as shown on Figure 3. ***The location of system separation as shown on Figure 3 would allow for the proposed 1.0 MG storage tank near Winslow Drive in Atkinson to serve the chloraminated section of HAWC and the future Plaistow potable water system.***

The boundary line would be located north of the intersection of Woodlock Park Lane and Main Street in Atkinson. The two largest wells in Atkinson, Settlers Ridge Pope Road and Midpoint & Midpoint Island, as well as Jameson Ridge would be converted to a chloramine feed system and include the necessary ammonia and chlorine feed, storage and monitoring equipment. All other Atkinson wells would be removed from service. The chlorinated section of the HAWC system would be supplied by the remaining wells in Hampstead as shown on Figure 3. The following table provides a summary of the supply and demand scenario for the chloraminated and chlorinated sections of a separated HAWC system:

Table 4 – Separated HAWC System Supply and Demand Values – Phase I

HAWC System Section	Supply Source	Supply Amount (gpm)	Max Day Demand (gpm)
Chloraminated	Settlers Ridge Pope Road	85	N/A
	Midpoint & Midpoint Island	65	N/A
	Jameson Ridge	25	N/A
	SNHRW	173	N/A
	<i>Total Chloraminated Phase I Supply/Demand</i>	348	329
Chlorinated	<i>Total Chlorinated Phase I Supply/Demand</i>	444	365
	<i>Total Phase I Supply/Demand</i>	792 gpm	694 gpm

The demand values listed in Table 4 were determined after the water billing information, provided by HAWC, was used to reassign demand in the hydraulic model. It should be noted that to account for the largest well out of service in the chloraminated section, Settlers Ridge Pope Road, supplemental supply could be provided from Salem’s water system. Bryant Woods, Jesse Page and Cogswell Farm wells could also be converted to chloramines and maintained as redundant supply facilities.

For the chlorinated section of HAWC, if the largest well (Kent Farm in Hampstead) were out of service then chloraminated water from Salem, via Atkinson, could temporarily be used to meet demands in Hampstead. Chloraminated water would mix with chlorinated water on a temporary basis. A monitoring program would need to be established and executed if and when chloraminated water is introduced into the chlorinated water portion

of the HAWC system.

Under SNHRW Phase II, the three well stations described above (Settlers Ridge Pope Road, Midpoint & Midpoint Island and Jameson Ridge) could be removed from service since the additional supply from SNHRW (520 gpm Max.) would meet all of Atkinson’s demand. The three well stations could also remain in service to provide an additional source of supply as desired. Refer to Table 5 and Figure 3.

Table 5 – Separated HAWC System Supply and Demand Values – Phase II

HAWC System Section	Supply Amount (gpm)	Max Day Demand (gpm)
Chloraminated	520	518
Chlorinated	444	437
Total Phase II Supply/Demand	964 gpm	955 gpm

Under SNHRW Phase II, the boundary line between the chloraminated system and the chlorinated system would be near the intersection of Stage Road and W Street in Hampstead. HAWC officials could also choose to locate the boundary line between chloramine and chlorine at a point in Atkinson that would allow some existing supply in Atkinson, such as the Settlers Ridge Pope Road Wells, to remain active and available to supply chlorinated water to Hampstead (the proposed chloramine system for Settlers Ridge Pope Road would be decommissioned in this scenario). This could be accomplished with the construction of nominal water main to link Settlers Ridge with the 10-inch pipe in Main Street.

Chloramine Conversion Requirements

To convert the HAWC well stations listed in Table 2, 3 and 4 from feeding chlorine for disinfection to feeding chloramine for disinfection, several upgrades will need to occur at each station. The following section outlines some of the upgrades that would be required. Please note, under the scope of this study, we did not visit each station to assess if upgrades would be necessary to support the storage and operation of additional chemical feed systems. *Additional investigation should occur to assess if building improvements are necessary to support chloramine feed upgrades.*

Existing Chlorine Equipment

Upon speaking with the operator of the HAWC water system, we were informed that the following chemical feed pumps are utilized in the HAWC system:

- Chemtec Pulsafeeder XP (rated for 4 – 80 gpd) & XPV (rated for 8 – 100 gpd) Series, which operate at either a fixed pumping rate due to production ability or are flow paced. The type of tube used in each pump is the 2H or the 8GPD tube, installed throughout the HAWC system except for Putnam Place and Woodland 5 & 6 well systems. No information was provided as to the chemical feed pumps located at those well stations. Please note, for a peristaltic pump, the flow rate is determined by both the size of

the tubing and the pump speed. Larger tubing produces faster flow rates. Depending on the required feed rate for creating chloramines, the existing tubing (8 gpd) for each peristaltic pump may need to be replaced.

- For chemical storage, HAWC currently uses liquid chlorine stored in 35- to 55-gallon drums at each well site. The target chlorine residual leaving each well station is 0.2 to 0.5 mg/L, currently.

To convert each well station from chlorine disinfection to chloramine disinfection, the addition of ammonia storage and chemical feed pumps for feeding ammonia is necessary at each station described above. For small systems, ammonia sulfate is often recommended as it is much safer and easier to handle than other ammonia options. Typically, a ratio of 4 parts chlorine to 1-part nitrogen is recommended as a starting ratio to form chloramines. In practice, the ideal ratio for each site could be anywhere from 3:1 up to 5:1. Table 6 provides an example of the chlorine (as sodium hypochlorite) and nitrogen (as ammonia sulfate) requirements for the Kent Farm well site assuming a ratio of 4 parts chlorine to 1-part nitrogen for monochloramine production.

Table 6 – Kent Farm Well Station Chloramine Chemical Needs

Flow	Sodium Hypochlorite Dose	Sodium Hypochlorite Feed	Sodium Hypochlorite 30-day storage	Ammonia Sulfate Dose	Ammonia Sulfate Feed	Ammonia Sulfate 30-day storage
110 gpm (0.158 MGD)	2.0 mg/L	2.1 gpd*	64 gallons*	3.55 mg/L	1.2 gpd*	35 gallons*

*Calculation is based on well operating 24-hours/day. 30-day volumes will be less depending on actual operating conditions at the well.

The above table is indicative of the chemical requirements needed to create chloramines at each well site (Kent Farm specifically in the above example). Several well sites in the HAWC system operate Greensand Plus filters for iron and manganese treatment. At these sites, chlorine is also used for oxidation. In general, approximately 1 mg/L of chlorine is needed for oxidation purposes. Therefore, for each well site where Greensand Plus filtration and chloramine disinfection would be present the chemical feed pumps and chemical storage requirements need to be sized and able to feed chlorine pre- and post-filter as necessary to achieve oxidation and disinfection requirements. The existing chlorine feed pumps appear to be sized appropriately to meet the additional chlorine feed demands. However, separate chlorine pumps for pre- and post-filter may be necessary. Each well site should be assessed to determine the requirements necessary to house additional chemical feed equipment as applicable.

As demonstrated in Table 6, ammonia storage requirements will be minimal at each well facility. Available space still needs to be assessed at each well site. Ammonia chemical feed pumps will also need to be added at each well site that will produce chloramines. We contacted equipment vendors to obtain information on a typical

chemical feed pump assembly for feeding ammonia to produce chloramines at small system locations. One such chloramine package system is the Lutz Jesco system. The following provides a summary of the system:

- 2-pump package system (includes fully assembled chemical piping, valves, etc) for sodium hypochlorite and ammonia pumping.
- Estimated material cost only - \$5,000-7,000 per two-pump system.

The following is an example assembly of the Lutz Jesco system.



Although the existing chlorine feed pumps at the well sites may be sized appropriately to provide the necessary pumping capacity to feed chlorine for chloramine production, the above 2-pump package system could operate as two ammonia feed pumps (with one pump on standby).

In addition to total chlorine analyzers, continuous ammonia monitoring is recommended at each well station that produces chloramines. This is critical to determine if the appropriate chlorine to nitrogen ratio is being maintained. The following are two ammonia monitoring devices with associated material costs that would provide monitoring, depending on the level of ammonia monitoring desired:

- Ammonia monitor - Gas Sensing – Q46N ammonia monitor
 - Total ammonia only - \$6,100
 - Free ammonia, monochloramine, total ammonia - \$7,600

The prices listed above are the material costs only to purchase the equipment from the vendors. The following is the budgetary capital total project cost estimate (including engineering design, bidding assistance, construction oversight and construction of the project) for the two chloramine conversion options described in the previous sections of this memo:

- To upgrade 13 well stations (HAWC System-Wide Chloramine Conversion – Approximately \$1.3 million
- To upgrade three well stations (HAWC System Separation) – Approximately \$300,000

Any necessary building improvements or expansions of the existing well stations would be an additional capital cost. Also, any improvements to SCADA capabilities would be additional capital cost.

In addition to the capital costs, the operational difficulties and costs of managing up to 13 small chloramine systems given limited staffing and the need for daily attention and monitoring should be considered when assessing the above options. The estimated operation & maintenance costs for each option are as follows:

- O&M for HAWC System-Wide Chloramine Conversion - Approximately \$35,000 (in 2018 dollars) for Phase I
- O&M for HAWC System-Wide Chloramine Conversion - Approximately \$26,500 (in 2018 dollars) for Phase II
- O&M for HAWC System Separation – Approximately \$9,500 (2018 dollars) for Phase I

Note, the above O&M costs do not include an allowance for additional labor that may be required to operate the chloramine systems. **Also note, the HAWC System Separation Phase II assumes all water is provided by SNHRW. If HAWC maintains the three well stations under Phase II conditions, the O&M estimate is approximately \$9,500.**

Chloramine Destruction Options

Chloramine destruction at the Salem/Atkinson town line is one option identified. In this option, chloramine would be reduced prior to entry into Atkinson. Free chlorine would then be added to restore a desired residual concentration. Two options were explored to destruct chloramine; ultraviolet (UV) light and carbon filtration. The following sections provide a brief summary of each option.

UV Treatment

Chloramine destruction through use of medium pressure UV lamps has been proven effective for destruction of chloramines in aquatic environments such as swimming pools and for aquatic life. Optimal chlorine dissociation with UV light occurs between 180-200nm, while chloramine dissociation occurs between 245-365nm. This makes medium

pressure UV more desirable as it can achieve these ranges more effectively than typical low-pressure lamps, which are limited to only 254nm. Monochloramine, which is formed in water having a pH greater than 7, is the typical chlorine compound used for disinfection and is dissociated most effectively at 245nm.

We contacted UV vendors and identified the following material costs for treating the Phase I and II flows that would be transmitted into HAWC (equivalent to 500,000 gpd Max. Phase I design flow and 1.32 MGD Max. Phase II design flow). Please note, the cost differences presented below present a range of costs based on the UV transmittance (UVT) of the finished water at the Salem/Atkinson town line and the design flow.

- Evoqua ETS has provided material cost estimates only for two separate in-line reactor treatment options for chloramine destruction:
 1. Reactor 1 – \$94,000 material cost for (2) 10-inch medium pressure UV reactors (housing 4 lamps each). One reactor provides redundancy. Each active reactor destroys approximately 1 log (90%) of chloramine. For preliminary sizing, an assumed chloramine concentration of no greater than 2 ppm, a UVT of 90% and a flow of 500,000 gpd Max. was assumed.
 2. Reactor 2 – \$160,000 material cost for (2) 16-inch medium pressure UV reactors (housing 6 lamps each). One reactor provides redundancy. Each active reactor destroys approximately 1 log (90%) of chloramine. For the sake of preliminary sizing, an assumed chloramine concentration of no greater than 2 ppm, a UVT of 85% and a flow of 500,000 MGD Max. was assumed at the Salem/Atkinson town line. If a UVT of 90% or greater is available, 16-inch diameter reactors could serve a flow rate of 1.32 MGD Max. (Phase II flow).

Under Phase I conditions, assuming a UVT of 90% or greater, Reactor 1 as described above would be installed for an estimated total project cost of approximately \$900,000 (engineering and construction). This estimate includes the cost to furnish and install the UV units, expand the proposed pump station at the Salem/Atkinson town line to provide necessary space for the UV reactors, control panel, additional piping and valving, etc. The estimated cost also includes engineering and construction costs for the necessary chemical feed equipment and storage for adding free chlorine at the station after chloramines are destroyed. Note, the station expansion, piping, valving, electrical, etc. would be sized with a “no-regrets” design principal so the station could be upgraded under Phase II with minimal improvements required.

Under Phase II conditions, assuming a UVT of 90% or greater, Reactor 2 as described above would be installed for an estimated total project cost of approximately \$500,000 (engineering and construction). This estimate includes the cost to furnish and install the larger UV reactors and to perform chemical feed upgrades required to treat the increased flow conditions.

In addition to the capital costs, **the yearly operation & maintenance costs for UV are estimated to be approximately \$35,000 for Phase I, and \$60,000 for Phase II (in 2018 dollars).** These costs are inclusive of the electricity required to power the UV lamps, chemical costs for adding a chlorine residual, and annual UV bulb replacement. The O&M costs

do not include an allowance for any additional labor necessary to operate the UV system.

Carbon Treatment

Activated carbon (referred to as catalytic carbon), is a possible alternative for chloramine destruction. Different than typical granular activated carbon (GAC), surface enhanced activated carbons have been developed to more efficiently remove chloramine from water. The catalytic activity of carbon is typically measured by the rate at which carbon decomposes hydrogen peroxide. The peroxide number is represented in time (minutes), that is required to decompose a fixed amount of peroxide.

Carbon media manufacturers have conducted a comparative analysis of traditional GAC versus surface enhanced activated carbon to evaluate how effectively each filter media can remove chloramines from water. During a quick bench-scale test, 0.2 grams of various GAC products were added to 400mL of water containing chloramines to determine their removal effectiveness. The traditional GAC required a minimum empty bed contact time (EBCT) of 10 minutes to achieve approximately 40% removal. The surface enhanced activated carbon was able to remove 40% of the chloramine concentration in only 1 minute, and achieved approximately 90% removal after 10 minutes.

We contacted GAC media vendors and received the following material costs for treating the Phase I flows that would be transmitted into HAWC (equivalent to 500,000 gpd Max. design flow).

- EVOQUA model HP810SYS (ASME certified) carbon filter system - \$229,000 (includes two (2) 8-foot diameter filter vessels, delivery, initial fill of 20,000 lbs recommended carbon media)

Under Phase I conditions, utilizing the enhanced carbon filtration system, the estimated total project cost would be approximately \$4.25 million (engineering and construction). This includes the cost for land, for a building to house the filters, process piping, electrical, SCADA, mechanical, bathroom and laboratory facilities required to operate the activated carbon treatment system to remove chloramine. The estimated cost includes engineering and construction costs for the necessary chemical feed equipment and storage for adding free chlorine after chloramines are destroyed. This cost also includes funds for land acquisition to construct the treatment building. Note, the treatment building, piping, valving, electrical, etc. would be sized with a “no-regrets” design principal so the treatment system could be expanded under Phase II without expanding the size of the building.

Under Phase II, two (2) additional 8-foot diameter filters would be required to effectively treat the increased flow conditions (1.32 MGD Max.). **The Phase II estimated total project cost for the additional filters, associated process piping, valving, instrumentation, electrical, chemical feed upgrades, etc. is approximately \$950,000 (engineering and construction).**

In addition to the capital costs listed above, the operation & maintenance costs required for carbon treatment are estimated to be approximately \$40,000 for Phase I and \$70,000 for Phase II annually (in 2018 dollars). These costs are

inclusive of the electrical, chemical costs and activated carbon media replacement costs. These costs do not include building heating and cooling costs or an allowance for additional labor necessary to operate the GAC treatment facility.

The following is a brief listing of some pros and cons of using a GAC system for removal of chloramines:

Pros:

- Effective on turbid water
- Can remove many types of contaminants
- Minimal daily O&M

Cons:

- Replace/dispose of spent carbon
- Existing TOC in water can cause carbon to be spent faster
- Cost of media replacement

Chloramine Destruction Options Conclusion

The use of UV or carbon filtration could reduce chloramine concentrations prior to entry into the HAWC water system. However, the total costs to install either system to meet Phase I and II flows are more expensive than converting the HAWC system to chloramines or separating the HAWC water system into a chloraminated and chlorinated system. In addition, adding free chlorine (after the reduction of chloramines) could lead to disinfection by-product (DBP) formation depending on the presence and levels of disinfection byproduct precursors (e.g. total organic carbon) in the Salem/MWW water. As stated in each section above, the reduction of chloramines may be limited to 90% removal. Pilot testing would be necessary to examine if each alternative could effectively remove chloramines from the Salem/MWW water and to determine what percent removal could be expected. If a small percent of chloramines were to remain in the water and were mixed with free chlorine on a sustained basis, it is unknown what the water quality impacts might be without additional investigation.

Chloramine Monitoring/Sampling Program Development

The following section summarizes the recommended corrosion control and water quality monitoring prior to and during start-up of chloramine secondary disinfection practices in the HAWC system. We also provide a recommended monitoring program for the first year of operation later in this section.

Water Quality Sampling at the Chloramine Converted Well Sites

The following sampling protocol is recommended at all well sites that convert to chloramine disinfection starting two days before the switch to monochloramine.

Parameter	Location & Sample Type	Frequency
Free chlorine	100-foot finished water sample tap	Continuous
Total chlorine	100-foot finished water sample tap	Continuous
Total chlorine	100-foot finished water sample tap, grab	Daily
Free chlorine	100-foot finished water sample tap, grab	Daily
pH	100-foot finished water sample tap, grab	Daily
Monochloramine*	100-foot finished water sample tap, grab	Twice Daily
Total ammonia*	100-foot finished water sample tap, grab	Twice Daily
Free ammonia*	100-foot finished water sample tap, grab	Twice Daily
Dichloramine	100-foot finished water sample tap, grab	Weekly for first 4 weeks, then monthly

* If continuous monitoring of these parameters is installed then the location of the sample is from the 100-foot finished water sample tap at each station

Technical literature suggests that free ammonia at the well station effluent should be as low as possible, preferably less than 0.05 mg/L as N, but no more than 0.10 mg/L. The chlorine to ammonia-N ratio should be between 3:1 to 5:1. We recommend starting at a ratio of 4:1. If this ratio is easily maintainable without going over a 5:1 ratio, then we recommend increasing the ratio to 4.5:1, as long as the ratio is always maintained below 5:1. We recommend maintaining a minimum total chlorine concentration leaving the well stations at 2.0 mg/L. Based on how this residual is maintained in the distribution system and potential nitrification occurrences, HAWC may want to increase this to 2.5 mg/L and higher if necessary. However, the regulatory limit for total chlorine is 4.0 mg/L.

Please note, monitoring will show the normal dynamic variations in these parameters and it is recommended that system specific control charts be developed with the monitoring data so, over time, upper and lower control limits can be established and trends can be identified to determine if corrections need to be made prior to problems developing.

Distribution System Sampling

HAWC is required to continue monitoring the total chlorine disinfection residual at all their total coliform rule (TCR) locations. We recommend trending residuals at each site graphically. Technical literature suggests that, after converting to chloramines, the total chlorine concentration at all monitoring points be maintained at 1.5 mg/l to 2.0 mg/L.

For the proposed chloraminated section of the HAWC service area we recommend that the parameters listed below be monitored at each tank in the proposed chloraminated zone and at three water distribution sample locations in the service area. When taking samples from the tanks, the tanks must be draining. One sample point will be representative of average water age in the system. The other three sample locations should represent more remote locations in the service area where water age may be older, and water quality should be closely monitored.

For the first year of monitoring, we recommend the following distribution sampling protocol. After the first year of monochloramine application, HAWC may be able to reduce the monitoring frequency for certain parameters. Also, after the first year of sampling, HAWC may be able to reduce the sampling frequency and locations based on results.

Parameter	Sample Type	Frequency
Nitrite	Grab	Twice a month
Free Ammonia	Grab	Twice a month
Total Ammonia	Grab	Twice a month
Temperature	Grab	Twice a month
Alkalinity	Grab	Twice a month
pH	Grab	Twice a month
Nitrate	Grab	If detecting nitrite
Free Chlorine	Grab	Weekly for two months, then twice a month
Total Chlorine	Grab	Weekly for two months, then twice a month
HPC	Grab	Weekly for two months, then twice a month

We recommend spring and fall flushing of the distribution system. Flushing will also help in areas that may be more susceptible to nitrification.

Corrosion Control Sampling

The 90th percentile sample results for both lead and copper are historically below the maximum contaminant levels (MCLs) in the HAWC system. The lead and copper samples taken prior to start up of the proposed chloramine system start ups should be used to compare to post monochloramine conversion lead and copper samples. We recommend sampling and monitoring three sample sites (preferably the sample sites will be located in areas that experience the longest water age and if appropriate sample during the warmest water periods) in the proposed chloraminated section of the HAWC service area every 60 days for the first 6 months after the chloramine systems go online. If the lead and copper results from the three sites indicate no significant change in lead and copper levels, then all 20 existing monitoring sites should be tested for lead and copper and associated distribution water quality parameters including pH. This will give the chloramines sufficient time to move through the distribution system, and any effects the chloramines may have on corrosion control can be observed. If lead and copper levels remain low, no further action should be required. If lead and copper levels significantly increase, system oxidation-reduction potential (ORP) levels should be evaluated, monitoring for nitrification should occur and any appropriate changes proposed to DES.

Example Start Up and Initial Operation Plan

As stated above, HAWC should consider starting the chloramine production at a chlorine to ammonia-N ratio (calculated

as mg Cl per mg N) of 4:1. If this ratio is easily maintainable without going over a 5:1 ratio, then we recommend increasing the ratio to 4.5:1, as long as the ratio is always maintained below 5:1. The goal is to prevent residual ammonia by not adding enough chlorine that contributes to nitrification risk and also to minimize the potential hazards of dichloramine which can include taste, odors, poor disinfection and potential for NDMA formation by adding too much chlorine.

We recommend starting at a total chlorine concentration of (1.0 to 1.3 mg/L) as measured at the CT sample points. After two days, we recommend the total chlorine concentration leaving (as measured at the 100-foot sample taps) the well stations be adjusted to 2.0 mg/L total chlorine.

The Cl to N ratio and the total chlorine levels shall always be monitored carefully. Please note, when calculating the chlorine to ammonia ratio, two common errors often happen; the ratio is calculated as Cl₂ to N or as Cl₂ to NH₃. If the chlorine to ammonia ratio is calculated using those parameters you do not get the ratio value necessary to assess if ideal chlorine to ammonia concentrations are present. The ratio shall always be calculated as Cl to N only.

If the total chlorine residual at the 100 foot sample tap is not present, the ammonium sulfate feed pumps shall be locked out and an alarm shall be activated to notify the operators.

The goal for total chlorine residual at all distribution sample sites should be 1.5 mg/L to 2.0 mg/L. Once the distribution system water quality data indicates the system has been fully converted to monochloramine, the residual dosage as measured at the well station 100-foot sample taps should be adjusted accordingly (the maximum chloramine dosage should not exceed 2.5 mg/L without special monitoring).

Nitrification Action Plan (NAP)

Nitrite (NO₂⁻) is a primary indicator for nitrification and is typically used as the basis for nitrification response activities. The following table presents one example of a NAP.

Action Level	Nitrite Levels (mg/L)	Response
Level 1	less than 0.01	Background NO ₂ -N Continue bi-weekly monitoring
Level 2	0.01 to less than 0.015	Decrease free ammonia nitrogen Increase monitoring to weekly Start HPC monitoring at tanks and high water age distribution sites
Level 3	0.015 to 0.025	Decrease free ammonia feed Increase to daily monitoring
Level 4	greater than 0.025	Corrective action needed

The above table represents one example of a NAP. However, field testing kits for nitrite can be difficult to reliably

distinguish between 0.01 and 0.02 mg/L of nitrite. Please refer to a second NAP example (prepared by the Texas Commission on Environmental Quality (TCEQ)) in Appendix A.

In addition, control charts for ammonia/nitrite/nitrate and HPCs from routine monitoring could be effectively used as an early detection of nitrification in the system.

If corrective action is needed, HAWC should consider flushing, draining storage tanks, adjusting the chlorine to ammonia-N ratio, and/or increasing the total chlorine dosage. If none of these techniques address the nitrification issue, then a free chlorine burn of the system should be considered. Also, it should be noted that it is possible that corrective active may be required in one section of the distribution system and not necessarily in another section.

Monochloramine Start-Up Plan

Prior to Week 1:

- Final notice to public of water system transition
- Calibration of analyzers
- Testing of alarms for ammonium pumps

Day 1 of Transition:

- Check/monitor chlorine pump
- Check/monitor ammonia pump
- Begin daily sampling of free ammonia/chlorine

Day 2:

- Review sampling data for free ammonia/free chlorine, total chlorine
- Adjust pumps as needed for desired residual

Day 3:

- Review sampling data for free ammonia/free chlorine, total chlorine
- Adjust pumps as needed for desired residual
- Sample at existing distribution system sampling locations for monochloramine residual

Day 7:

- If monochloramine residual is consistent throughout sampling locations, begin monthly distribution testing program as outlined within the *Monitoring/Sampling Plan*
- If inconsistent or undesirable, continue daily monitoring schedule

Day 30:

- Review distribution sampling data, adjust chlorine/ammonia feed systems as needed

Day 90-180:

- Review lead and copper sampling data, determine if increased sampling/corrosion control action is necessary
- Review distribution data and residual level, adjust chlorine/ammonia feed systems as needed

Lead Service Investigation

HAWC officials have notified us that they don't believe there are any lead water services in the HAWC distribution system. The water system is predominantly PVC distribution pipe with the oldest pipe dating back to the mid-1970's. Lead plumbing could be present in houses, however.

The following figures display the historical lead and copper sampling results obtained within both Hampstead and Atkinson portions of the HAWC System.

Figure 4 – Hampstead Lead and Copper Sampling Data

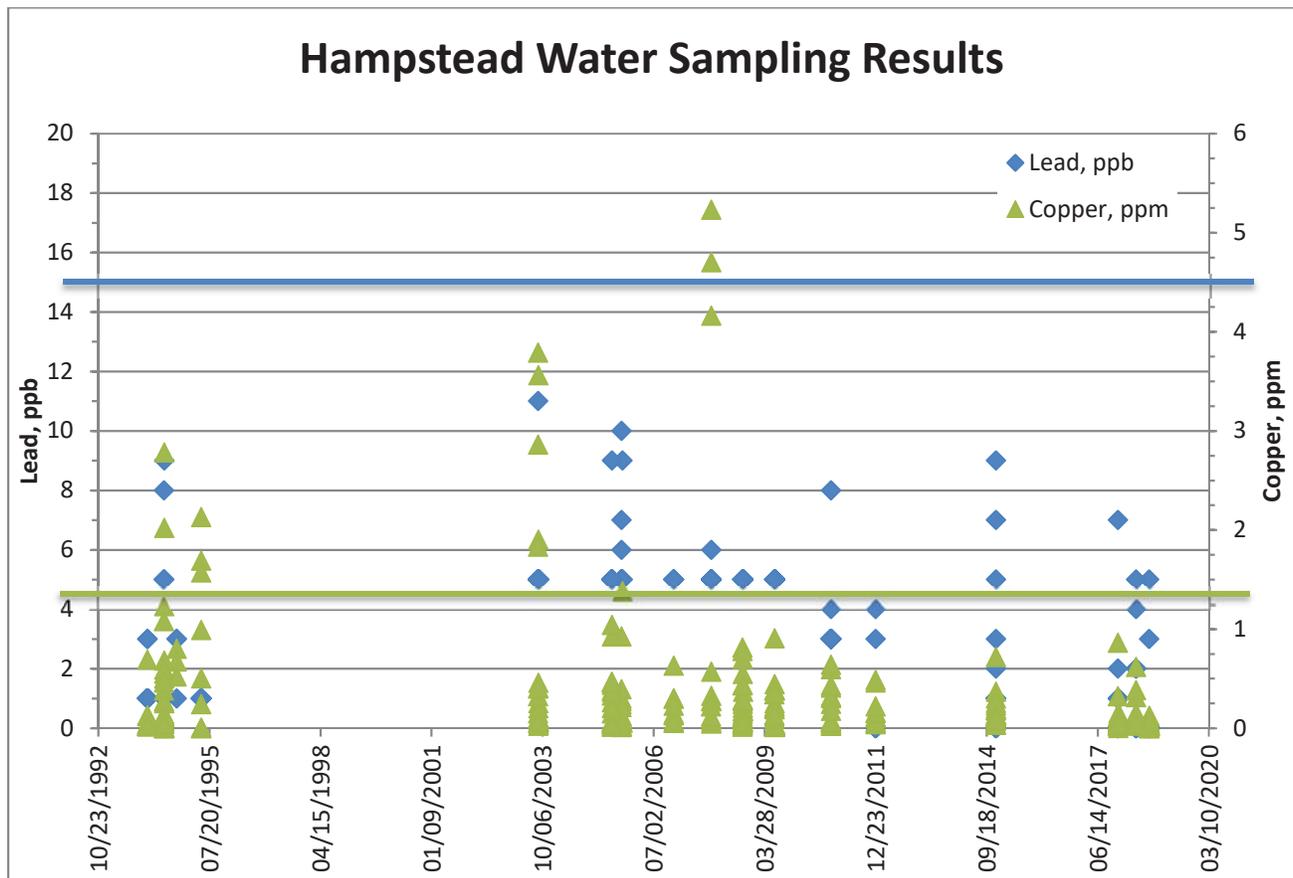


Figure 4 shows that recent sampling results for both lead and copper concentrations within the Hampstead area of the water system are below the regulatory action levels of 15 ppb and 1.3 ppm, respectively. It should be noted that Figure 4 does show historical copper levels above 1.3, however.

Figure 5 – Atkinson Lead and Copper Sampling Data

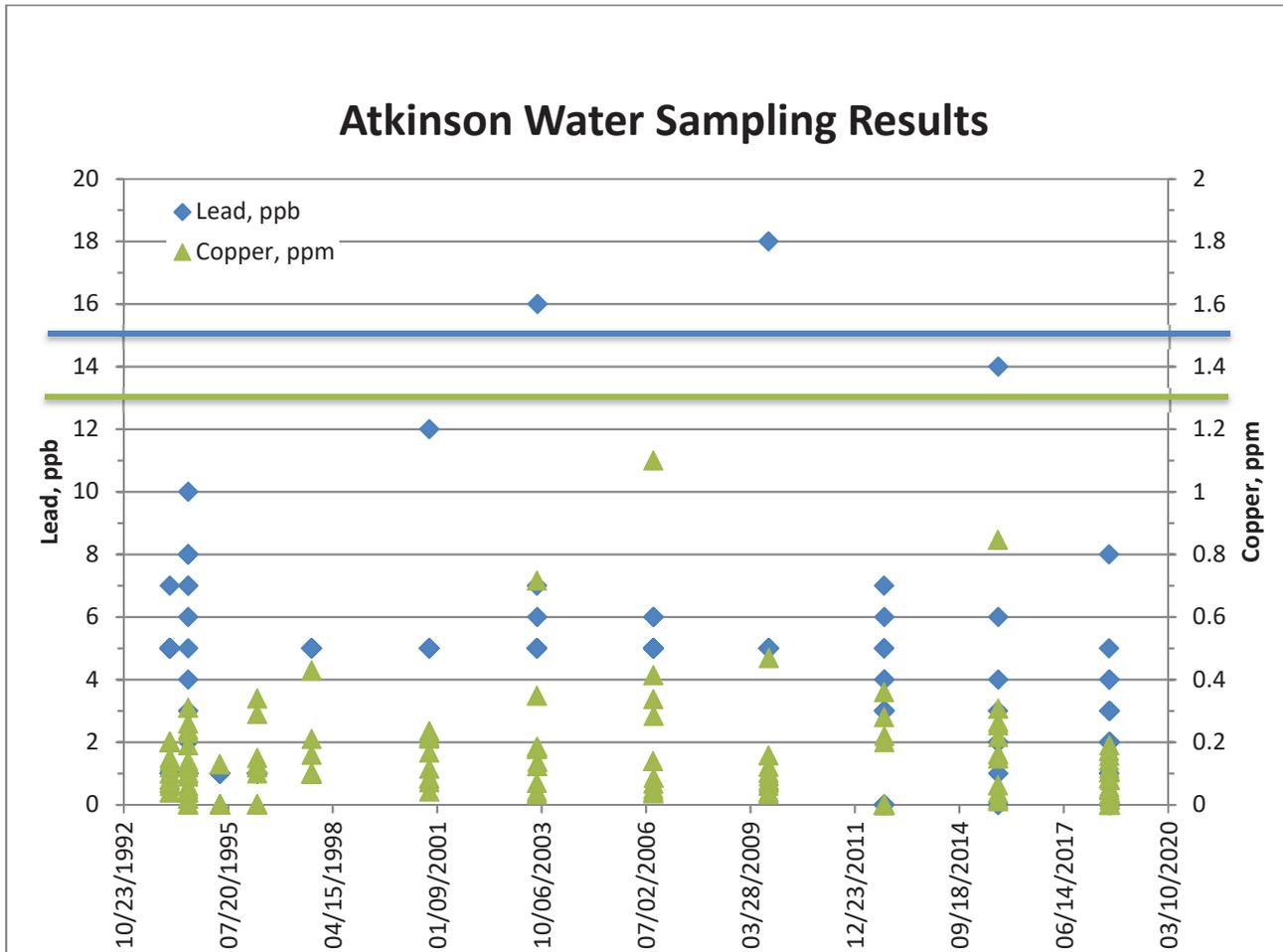


Figure 5 shows that recent sampling results for both lead and copper concentrations within the Atkinson area of the water system are below the regulatory action levels of 15 ppb and 1.3 ppm, respectively. However, Figure 5 shows historical lead levels have been above 15 ppb.

The above figures can be used to assist with identifying areas for additional lead and copper monitoring during chloramination start up activities.

The complete list of sampling data and corresponding sampling locations has been included at the end of this report under Appendix B.

Dr. James Malley Chloramine Study Review Comments

The following is a summary of comments from Dr. Malley after his review of this document:

“After review of the document and checking it against references on industry practice such as AWWA manuals and EPA guidance the following are my summary comments:

1. As we look at the three options reviewed here, it is my view that the option that would be best to implement for long-term operational success and public health protection would be the proposed Water System Separation and Water Storage tank.
2. My suggestion for the chloraminated systems would be to strive for minimum total chlorine residual to be 1 mg/L as Cl₂ and an optimum total chlorine residual to be 1.5 mg/L as Cl₂ based on the current state of the art and findings in research by EPA and AWWA.
3. The monitoring plans proposed should be expanded at least for the first several years of operation to ensure that issues with chloramine dosing and control, nitrification, dichloramine formation and potential for changes in the systems corrosion potential are minimized. I am particularly skeptical of reliance solely on low level nitrite monitoring. Once systems are stable and monitoring is pointing towards ways of making the monitoring more focused and efficient then reduction in what is monitored and/or how frequently can be approved. In addition, it is strongly recommended to develop from the monitoring results a control chart process control approach that would easily allow trends to be identified before any problems in the water quality or in the DS can get too far out of the operating limits.”

Summary

Weston & Sampson has not identified a community in New England that practices the blending of free chlorine and chloramines on a sustained basis. In lieu of sustained blending, this report summarizes our findings regarding the options available for HAWC’s chlorinated system to receive chloraminated SNHRW supply. The options explored include the destruction of chloramines prior to entry into HAWC’s water system or converting HAWC’s water system to chloramines. The use of UV or carbon filtration for chloramine destruction could reduce chloramine concentrations prior to entry into the HAWC water system. However, since free chlorine would need to be added to the water (after the reduction of chloramines occurs) disinfection by-product (DBP) formation could occur depending on the presence and levels of disinfection byproduct precursors (e.g. total organic carbon) in the Salem/MWW water. Also, it is unknown how much chloramines could be reduced through either destruction method without conducting pilot studies.

Converting HAWC’s system to chloramines allows the chloraminated SNHRW supply to mix with chloraminated HAWC supplies. Although mixing can occur, intensive distribution system sampling, monitoring for nitrification and monitoring for proper, sustained chlorine to nitrogen ratios will be critical through the first year of chloramine operation throughout the HAWC water system. The operational difficulties and costs of managing up to 13 small

chloramine systems given limited staffing and the need for daily attention and monitoring should be considered when assessing the approach to converting HAWC's system from chlorine to chloramines. Converting a portion of the HAWC water system from chlorine to chloramine (rather than the entire HAWC water system at first) would allow HAWC's operators to understand the challenges of operating a chloramine system. After the chloramine system has been operated and maintained for a period of time, HAWC officials could reassess the advantages and disadvantages of converting the entire HAWC water system to chloramines.

Recommended Additional Work

The following items are outside the original scope of work for this project. The following is an initial list of recommended additional work to be considered for this project:

1. The water quality from Salem prior to entry into HAWC should be reviewed. Specifically, the predicted water quality from a blended SNHRW water supply and the Salem water supply should be estimated and used to assess if any additional issues or design considerations should be established (e.g. pH or alkalinity adjustment, etc.). Conducting an RTW model of the water sources is recommended at this time. Investigating any disinfection byproduct concerns, different pH and/or alkalinity concerns and water age concerns should be reviewed.
2. A cursory review of each existing HAWC well station that is scheduled to be modified for chloramine production is required. Preliminary chemical handling review and chloramine conversion design (such as chemical pump sizing, chemical storage sizing, building modification design (if applicable)) should be performed at this time.
3. A mixer in the proposed 1.0 MG storage tank near Winslow Drive in Atkinson is recommended to decrease water age concerns in the chloraminated section of the HAWC distribution system. Designing a mixer for the tank should be performed at this time.
4. A review of TTHM and HAA5 sampling sites should occur. The potential for DBP formation should be examined, contingent upon the option chosen for furnishing HAWC with chloraminated SNHRW supply. Using the SNHRW model, new monitoring locations should be recommended in the HAWC water system. Lead and copper sites should also be reviewed and recommendations made regarding locations to monitor during chloramine start up and initial operations. Distribution system sampling parameters should also be expanded to include DBP sampling protocol.

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References

Partnership Resources (2014) A Closer Look at Chloramine and Nitrification Monitoring. Available at <https://www.awwa.org/AWWA-Articles/ArticleId/2486/TECH-TIP-a-closer-look-at-chloramine-and-nitrification-monitoring>

Appendix A

Nitrification Action Plan Summary
Texas Commission on Environmental Quality

Nitrification Action Plan (NAP) Summary

The Texas Commission on Environmental Quality (TCEQ) has information about nitrification on our web site at: www.tceq.texas.gov/drinkingwater/disinfection/nitrification.html.

The TCEQ's data for Texas public water systems (PWSs) is available at: <http://dww2.tceq.texas.gov/DWW/>.

This summary is intended to describe and supplement the rule requirements of Title 30, Texas Administrative Code (30 TAC) Chapter 290. In the event of any unintended discrepancy between the rule and this guidance, the rule language shall apply.

Purpose of NAP: The purpose of a Nitrification Action Plan (NAP) is to ensure that chloramine disinfection is successful by preventing and/or responding to nitrification.

NAP Sampling: The rule gives the minimum requirements. It may be necessary for PWSs to perform additional sampling to characterize the adequacy of disinfection in their distribution system.

Critical Control Conditions for Chloramination

Total Chlorine	<ul style="list-style-type: none"> Total chlorine is the sum of all active chlorine species. It is the regulated level. The minimum allowable total chlorine residual is 0.5 mg/L throughout the distribution. The maximum residual disinfectant level (MRDL) for total chlorine is 4.0 mg/L based on the running annual average (RAA) of all samples collected in distribution. Maintaining a residual over the 4.0 mg/L at entry points is not a violation in and of itself. The minimum and maximum residuals in distribution are reported on the Disinfectant Level Quarterly Operating Report (DLQOR) or the Surface Water Monthly Operating Report (SWMOR).
Mono-chloramine	<ul style="list-style-type: none"> Monochloramine is the disinfecting member of the chloramine family. Ideally, all of the total chlorine will be present as monochloramine. Keeping track of the ratio of monochloramine to total chlorine can help alert you to possible nitrification.
Free Ammonia	<ul style="list-style-type: none"> Free ammonia reacts with free chlorine to make monochloramine and other chloramines. Then, as the monochloramine decays, free ammonia is released. Free ammonia and total ammonia may be present in source water.
Nitrite	<ul style="list-style-type: none"> Nitrite is formed by ammonia-oxidizing bacteria which 'eat' ammonia. Nitrite may be present in source water. Nitrite has a health-based maximum contaminant level (MCL) of 1 mg/L at entry points, but is not regulated at distribution system sample sites. However, it is still a public health concern when it is over the MCL.
Nitrate	<ul style="list-style-type: none"> Nitrate is formed by nitrite-oxidizing bacteria which 'eat' nitrite. Nitrate is often present in source water, especially groundwater. Nitrate has a MCL of 10 mg/L at entry points, but is not regulated at distribution system sample sites. However, it is still a public health concern when over the MCL.

Other process management parameters

Free Chlorine	<ul style="list-style-type: none"> You are not required to measure free chlorine, except during a temporary conversion to free chlorine performed as a preventive or corrective action.
pH	<ul style="list-style-type: none"> A decrease in pH can indicate nitrification. Therefore, pH measurement is recommended at systems with low alkalinity. PWSs that use pH elevation for corrosion or nitrification control should also monitor pH in the distribution system. Some PWSs are required to measure pH as part of the Lead and Copper Rule requirements for WQP (water quality parameter) testing.
HPC	<ul style="list-style-type: none"> HPC means 'heterotrophic plate count' bacteria. HPC can be a useful tool to measure the concentration of a broad range of bacteria. An increase in HPC can indicate nitrification. PWSs are not required to measure HPC.

Other process management parameters	
Other indicators	Nitrification/denitrification indicators used in wastewater treatment such as dissolved oxygen, alkalinity, oxidation-reduction potential may be useful for drinking water in future, but need further research.

NAP Sample Sites
Sample sites must represent the distribution system and all entry points. In addition to routine NAP sample sites, additional locations will need to be sampled when taking action to identify the area where nitrification is happening.
Storage Tanks: Storage facilities can increase water age. Consider the impact of storage when determining sample sites.

Sample Sites Before and After Chemical Injection	
Sources	
Groundwater	<ul style="list-style-type: none"> All wells are required to have pre-disinfection sample taps representing the raw water. If only one well and one entry point are present, entry point nitrite/nitrate sample results may be used to represent source water nitrite/nitrate levels. If more than one well feeds one entry point, nitrite, nitrate, and free ammonia sampling must be performed at each well.
Surface water (and GUI)	<ul style="list-style-type: none"> Surface water systems must monitor raw water for nitrite, nitrate, and free ammonia representing each raw water intake. GUI is groundwater under the direct influence of surface water. GUI must meet the requirements for surface water.
Purchased Water	<ul style="list-style-type: none"> For purchased water, the source sample site is usually the entry point sample site. Systems that purchase and redistribute potable water must measure total chlorine, monochloramine, free ammonia, nitrite, and nitrate immediately after the water enters their system.

Entry Point(s)	
<ul style="list-style-type: none"> Entry points are defined as a point where treated water enters distribution. All entry points are required to have a representative tap. Entry points are numbered. You can verify this number on TCEQ's website: 'Drinking Water Watch' at http://dww2.tceq.texas.gov/DWW/. For the purposes of a NAP, entry point sampling is the same regardless of the water source type. 	
<p>Sampling is required to make sure that the correct chlorine-to-ammonia (Cl:N) ratio exists. The Cl:N ratio is calculated from the mass of free chlorine to the mass of free-ammonia-nitrogen.</p> <ul style="list-style-type: none"> The desired range of Cl:N is ~4:1 to 5:1. The range from 5:1 to 8:1 is undesirable because of di- and trichloramine formation; above 8:1 all nitrogen is lost and free chlorine is present. <p>PWS staff should become familiar with breakpoint chemistry. Good mixing during treatment is very important. Poor mixing can cause ineffective disinfection.</p>	
Order of addition	<ul style="list-style-type: none"> When chlorine is injected upstream of any other disinfectant, the ammonia injection point must be downstream of the chlorine injection point. When chlorine and ammonia are added to distribution water that has a chloramine residual, ammonia should be added first. When chlorine and ammonia are added to distribution water that has a free chlorine residual, chlorine should be added first.

Entry Point(s)	
Before chemical addition	<ul style="list-style-type: none"> • Sampling must be performed upstream of the chlorine or ammonia chemical injection point, whichever is furthest upstream. • If free ammonia is present in the source, raw water sampling should be performed weekly. • If the source is purchased potable water, total chlorine, monochloramine, and free ammonia must be monitored at least weekly and dosing should consider influent levels.
During treatment	<ul style="list-style-type: none"> • Chlorine must be injected before ammonia. • Sampling must be performed downstream of all the chlorine and ammonia chemical injection points.
Booster disinfection	<ul style="list-style-type: none"> • The free ammonia (as nitrogen) and monochloramine residuals must all be monitored if the treatment occurs in the distribution system. The monitoring must occur at the same time as a total chlorine compliance sample. • If potable water is re-disinfected, the disinfectant residual must not fall below the minimum anywhere, including right before treatment. • The residual of the chemical injected upstream should be determined to properly dose the downstream chemical.

Distribution System Sample Sites	
<ul style="list-style-type: none"> • Routine coliform and/or disinfectant residual sites may be used for NAP sample sites. • Sites must represent the distribution system and represent average and high water age. Small systems may be adequately represented with two or three sites; medium and large systems will need to specify more sites to adequately detect and prevent potential nitrification. The rule does not specify the exact number of sample sites because of the diversity among PWSs. • It is recommended that 'critical control points' be selected. In distribution, these may be at interconnections between major mains, storage facilities, pump stations, and interconnections with other PWSs. • Sample sites must represent all pressure planes 	
Average water age	<ul style="list-style-type: none"> • As a first estimate, average water age can be estimated from historical data as locations with average total chlorine residual. • Enough average water age sites must be selected to represent multiple pressure planes.
High water age	<ul style="list-style-type: none"> • High water age may occur at the far reaches of the distribution system, in under-used areas, or as a result of storage. • Sites should represent all pressure planes.

NAP Sample Frequency

Sample Frequency: The rule lists the minimum sampling requirements. It may be necessary for PWSs to perform additional sampling to characterize their distribution system.

	At or after all Entry Point(s)	In the distribution system	Before and after any chlorine or ammonia injection points
Total Chlorine	Weekly.	Daily/weekly. ^a	Weekly and before and after adjusting the chlorine or ammonia feed rate.
Mono-chloramine		At least weekly. ^b	
Free Ammonia			
Nitrite and Nitrate	Monthly for six (6) months, then quarterly.	At least quarterly and in response to action triggers.	Routine sampling not required.

^a. Total chlorine must be collected weekly or daily, based on the system size, in accordance with §290.110.

^b. When collecting a routine sample such as a bacteriological or routine disinfectant residual sample.

Methods

The methods used must be accurate enough to measure changes that can indicate nitrification. You must document the method and/or laboratory for total chlorine on your PWS Laboratory Approval Form (Form # TCEQ-10450) attached to your Monitoring Plan. The methods and/or laboratories used for monochloramine, free ammonia, nitrite and nitrate must be documented in your NAP.

Required Accuracy

Total Chlorine	0.1 mg/L	<ul style="list-style-type: none"> Total chlorine must be analyzed in the field. Amperometric titration, DPD ferrous titration, or DPD colorimetric are the required methods. Check the range of your kit. If a sample is outside range, dilute and reanalyze.
Mono-chloramine	0.15 mg/L	<ul style="list-style-type: none"> Monochloramine must be analyzed in the field. Any method approved for the drinking water matrix is acceptable.
Free Ammonia (as nitrogen)	0.1 mg/L	<ul style="list-style-type: none"> Free ammonia must be analyzed in the field. Ammonia is measured as 'free available ammonia as nitrogen.' Check the range of your kit. The most common one pegs out at 0.55 mg/L. Samples over that level must be diluted and re-analyzed. Any method approved for the drinking water matrix is acceptable.
Nitrite (as nitrogen)	0.01 mg/L	<ul style="list-style-type: none"> Nitrite and nitrate may be analyzed in the field and/or in an accredited or approved lab.
Nitrate (as nitrogen)	0.1 mg/L	<ul style="list-style-type: none"> If samples are analyzed at an outside approved lab, keep a copy of that lab's accreditation documents with your NAP.

Goals and Baselines

Goals and baselines are the normal, good levels at each point in the distribution system.

- 'Goals' are set for total chlorine, monochloramine, and free ammonia to make sure that disinfection is maintained correctly.
- 'Baselines' are set for nitrite and nitrate, because they come from source water, and are less under a system's control.

Initial results and historical data are used to set goals and baselines.

Ongoing, routine sampling is used to detect potential nitrification and take appropriate action.

Total chlorine and Mono-chloramine Goals	<ul style="list-style-type: none"> Total chlorine and monochloramine should always be about the same, so their goals can be set at the same value. The entry point goal should be high enough so that the maximum water age site can achieve its goal over the minimum of 0.5 mg/L plus a safety factor.
Free ammonia Goal	<ul style="list-style-type: none"> Ideally, water at entry points just after treatment would have zero free ammonia residual because free ammonia is 'food' for the nitrifying bacteria. Having a trace of free ammonia shows that the water is in the monochloramine zone. Free ammonia naturally increases with time. The free ammonia goals in average and high water age locations should represent good, normal operating conditions.
Nitrite and nitrate Baselines	<ul style="list-style-type: none"> The nitrite and nitrate baselines are the concentrations in the source water. The nitrite and nitrate in the distribution system should always be the same as the source water. The only thing that can change them is either nitrification, backflow or cross connection, or source water changes.

Triggers: Yellow Flag Alerts, Red Flag Alarms	
<p>Yellow flag 'alert' triggers: Yellow flag levels are somewhat out of the norm, indicating that nitrification may have started. Some action to get back to normal is needed, but it is probably a routine type of action like flushing.</p>	
<p>Red flag 'alarm' triggers: Red flag levels happen when it becomes difficult to maintain a compliant total chlorine residual, and there is a strong possibility that nitrification is the culprit. If routine actions don't get the system back to normal, more intense action will be needed.</p>	
Total chlorine	<ul style="list-style-type: none"> Total chlorine is the regulated value, so most systems have more data for total chlorine than any other constituent. Therefore, PWSs should have at least a year of historical weekly or daily data to use for setting triggers. If a nitrification event has occurred, the exact levels where nitrification took place can be used. Otherwise, yellow and red trigger levels should be estimated.
Mono-chloramine	<ul style="list-style-type: none"> Ideally, 100% of the total chlorine should be present as monochloramine. Systems may have characteristic ratios of monochloramine-to-total, for example: 80% or 90%.
Free ammonia	<ul style="list-style-type: none"> Ammonia will decrease during nitrification. If ammonia is not detected, nitrification is the likely cause.
Nitrite	<ul style="list-style-type: none"> Nitrite may increase or decrease during nitrification. Therefore, any significant deviation of the nitrite level could indicate nitrification. During the initial stages of nitrification, nitrite will increase; as nitrification progresses, nitrite will drop as it is converted to nitrate.
Nitrate	<ul style="list-style-type: none"> Nitrate increases when nitrification is very bad. The only possible reasons for nitrate to increase are: <ul style="list-style-type: none"> Nitrification, Cross-connection, backflow, or backsiphonage of sewage or fertilizer, or Source water contamination. Any of these is a major issue.

Actions	
<p><i>Note: The TCEQ provides these examples of actions for guidance only. Each PWS that uses chloramines must select actions appropriate to its unique circumstances.</i></p>	
<ul style="list-style-type: none"> Normal operations: When disinfection is going well, preventive actions are used to keep it going that way. This is the 'green zone.' 	
<ul style="list-style-type: none"> Yellow flag 'alert' actions: When your nitrification indicators hit yellow flag levels, some action is needed to get back to normal. Often these corrective actions are similar to the preventive actions, like sampling and flushing. 	
<ul style="list-style-type: none"> Red flag 'alarm' actions: When the total chlorine residual drops to low levels, nitrification may have progressed far enough that more extreme measures are needed to get back on track. If not, there may be another problem like cross-connection or treatment failure that needs attention. 	
Routine Preventive Actions / Yellow Flag Alert Corrective Actions	
Sample verification	<ul style="list-style-type: none"> Before making a decision on what further action to take, it's a good idea to double-check the first measurement. It is a good idea to double-check accuracy routinely to document the variability of the analysis method.
Nitrite/nitrate sampling	<ul style="list-style-type: none"> Nitrite is a key indicator of nitrification. If chloramine-effectiveness measurements are off-spec, nitrite and nitrate sampling is necessary to determine if nitrification is happening. Although the rule only requires 6 samples to set baselines, more nitrite and nitrate data will improve your ability to respond to potential nitrification.
Determine affected area	<ul style="list-style-type: none"> Nitrification is a biological process, so it can 'bloom' in one portion of the distribution system while other areas remain okay. Determining what area is affected will allow a targeted response to effectively stop the nitrification.

Actions	
Flushing	<ul style="list-style-type: none"> Flushing can bring fresh water with a strong chloramine residual to a location where disinfectant levels are decreasing. However, it is only a short-term solution because of the conservation, economic and customer relation impacts. Every PWS is required to flush every dead-end main (DEM) each month.
Uni-directional flushing	<ul style="list-style-type: none"> Unidirectional flushing (UDF) is a way of organizing flushing to achieve a velocity of 5 feet-per-second (fps) in the pipe. At 5 fps, suspended sediment is effectively removed. UDF can be used to target a problem area.
Pigging	<ul style="list-style-type: none"> Pigging is the process where a cylindrical 'pig' is forced through a water main with hydraulic pressure, forcing sediment to be scraped off the walls then removed at a flush point. Pigging is best used where the system has been designed with entry and exit points for the pig. Pigging is not considered practical for old, weak pipe.
Storage tank operation	<ul style="list-style-type: none"> Storage is often a cause of increased water age. Optimizing storage tank operations means selecting the best operating levels, where there is enough water for use, but not so much that it sits in the tank decaying too long.
Free chlorine conversion	<ul style="list-style-type: none"> Free chlorine conversion is often called a 'burn', 'shock', or 'refresh'. When free chlorine is present, it starves nitrifying bacteria. Although a free chlorine conversion is sometimes thought of as an extreme measure, there are numerous PWSs that perform routine, annual free chlorine conversion as a preventive measure. Email the TCEQ at DBP@tceq.texas.gov 30 days before doing a free chlorine conversion.
Red Flag Corrective Actions	
Routine Actions	<ul style="list-style-type: none"> The same actions (listed above) that are used for preventive maintenance and yellow-flag correction may be a part of the corrective actions used for red-flag actions.
Free chlorine conversion	<ul style="list-style-type: none"> Free chlorine conversion is often used to respond to nitrification. Contact TCEQ at 512-239-4691 or DBP@tceq.texas.gov to discuss scheduling a free chlorine conversion.

Seek professional help for engineered modifications	
TCEQ's Plan and Technical Review Section can assist you with questions related to the process of getting approval for engineered solutions at 512-239-4691 or on the web at TCEQ Plan Review Website .	
Looping mains	<ul style="list-style-type: none"> If a PWS identifies nitrification due to dead-end mains (DEMs), it may be appropriate to perform infrastructure replacement in the problem area to manage water age. Every PWS is required to have a program to minimize stagnation of water due to DEMs.
Tank changes	<ul style="list-style-type: none"> Tanks can be a source of major water age. In some cases, a PWS may choose to completely eliminate tanks or replace larger tanks with smaller ones. Some PWSs have found mixing to be helpful in eliminating chloramine residual loss due to tank stratification. Tanks must always have a compliant disinfectant residual.
Booster disinfection	<ul style="list-style-type: none"> If the size and shape of a distribution system are very challenging, the addition of booster chloramination may be appropriate. Usually, both chlorine and ammonia injection should be at the booster station. However, if the water upstream of the booster contains free ammonia, it is possible to inject chlorine to tie up that free ammonia and form monochloramines. In that case, ammonia injection may not be needed.
pH adjustment	<ul style="list-style-type: none"> Monochloramine is more stable at a higher pH. Nitrifying organisms grow more rapidly at pH 7.5 than at pH 8. For these reasons, a PWS may choose to adjust pH. If pH adjustment is used, the impact on corrosion control should be considered.

Seek professional help for engineered modifications	
Free chlorine & aeration	<ul style="list-style-type: none"> Some groundwater systems with high total organic carbon have used free chlorination followed by aeration to volatize chloroform to make it possible to meet disinfection byproduct regulations with a free chlorine distribution system residual.
Chlorite feed	<ul style="list-style-type: none"> Research shows that the presence of chlorite may slow or stop nitrification from developing. It will not necessarily work to stop nitrification that has already started. Chlorite is a regulated disinfection byproduct of chlorine dioxide. A system considering a chlorite feed should be prepared to perform chlorite sampling in distribution.
Other solutions?	<i>Research continues on nitrification. Some new methods may be snake oil, but others may turn out to be successful. Use professional development opportunities to learn about new technology.</i>

This is a template for starting a NAP. It is provided for guidance; a PWS must develop a site-specific NAP and map.

**Example: Nitrification Action Plan Template
Chloramine-Effectiveness Sample Suite**

Site	Chemical	Goal	Yellow Flag		Red Flag	
			Trigger	Actions	Trigger	Actions
Entry Point	Total / Mono	___ mg/L	___ mg/L		___ mg/L	
	Ammonia	___ mg/L	___ mg/L		___ mg/L	
Average water age	Total / Mono	___ mg/L	___ mg/L		___ mg/L	
	Ammonia	___ mg/L	___ mg/L		___ mg/L	
High water age	Total / Mono	___ mg/L	___ mg/L		___ mg/L	
	Ammonia	___ mg/L	___ mg/L		___ mg/L	
Nitrite/Nitrate						
Site	Chemical	Baseline	Yellow Flag		Red Flag	
			Trigger	Actions	Trigger	Actions
Entry Point	Nitrite	___ mg/L	___ mg/L		___ mg/L	
	Nitrate	___ mg/L	___ mg/L		___ mg/L	
Source water(s)	Nitrite	___ mg/L	___ mg/L		___ mg/L	
	Nitrate	___ mg/L	___ mg/L		___ mg/L	
Blended water	Nitrite	___ mg/L	___ mg/L		___ mg/L	
	Nitrate	___ mg/L	___ mg/L		___ mg/L	

Appendix B

HAWC Historical Lead and Copper Results

Sampling Locations - Hampstead	
Site ID	Site Name
1	10 VILLAGE GREEN /BLDG A UNIT 8
2	10 VILLAGE GREEN /BLDG B UNIT 6
3	10 VILLAGE GREEN BLDG B UNIT 2
4	10 VILLAGE GREEN /BLDG D UNIT 2
5	16 TANGLEWOOD DRIVE
6	22 TANGLEWOOD DRIVE
7	11 SQUIRE RIDGE ROAD
8	41 SCOTT DRIVE
9	48 SCOTT DR
10	25 WEST RD
11	8 MADISON DR
12	9 MADISON DR
13	233 EMERSON AVE
14	5 HOLLIS DR
15	6 HOLLIS DR
16	25 PARKLANE RD
17	39 SQUIRE RIDGE RD
18	2 MEREDITH DR
19	26 WEST RD
20	42 EMERSON AVE
21	187 E MAIN ST
22	172 BROWNHILL RD
23	43 HARPER RIDGE RD
24	70 HARPER RIDGE RD
25	82 HARPER RIDGE RD
26	13 LEWIS LANE /APT 13
27	8 HOLLIS DRIVE
28	16 PARKLANE RD
29	10 VILLAGE GREEN /BLDG B UNIT 8
30	64 INDIAN RIDGE RD
31	54 INDIAN RIDGE RD
32	5 BARTLETT RD
33	6 BARTLETT RD
34	26 WHEELWRIGHT RD
35	51 WHEELWRIGHT RD
36	6 SYLVESTER RD
37	60 GEISSER LN
38	166 WHEELWRIGHT RD
39	11 GRANITE CIRCLE
40	160 KENT FARM RD
41	13 CARRIAGE LN
42	55 GEISSER LN
43	3 CARRIAGE LN
44	45 GRANITE CIRCLE

Sampling Locations - Hampstead

Site ID	Site Name
45	5 PAGE LN
46	108 LEDGEWOOD DR
47	221 KENT FARM RD
48	106 LEDGEWOOD DR
49	10 BARTLETT RD
50	25 PAGE LN
51	52 GRANITE CIRCLE
52	18 CARRIAGE LN

Sampling Data - Hampstead					
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
52	9/27/2018	0	0	0.024	
8	9/24/2018	0	0	0.047	
11	9/24/2018	0	0	0.03	
34	9/23/2018	0	0	0	
10	9/22/2018	0	0	0.123	
38	9/22/2018	0	0	0	
47	9/22/2018	0	0	0	
50	9/22/2018	0	0	0	
14	9/21/2018	0	0	0.03	
15	9/21/2018	0	0	0.04	
19	9/21/2018	0	0	0.085	
40	9/21/2018	0	0	0.012	
41	9/21/2018	3	0.003	0.029	
45	9/21/2018	0	0	0	
46	9/21/2018	0	0	0.116	
12	9/20/2018	5	0.005	0.07	
27	9/20/2018	0	0	0.054	
43	9/20/2018	0	0	0.04	
48	9/20/2018	0	0	0.056	
51	9/20/2018	0	0	0.03	
39	9/19/2018	0	0	0.06	
36	5/25/2018	0	0	0.075	
43	5/25/2018	0	0	0.04	
52	5/25/2018	0	0	0.027	
3	5/24/2018	0	0	0.313	
5	5/24/2018	0	0	0.026	
6	5/24/2018	0	0	0.048	
7	5/24/2018	0	0	0.109	
11	5/24/2018	0	0	0.04	
12	5/24/2018	5	0.005	0.11	
13	5/24/2018	0	0	0.617	
19	5/24/2018	0	0	0.067	
22	5/24/2018	0	0	0.086	
26	5/24/2018	4	0.004	0.053	
27	5/24/2018	0	0	0.092	
29	5/24/2018	2	0.002	0.382	
31	5/24/2018	0	0	0.108	
35	5/24/2018	0	0	0.126	
39	5/24/2018	2	0.002	0.061	
45	5/24/2018	0	0	0.088	
50	5/24/2018	0	0	0.15	
51	5/24/2018	0	0	0.037	
10	12/18/2017	0	0	0.128	
11	12/18/2017	1	0.001	0.032	

Sampling Data - Hampstead					
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
49	12/18/2017	1	0.001	0.151	
38	12/15/2017	0	0	0	
39	12/15/2017	0	0	0.049	
45	12/15/2017	0	0	0.043	
46	12/15/2017	1	0.001	0.121	
13	12/14/2017	1	0.001	0.861	
15	12/14/2017	0	0	0.034	
22	12/14/2017	0	0	0.041	
27	12/14/2017	0	0	0.059	
29	12/14/2017	2	0.002	0.321	
30	12/14/2017	7	0.007	0.086	
34	12/14/2017	1	0.001	0.075	
41	12/14/2017	1	0.001	0.026	
43	12/14/2017	0	0	0.032	
51	12/14/2017	0	0	0.058	
52	12/14/2017	0	0	0.028	
5	12/13/2017	0	0	0.024	
6	12/13/2017	0	0	0.063	
9	12/13/2017	0	0	0.032	
17	12/13/2017	0	0	0.035	
50	12/11/2014	5	0.005	0.715	
8	12/10/2014	0	0	0.038	
10	12/10/2014	2	0.002	0.365	
12	12/10/2014	9	0.009	0.121	
18	12/10/2014	3	0.003	0.138	
22	12/10/2014	1	0.001	0.084	
24	12/10/2014	0	0	0.104	
26	12/10/2014	0	0	0.032	
28	12/10/2014	7	0.007	0.198	
32	12/10/2014	1	0.001	0.116	
34	12/10/2014	0	0	0.176	
36	12/10/2014	1	0.001	0.299	
38	12/10/2014	0	0	0.184	
44	12/10/2014	0	0	0.227	
46	12/10/2014	0	0	0.253	
48	12/10/2014	0	0	0.133	
52	12/10/2014	0	0	0.115	
14	12/9/2014	1	0.001	0.11	
30	12/9/2014	0	0	0.073	
17	12/23/2011	0	0	0.038	
19	12/23/2011	0	0	0.054	
25	12/23/2011	0	0	0.102	
33	12/23/2011	0	0	0.484	
41	12/23/2011	0	0	0.115	

Sampling Data - Hampstead					
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
7	12/22/2011	3	0.003	0.461	
23	12/22/2011	0	0	0.058	
31	12/22/2011	4	0.004	0.157	
39	12/22/2011	0	0	0.15	
49	12/22/2011	0	0	0.219	
4	11/17/2010	3	0.003	0.593	
6	11/17/2010	3	0.003	0.024	
8	11/17/2010	3	0.003	0.042	
10	11/17/2010	3	0.003	0.06	
14	11/17/2010	3	0.003	0.071	
18	11/17/2010	4	0.004	0.244	
22	11/17/2010	3	0.003	0.06	
26	11/17/2010	3	0.003	0.022	
28	11/17/2010	3	0.003	0.074	
30	11/17/2010	3	0.003	0.318	
34	11/17/2010	3	0.003	0.407	
36	11/17/2010	3	0.003	0.303	
38	11/17/2010	3	0.003	0.049	
46	11/17/2010	8	0.008	0.173	
48	11/17/2010	3	0.003	0.431	
50	11/17/2010	3	0.003	0.641	
44	6/30/2009	5	0.005	0.04	
45	6/30/2009	5	0.005	0.01	
20	6/29/2009	5	0.005	0.017	
25	6/29/2009	5	0.005	0.379	
31	6/29/2009	5	0.005	0.038	
35	6/29/2009	5	0.005	0.021	
44	6/29/2009	5	0.005	0.018	
22	6/25/2009	5	0.005	0.024	
23	6/25/2009	5	0.005	0.191	
24	6/25/2009	5	0.005	0.097	
26	6/25/2009	5	0.005	0.219	
36	6/25/2009	5	0.005	0.443	
37	6/25/2009	5	0.005	0.252	
42	6/25/2009	5	0.005	0.906	
45	6/25/2009	5	0.005	0.383	
10	6/24/2009	5	0.005	0.203	
34	6/24/2009	5	0.005	0.379	
38	6/24/2009	5	0.005	0.116	
39	6/24/2009	5	0.005	0.132	
40	6/24/2009	5	0.005	0.342	
46	9/15/2008	5	0.005	0.367	
6	9/14/2008	5	0.005	0.055	
26	9/14/2008	5	0.005	0.173	

Sampling Data - Hampstead					
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
10	9/12/2008	5	0.005	0.171	
19	9/12/2008	5	0.005	0.087	
21	9/12/2008	5	0.005	0.433	
22	9/12/2008	5	0.005	0.03	
24	9/12/2008	5	0.005	0.274	
30	9/12/2008	5	0.005	0.146	
37	9/12/2008	5	0.005	0.207	
39	9/12/2008	5	0.005	0.246	
45	9/12/2008	5	0.005	0.545	
47	9/12/2008	5	0.005	0.289	
49	9/12/2008	5	0.005	0.698	
52	9/12/2008	5	0.005	0.069	
31	9/11/2008	5	0.005	0.036	
38	9/11/2008	5	0.005	0.275	
41	9/11/2008	5	0.005	0.014	
42	9/11/2008	5	0.005	0.117	
51	9/11/2008	5	0.005	0.113	
34	9/10/2008	5	0.005	0.431	
43	9/10/2008	5	0.005	0.091	
44	9/10/2008	5	0.005	0.814	
48	9/10/2008	5	0.005	0.776	
23	9/9/2008	5	0.005	0.049	
17	12/4/2007	5	0.005	0.047	
19	12/4/2007	5	0.005	0.568	
1	12/3/2007	5	0.005	4.7	
3	12/3/2007	6	0.006	5.23	
7	12/3/2007	5	0.005	0.325	
13	12/3/2007	5	0.005	0.269	
21	12/3/2007	5	0.005	0.084	
23	12/3/2007	5	0.005	0.276	
25	12/3/2007	5	0.005	0.059	
29	12/3/2007	5	0.005	4.16	
15	12/2/2007	5	0.005	0.22	
27	11/30/2007	5	0.005	0.116	
2	12/29/2006	5	0.005	0.3	
8	12/29/2006	5	0.005	0.051	
10	12/29/2006	5	0.005	0.629	
14	12/29/2006	5	0.005	0.128	
18	12/29/2006	5	0.005	0.145	
22	12/29/2006	5	0.005	0.056	
24	12/29/2006	5	0.005	0.297	
26	12/29/2006	5	0.005	0.132	
28	12/29/2006	5	0.005	0.072	
30	12/29/2006	5	0.005	0.226	

Sampling Data - Hampstead					
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
9	9/28/2005	5	0.005	0.054	
11	9/26/2005	9	0.009	1.38	
5	9/15/2005	5	0.005	0.018	
7	9/15/2005	6	0.006	0.924	
8	9/15/2005	5	0.005	0.022	
10	9/15/2005	5	0.005	0.087	
13	9/15/2005	5	0.005	0.242	
14	9/15/2005	5	0.005	0.121	
15	9/15/2005	7	0.007	0.298	
17	9/15/2005	5	0.005	0.107	
21	9/15/2005	5	0.005	0.119	
22	9/15/2005	5	0.005	0.072	
23	9/15/2005	5	0.005	0.118	
24	9/15/2005	5	0.005	0.272	
25	9/15/2005	5	0.005	0.214	
26	9/15/2005	5	0.005	0.032	
27	9/15/2005	5	0.005	0.093	
28	9/15/2005	10	0.01	0.013	
30	9/15/2005	5	0.005	0.393	
31	9/15/2005	5	0.005	0.01	
13	6/22/2005	5	0.005	0.924	
15	6/22/2005	5	0.005	0.438	
17	6/22/2005	5	0.005	0.045	
19	6/22/2005	5	0.005	0.017	
21	6/22/2005	5	0.005	1.04	
22	6/22/2005	5	0.005	0.067	
24	6/22/2005	5	0.005	0.262	
26	6/22/2005	5	0.005	0.061	
27	6/22/2005	5	0.005	0.329	
30	6/22/2005	5	0.005	0.147	
5	6/21/2005	5	0.005	0.056	
6	6/21/2005	5	0.005	0.043	
7	6/21/2005	5	0.005	0.466	
8	6/21/2005	5	0.005	0.015	
10	6/21/2005	5	0.005	0.062	
14	6/21/2005	5	0.005	0.383	
23	6/21/2005	5	0.005	0.203	
25	6/21/2005	5	0.005	0.365	
28	6/21/2005	9	0.009	0.034	
31	6/20/2005	5	0.005	0.463	
20	9/4/2003	5	0.005	0.097	
31	9/3/2003	5	0.005	0.066	
6	9/2/2003	5	0.005	0.037	
4	8/29/2003	5	0.005	0.405	

Sampling Data - Hampstead					
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
7	8/29/2003	5	0.005	1.9	
10	8/29/2003	5	0.005	0.083	
17	8/29/2003	5	0.005	0.051	
19	8/29/2003	5	0.005	0.022	
21	8/29/2003	5	0.005	0.251	
23	8/29/2003	5	0.005	0.199	
29	8/29/2003	5	0.005	3.56	
30	8/29/2003	5	0.005	0.455	
1	8/28/2003	11	0.011	3.79	
2	8/28/2003	5	0.005	2.86	
5	8/28/2003	5	0.005	0.1	
8	8/28/2003	5	0.005	0.148	
13	8/28/2003	5	0.005	1.83	
22	8/28/2003	5	0.005	0.058	
24	8/28/2003	5	0.005	0.323	
25	8/28/2003	5	0.005	0.398	
10	5/8/1995	1	0.001	1.69	
13	5/8/1995	1	0.001	2.13	
21	5/8/1995	1	0.001	0.5	
22	5/8/1995	1	0.001	0.001	
23	5/8/1995	1	0.001	0.001	
24	5/8/1995	1	0.001	0.001	
25	5/8/1995	1	0.001	0.001	
26	5/8/1995	1	0.001	0.24	
27	5/8/1995	1	0.001	0.99	
28	5/8/1995	1	0.001	1.57	
11	9/27/1994	3	0.003	0.8	
13	9/27/1994	3	0.003	0.52	
20	9/27/1994	1	0.001	0.67	
1	6/7/1994	1	0.001	0.25	
2	6/7/1994	1	0.001	0.001	
3	6/7/1994	1	0.001	0.001	
4	6/7/1994	1	0.001	0.001	
5	6/7/1994	1	0.001	0.001	
6	6/7/1994	1	0.001	0.001	
7	6/7/1994	1	0.001	0.001	
8	6/7/1994	1	0.001	0.11	
9	6/7/1994	1	0.001	0.06	
10	6/7/1994	1	0.001	2.78	
11	6/7/1994	1	0.001	0.14	
12	6/7/1994	1	0.001	0.5	
13	6/7/1994	9	0.009	2.02	
14	6/7/1994	1	0.001	0.08	
15	6/7/1994	1	0.001	0.12	

Sampling Data - Hampstead				
Site ID	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm
16	6/7/1994	1	0.001	0.55
17	6/7/1994	1	0.001	0.68
18	6/7/1994	1	0.001	0.59
19	6/7/1994	1	0.001	0.04
20	6/7/1994	1	0.001	1.23
14	6/6/1994	5	0.005	1.08
15	6/6/1994	5	0.005	0.38
16	6/6/1994	5	0.005	0.46
17	6/6/1994	8	0.008	0.27
1	1/6/1994	1	0.001	0.69
2	1/6/1994	1	0.001	0.02
3	1/6/1994	1	0.001	0.02
4	1/6/1994	1	0.001	0.02
5	1/6/1994	1	0.001	0.05
6	1/6/1994	1	0.001	0.04
7	1/6/1994	1	0.001	0.03
8	1/6/1994	1	0.001	0.03
9	1/6/1994	1	0.001	0.04
10	1/6/1994	1	0.001	0.13
12	1/6/1994	1	0.001	0.12
18	1/6/1994	3	0.003	0.02
19	1/6/1994	3	0.003	0.02

Sampling Locations - Atkinson	
Site ID	Site Name
1	54 SAWYER AVE
2	56 SAWYER AVE
3	63 OLD COACH RD
4	59 OLD COACH RD
5	13 HOVEY MEADOW RD
6	14 MERRILL DR
7	45 WALKER RD
8	39 WALKER RD
9	10 CHRISTINE DR
10	4 ASPEN DR
11	10 ASPEN DR
12	50 APSEN DR
13	52 RIDGEWOOD DR
14	ATKINSON APT BLDG 6 APT 7
15	14 SAWMILL RD
16	61 SUMMIT DR
17	9 OLD COACH RD
18	25 HAWTHORNE DR
19	19 OLD COACH RD
20	32 OLD COACH RD
21	14 WOOD DRIVE
22	10 IRONWOOD LANE
23	47 RIDGEWOOD DR
24	5 OLD COACH RD
25	21 OLD COACH RD
26	BRYANT WOODS RD /CLUBHOUSE
27	29 OLD COACH RD
28	17 HOVEY MEADOW RD
29	30 WESTSIDE DR
30	46 WESTSIDE DR
31	10 MAPLE AVE
32	6 MAPLE AVE
33	39 SAWER AVE
34	35 MAIN ST

Lead & Copper Sampling Data - Atkinson					
Site	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
1	8/30/2018	0	0	0	
28	8/30/2018	2	0.002	0.105	
2	8/29/2018	0	0	0.037	
12	8/29/2018	0	0	0	
18	8/29/2018	0	0	0	
22	8/29/2018	0	0	0.017	
5	8/28/2018	3	0.003	0.079	
7	8/24/2018	2	0.002	0.157	
14	8/23/2018	2	0.002	0.056	
31	8/23/2018	4	0.004	0.03	
13	8/22/2018	4	0.004	0.048	
15	8/22/2018	2	0.002	0.117	
19	8/22/2018	2	0.002	0.19	
3	8/21/2018	3	0.003	0.141	
11	8/21/2018	0	0	0.032	
17	8/21/2018	1	0.001	0.048	
21	8/21/2018	1	0.001	0.103	
27	8/21/2018	8	0.008	0.172	
33	8/21/2018	0	0	0	
9	8/20/2018	5	0.005	0.085	
4	9/25/2015	2	0.002	0.161	
8	9/25/2015	6	0.006	0.264	
1	9/24/2015	0	0	0.011	
2	9/24/2015	2	0.002	0.161	
6	9/24/2015	1	0.001	0.148	
12	9/24/2015	0	0	0.018	
14	9/24/2015	14	0.014	0.254	
20	9/24/2015	4	0.004	0.217	
24	9/24/2015	2	0.002	0.307	
10	9/23/2015	0	0	0.038	
16	9/23/2015	3	0.003	0.847	
22	9/23/2015	2	0.002	0.062	
1	9/28/2012	4	0.004	0	
2	9/28/2012	0	0	0	
4	9/28/2012	4	0.004	0	
6	9/28/2012	3	0.003	0	
8	9/28/2012	3	0.003	0.22	
12	9/28/2012	0	0	0	
14	9/28/2012	6	0.006	0.2	
18	9/28/2012	3	0.003	0	
20	9/28/2012	3	0.003	0	
7	9/27/2012	5	0.005	0.36	
10	9/27/2012	0	0	0	
5	9/26/2012	0	0	0	

Lead & Copper Sampling Data - Atkinson				
Site	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm
17	9/26/2012	5	0.005	0
19	9/26/2012	0	0	0
23	9/26/2012	7	0.007	0
25	9/26/2012	3	0.003	0.28
6	9/18/2009	5	0.005	0.091
12	9/18/2009	5	0.005	0.071
24	9/18/2009	5	0.005	0.469
28	9/18/2009	5	0.005	0.078
4	9/17/2009	5	0.005	0.061
10	9/17/2009	5	0.005	0.035
14	9/17/2009	18	0.018	0.122
16	9/17/2009	5	0.005	0.158
20	9/17/2009	5	0.005	0.102
22	9/17/2009	5	0.005	0.041
1	9/13/2006	6	0.006	0.086
19	9/12/2006	5	0.005	0.284
3	9/11/2006	5	0.005	0.041
7	9/11/2006	5	0.005	0.338
13	9/11/2006	5	0.005	0.05
15	9/11/2006	5	0.005	1.1
23	9/11/2006	6	0.006	0.068
24	9/11/2006	5	0.005	0.415
11	9/10/2006	5	0.005	0.037
5	9/8/2006	5	0.005	0.14
14	8/28/2003	16	0.016	0.137
8	8/25/2003	6	0.006	0.185
24	8/24/2003	5	0.005	0.124
6	8/22/2003	7	0.007	0.184
12	8/22/2003	5	0.005	0.034
16	8/22/2003	5	0.005	0.717
20	8/22/2003	5	0.005	0.178
22	8/22/2003	5	0.005	0.042
2	8/21/2003	5	0.005	0.349
10	8/21/2003	5	0.005	0.07
1	10/26/2000	5	0.005	0.043
3	10/26/2000	5	0.005	0.236
7	10/26/2000	5	0.005	0.218
9	10/26/2000	5	0.005	0.167
11	10/26/2000	12	0.012	0.116
13	10/26/2000	5	0.005	0.085
15	10/26/2000	5	0.005	0.211
17	10/26/2000	5	0.005	0.072
19	10/26/2000	5	0.005	0.083
28	10/26/2000	5	0.005	0.217

Lead & Copper Sampling Data - Atkinson					
Site	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
2	9/26/1997	5	0.005	0.1	
4	9/26/1997	5	0.005	0.1	
6	9/26/1997	5	0.005	0.1	
8	9/26/1997	5	0.005	0.1	
10	9/26/1997	5	0.005	0.1	
12	9/26/1997	5	0.005	0.1	
14	9/26/1997	5	0.005	0.16	
16	9/26/1997	5	0.005	0.43	
18	9/26/1997	5	0.005	0.21	
20	9/26/1997	5	0.005	0.1	
1	4/22/1996	1	0.001	0.001	
6	4/22/1996	1	0.001	0.34	
8	4/22/1996	1	0.001	0.13	
9	4/22/1996	1	0.001	0.15	
13	4/22/1996	1	0.001	0.001	
16	4/22/1996	1	0.001	0.29	
17	4/22/1996	1	0.001	0.001	
19	4/22/1996	1	0.001	0.001	
22	4/22/1996	1	0.001	0.1	
27	4/22/1996	1	0.001	0.12	
1	5/2/1995	1	0.001	0.001	
3	5/2/1995	1	0.001	0.001	
8	5/2/1995	1	0.001	0.001	
17	5/2/1995	1	0.001	0.001	
24	5/2/1995	1	0.001	0.001	
7	5/1/1995	1	0.001	0.001	
9	5/1/1995	1	0.001	0.13	
11	5/1/1995	1	0.001	0.001	
13	5/1/1995	1	0.001	0.001	
26	5/1/1995	1	0.001	0.13	
1	6/30/1994	1	0.001	0.31	
2	6/30/1994	7	0.007	0.14	
3	6/30/1994	4	0.004	0.19	
4	6/30/1994	8	0.008	0.09	
7	6/30/1994	8	0.008	0.24	
8	6/30/1994	10	0.01	0.1	
9	6/30/1994	1	0.001	0.12	
10	6/30/1994	8	0.008	0.26	
11	6/30/1994	1	0.001	0.06	
12	6/30/1994	1	0.001	0.02	
13	6/30/1994	7	0.007	0.001	
15	6/30/1994	1	0.001	0.23	
17	6/30/1994	6	0.006	0.02	
18	6/30/1994	5	0.005	0.05	

Lead & Copper Sampling Data - Atkinson					
Site	Sample Date	Lead, ppb	Lead, ppm	Copper, ppm	
20	6/30/1994	2	0.002	0.04	
22	6/30/1994	1	0.001	0.04	
23	6/30/1994	1	0.001	0.001	
24	6/30/1994	3	0.003	0.001	
25	6/30/1994	1	0.001	0.13	
26	6/30/1994	8	0.008	0.1	
1	1/6/1994	5	0.005	0.08	
2	1/6/1994	5	0.005	0.14	
3	1/6/1994	5	0.005	0.06	
4	1/6/1994	7	0.007	0.04	
5	1/6/1994	5	0.005	0.08	
6	1/6/1994	1	0.001	0.04	
7	1/6/1994	1	0.001	0.07	
8	1/6/1994	5	0.005	0.1	
9	1/6/1994	5	0.005	0.07	
10	1/6/1994	5	0.005	0.1	
11	1/6/1994	5	0.005	0.2	
12	1/6/1994	5	0.005	0.2	
13	1/6/1994	5	0.005	0.2	
14	1/6/1994	5	0.005	0.2	
15	1/6/1994	5	0.005	0.2	
16	1/6/1994	5	0.005	0.2	
17	1/6/1994	1	0.001	0.12	
18	1/6/1994	5	0.005	0.2	
19	1/6/1994	1	0.001	0.15	
20	1/6/1994	5	0.005	0.2	

ATTACHMENT C

MSDC Agreement

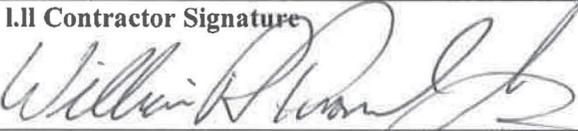
Subject: Manchester Water Works

AGREEMENT

The State of New Hampshire and the Contractor hereby mutually agree as follows:

GENERAL PROVISIONS

1. Identification.

1.1 State Agency Name NH Department of Environmental Services		1.2 State Agency Address 29 Hazen Drive, Concord, NH 03301	
1.3 Contractor Name Manchester Water Works		1.4 Contractor Address 281 Lincoln St, Manchester, NH 03103	
1.5 Effective Date Upon G&C Approval	1.6 Completion Date December 31, 2058	1.7 Audit Date N/A	1.8 Contract Limitation \$11,174,100
1.9 Contract Officer for State Agency Erin Holmes, Drinking Water & Groundwater Bureau, NH Department of Environmental Services		1.10 State Agency. Telephone Number 603-271-8321	
1.11 Contractor Signature 		1.12 Name & Title of Contractor Signor William R. Trombly Jr President.	
1.13 Acknowledgment: State of <u>New Hampshire</u> , County of <u>Hillsborough</u>			
On <u>03/29/19</u> , before the undersigned officer, personally appeared the person identified in block 1.12, or satisfactorily proven to be the person whose name is signed in block 1.11, and acknowledged that s/he executed this document in the capacity indicated in block 1.12.			
1.13.1 Signature of Notary Public or Justice of the Peace [SEAL] 		MONIQUE T. DODD, Notary Public State of New Hampshire My Commission Expires August 26, 2020	
1.13.2 Name & Title of Notary Public or Justice of the Peace <u>Monique T. Dodd, N.H. D.O. Administrative Services Manager</u>			
1.14 State Agency Signature(s) 		1.15 Name/Title of State Agency Signor(s) Robert R. Scott, Commissioner NH Department of Environmental Services	
1.16 Approval by Attorney General (Form, Substance and Execution)			
By: <u>SA</u> (<u>K. Allen Brooks</u>)		On: <u>4/2/19</u>	
1.17 Approval by the Governor and Executive Council			
By:		On:	

2. **SCOPE OF WORK.** In exchange for contract funds provided by the state of New Hampshire, acting through the agency identified in block 1.1 (hereinafter referred to as "the State"), pursuant to RSA 21-O, the contractor identified in block 1.3 (hereinafter referred to as "the Contractor"), shall perform that work identified and more particularly described in the scope of work attached hereto as EXHIBIT A (the scope of work being referred to as "the Project").

3. **AREA COVERED.** Except as otherwise specifically provided for herein, the Contractor shall perform the Project in, and with respect to, the State of New Hampshire.

4. **EFFECTIVE DATE: COMPLETION OF PROJECT.**

4.1 This Agreement, and all obligations of the parties hereunder, shall become effective on the date in block 1.5 or on the date of approval of this Agreement by the Governor and Council of the State of New Hampshire (hereinafter referred to as the "Effective Date").

4.2 Except as otherwise specifically provided for herein, the Project, including all reports required by this Agreement, shall be completed in its entirety prior to the date in block 1.6 (hereinafter referred to as the "Completion Date").

5. **CONTRACT AMOUNT: LIMITATION ON AMOUNT: PAYMENT.**

5.1 The Contract Amount is identified and more particularly described in EXHIBIT B, attached hereto.

5.2 The manner of, and schedule of payment shall be as set forth in EXHIBIT B.

5.3 In accordance with the provisions set forth in EXHIBIT B, and in consideration of the satisfactory performance of the Project, as determined by the State, and as limited by subparagraph 5.5 of these general provisions, the State shall pay the Contractor the Contract Amount.

5.4 The payment by the State of the Contract amount shall be the only, and the complete, compensation to the Contractor for all expenses, of whatever nature, incurred by the Contractor in the performance hereof, and shall be the only, and the complete, compensation to the Contractor for the Project. The State shall have no liabilities to the Contractor other than the Contract Amount.

5.5 Notwithstanding anything in this Agreement to the contrary, and notwithstanding unexpected circumstances, in no event shall the total of all payments authorized, or actually made, hereunder exceed the Contract limitation set forth in block 1.8 of these general provisions.

6. **COMPLIANCE BY CONTRACTOR WITH LAWS AND REGULATIONS.**

In connection with the performance of the Project, the Contractor shall comply with all statutes, laws, regulations, and orders of federal, state, county, or municipal authorities, which shall impose any obligations, or duty upon the Contractor, including the acquisition of any and all necessary permits.

7. **RECORDS AND ACCOUNTS.**

7.1 Between the Effective Date and the date seven (7) years after the Completion Date the Contractor shall keep detailed accounts of all expenses incurred in connection with the Project, including, but not limited to, costs of administration, transportation, insurance, telephone calls, and clerical materials and services. Such accounts shall be supported by receipts, invoices, bills and other similar documents.

7.2 Between the Effective Date and the date seven (7) years after the Completion Date, at any time during the Contractor's normal business hours, and as often as the State shall demand, the Contractor shall make available to the State all records pertaining to matters covered by this Agreement. The Contractor shall permit the State to audit, examine, and reproduce such records, and to make audits of all contracts, invoices, materials, payrolls, records or personnel, data (as that term is hereinafter defined), and other information relating to all matters covered by this Agreement. As used in this paragraph, "Contractor" includes all persons, natural or fictional, affiliated with, controlled by, or under common ownership with, the entity identified as the Contractor in block 1.3 of these general provisions.

8. **PERSONNEL.**

8.1 The Contractor shall, at its own expense, provide all personnel necessary to perform the Project. The Contractor warrants that all personnel engaged in the Project shall be qualified to perform such Project, and shall be properly licensed and authorized to perform such Project under all applicable laws.

8.2 The Contractor shall not hire, and it shall not permit any subcontractor, subcontractor, or other person, firm or corporation with whom it is engaged in a combined effort to perform such Project, to hire any person who has a contractual relationship with the State, or who is a State officer or employee, elected or appointed.

8.3 The Contractor officer shall be the representative of the State hereunder. In the event of any dispute hereunder, the interpretation of this Agreement by the Contractor Officer, and his/her decision on any dispute, shall be final.

9. **DATA: RETENTION OF DATA: ACCESS.**

9.1 As used in this Agreement, the word data shall mean all information and things developed or obtained during the performance of, or acquired or developed or obtained during the performance of, or acquired or developed by reason of, this Agreement, including, but not limited to, all studies, reports, files, formulae, surveys, maps, charts, sound recordings, video recordings, pictorial reproductions, drawings, analyses, graphic representations, computer programs, computer printouts, notes, letters, memoranda, papers, and documents, all whether finished or unfinished.

9.2 Between the Effective Date and the Completion Date the Contractor shall contract to the State, or any person designated by it, unrestricted access to all data for examination, duplication, publication, translation, sale, disposal, or for any other purpose whatsoever.

9.3 No data shall be subject to copyright in the United States or any other country by anyone other than the State.

9.4 On and after the Effective Date all data, and any property which has been received from the State or purchased with funds provided for that purpose under this Agreement, shall be the property of the State, and shall be returned to the State upon demand or upon termination of this Agreement for any reason, whichever shall first occur.

9.5 The State, and anyone it shall designate, shall have unrestricted authority to publish, disclose, distribute and otherwise use, in whole or in part, all data.

10. **CONDITIONAL NATURE OR AGREEMENT.**

Notwithstanding anything in this Agreement to the contrary, all obligations of the State hereunder, including without limitation, the continuance of payments hereunder, are contingent upon the availability or continued appropriation of funds, and in no event shall the State be liable for any payments hereunder in excess of such available or appropriated funds. In the event of a reduction or termination of those funds, the State shall have the right to withhold payment until such funds become available, if ever, and shall have the right to terminate this Agreement immediately upon giving the Contractor notice of such termination.

11. **EVENT OF DEFAULT: REMEDIES.**

11.1 Any one or more of the following acts or omissions of the Contractor shall constitute an event of default hereunder (hereinafter referred to as "Events of Default"):

11.1.1 failure to perform the Project satisfactorily or on schedule; or

11.1.2 failure to submit any report required hereunder; or

11.1.3 failure to maintain, or permit access to, the records required hereunder; or

11.1.4 failure to perform any of the other covenants and conditions of this Agreement.

11.2 Upon the occurrence of any Event of Default, the State may take any one, or more, or all, of the following actions:

11.2.1 give the Contractor a written notice specifying the Event of Default and requiring it to be remedied within, in the absence of a greater or lesser specification of time, thirty (30) days from the date of the notice; and if the Event of Default is not timely remedied, terminate this Agreement, effective two (2) days after giving the Contractor notice of termination; and

11.2.2 give the Contractor a written notice specifying the Event of Default and suspending all payments to be made under this Agreement and ordering that the portion of the contract amount which would otherwise accrue to the Contractor during the period from the date of such notice until such time as the State determines that the Contractor has cured the Event of Default shall never be paid to the Contractor; and

11.2.3 set off against any other obligation the State may owe to the Contractor any damages the State suffers by reason of any Event of Default; and

11.2.4 treat the Agreement as breached and pursue any of its remedies at law or in equity, or both.

12. **TERMINATION.**

12.1 In the event of any early termination of this Agreement for any reason other than the completion of the Project, the Contractor shall deliver to the Contract Officer, not later than fifteen (15) days after the date of termination, a report ("Termination Report") describing in detail all Project Work performed, and the Contract Amount earned, to and including the date of termination.

12.2 In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall entitle the Contractor to receive that portion of the Contract amount earned to and including the date of termination.

12.3 In the event of Termination under paragraphs 10 or 12.4 of these general provisions, the approval of such a Termination Report by the State shall in no event relieve the Contractor from any and all liability for damages sustained

Contractor Initials *WAT*
Date *3-29-19*

or incurred by the State as a result of the Contractor's breach of its obligations hereunder.

12.4 Notwithstanding anything in this Agreement to the contrary, either the State or except where notice default has been given to the Contractor hereunder, the Contractor, may terminate this Agreement without cause upon thirty (30) days written notice.

13. **CONFLICT OF INTEREST.** No officer, member or employee of the Contractor and no representative, officer of employee of the State of New Hampshire or of the governing body of the locality or localities in which the Project is to be performed, who exercises any functions or responsibilities in the review or approval of the undertaking or carrying out of such Project, shall participate in any decision relating to this Agreement which affects his or her personal interests or the interest of any corporation, partnership, or association in which he or she is directly or indirectly interested, nor shall he or she have any personal or pecuniary interest, direct or indirect, in this Agreement or the proceeds thereof.

14. **CONTRACTOR'S RELATION TO THE STATE.** In the performance of this Agreement the Contractor, its employees, and any subcontractor or subcontractor of the Contractor are in all respects independent contractors, and are neither agents nor employees of the State. Neither the Contractor nor any of its officers, employees, agents, members, subcontractors or subcontractors, shall have authority to bind the State nor are they entitled to any of the benefits, workers' compensation or emoluments provided by the State to its employees.

15. **ASSIGNMENT AND SUBCONTRACTS.** The Contractor shall not assign, or otherwise transfer any interest in this Agreement without the prior written consent of the State. None of the Project Work shall be subcontracted or subcontractor by the Contractor other than as set forth in Exhibit A without the prior written consent of the State.

16. **INDEMNIFICATION.** The Contractor shall defend, indemnify and hold harmless the State, its officers and employees, from and against any and all losses suffered by the State, its officers and employees, and any and all claims, liabilities or penalties asserted against the State, its officers and employees, by or on behalf of any person, on account of, based on or resulting from, arising out of (or which may be claimed to arise out of) the acts or omissions of the Contractor of Subcontractor, or subcontractor or other agent of the Contractor. Notwithstanding the foregoing, nothing herein contained shall be deemed to constitute a waiver of the sovereign immunity of the State, which immunity is hereby reserved to the State. This covenant shall survive the termination of this Agreement.

17. **INSURANCE AND BOND.**

17.1 The Contractor shall, at its sole expense, obtain and maintain in force, or shall require any subcontractor, subcontractor or assignee performing Project work to obtain and maintain in force, both for the benefit of the State, the following insurance:

17.1.1 statutory workers' compensation and employees liability insurance for all employees engaged in the performance of the Project, and

17.1.2 comprehensive public liability insurance against all claims of bodily injuries, death or property damage, in amounts not less than \$2,000,000 for bodily injury or death any one incident, and \$500,000 for property damage in any one incident; and

17.2 The policies described in subparagraph 17.1 of this paragraph shall be the standard form employed in the State of New Hampshire, issued by underwriters acceptable to the State, and authorized to do business in the State of New Hampshire. Each policy shall contain a clause prohibiting cancellation or modification of the policy earlier than ten (10) days after written notice of the has been received by the State.

18. **WAIVER OF BREACH.** No failure by the State to enforce any provisions hereof after any Event of Default shall be deemed a waiver of its rights with regard to that Event, or any subsequent Event. No express waiver of any Event of Default shall be deemed a waiver of any provisions hereof. No such failure or waiver shall be deemed a waiver of the right of the State to enforce each and all of the provisions hereof upon any further or other default on the part of the Contractor.

19. **NOTICE.** Any notice by a party hereto the other party shall be deemed to have been duly delivered or given at the time of mailing by certified mail, postage prepaid, in a United States Post Office addressed to the parties at the addresses first above given.

20. **AMENDMENT.** This Agreement may be amended, waived or discharged only by an instrument in writing signed by the parties hereto and only after approval of such amendment, waiver or discharge by the Governor and Council of the State of New Hampshire.

21. **CONSTRUCTION OF AGREEMENT AND TERMS.** This Agreement shall be construed in accordance with the law of the State of New

Hampshire, and is binding upon and inures to the benefit of the parties and their respective successors and assignees. The captions and contents of the "subject" blank are used only as a matter of convenience, and are not to be considered a part of this Agreement or to be used in determining the intent of the parties hereto.

22. **THIRD PARTIES.** The parties hereto do not intend to benefit any third parties and this Agreement shall not be construed to confer any such benefit.

23. **ENTIRE AGREEMENT.** This Agreement, which may be executed in a number of counterparts, each of which shall be deemed an original, constitutes the entire Agreement and understanding between the parties, and supersedes all prior Agreements and understandings relating hereto.

Contractor Initials WMA/27
Date 3-29-14

ATTACHMENT C

EXHIBIT A

SCOPE OF SERVICES

DEFINITIONS:

“Agreement” means this agreement including all exhibits to the agreement.

“Average Daily Flow” or “ADF” means the total volume of water measured in gallons or cubic feet at a metering station or stations during the two highest consecutive MWW monthly billing periods divided by the actual number of days in the applicable billing periods.

“Capacity” means the ability to provide a specified amount of water.

“DES” or the “Department” means the N.H. Dept. of Environmental Services.

“Fund” means the New Hampshire Drinking Water and Groundwater Trust Fund established in RSA 6-D.

“In-town rate” means the retail rate charged to MWW customers within the geographic boundary of the City of Manchester.

“Maximum Daily Flow” or “MDF” means the highest total volume of water measured in gallons or cubic feet at a Project metering station over any consecutive twenty-four (24) hour period.

“Merrimack Source Development Charge” or “MSDC” means a capital charge assessed by MWW in accordance with Manchester Water Works Rules and Regulations, RSA 38:27 and RSA 38:28 for the purpose of constructing, acquiring, improving, enlarging and/or operating the Manchester Water Works system. Specifically, all funds collected from the MSDC will be utilized to develop the Merrimack River as an additional source of supply for MWW.

“MGD” means million gallons per day.

“Out-of-Town rate” means the rate charged by MWW to retail franchise customers outside the geographic boundary of the City of Manchester.

“Phase 1” means the time period beginning on December 31, 2020¹ and ending at the beginning of Phase 2 unless the parties hereto agree to an earlier date.

¹ Although the firm deadline for Phase 1 is December 31, 2020, all parties must make all reasonable efforts to complete Phase 1 improvements by May 1, 2020 as indicated in Article II.B.2 of the SIA.

Grantee Initials WWT
Date 3-29-19

“Phase 2” means the time period beginning on December 31, 2023, and ending at the termination of this Agreement unless the parties hereto agree to an earlier date.

“Project” means the Southern New Hampshire Regional Water Interconnection Project identified in the Memorandum of Understanding (“MOU”) signed by the Department on October 5, 2018, and also signed by Manchester Water Works (“MWW”), the Town of Derry (“Derry”), the Town of Salem (“Salem”), the Town of Windham (“Windham”), Pennichuck East Utilities (“PEU”), the Hampstead Area Water Company, Inc. (“HAWC”), and the Town of Plaistow (“Plaistow”), and as further identified in an Agreement Regarding Southern New Hampshire Regional Water Interconnection Project or “Southern Interconnection Agreement” (“SIA”) as further described below.

“SIA” means the “Agreement Regarding Southern New Hampshire Regional Water Interconnection Project” or “Southern Interconnection Agreement” to be signed by the Water Recipients, MWW, PEU and Derry, or similar parties, pursuant to RSA 53-A.

“Tariff” means rules and regulations of MWW.

“Water” means potable water.

“Water Recipients” means Salem, Windham, HAWC, and Plaistow.

“Waterworks” means facilities for collection, storage, supply, distribution, treatment, pumping, metering or transmission of water.

PURPOSE:

The purpose of this Agreement is to further the Project. Specifically, the Fund, through the Department, is providing \$11,174,100 to MWW to ensure that MWW makes up to 3.13 MGD of capacity available for the Project, with the MSDC corresponding to said capacity to be paid by the Water Recipients in the manner and at the prices specified below. The actual amount of capacity so reserved will depend on the date on which the Department transfers \$11,174,100 to MWW as described below.

REQUIREMENTS:

1. The Fund, through the Department, shall be under no obligation to provide funds to MWW unless the Department obtains and approves a properly executed agreement

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binding the Water Recipients and Derry to abide by the terms set forth herein and in the SIA. The determination as to whether the Water Recipients and Derry have bound themselves to abide by the terms set forth herein and in the SIA shall be in the sole discretion of the Department. However, if the Department does not obtain such agreement by December 31, 2019, this Agreement shall become null and void.

2. If the Fund, through the Department, transfers \$11,174,100 to MWW prior to June 1, 2019, MWW shall upon receipt of those funds, begin to develop and reserve capacity in a manner necessary to ensure that 1.00 MGD ADF and 1.30 MGD MDF is available to the Project at the transfer of such funds and through the end of Phase 1, and to ensure that 3.13 MGD ADF and 4.07 MGD MDF of water is available to the Project at the start of Phase 2 and thereafter. If the Department transfers \$11,174,100 to MWW on or after June 1, 2019, MWW shall immediately upon receipt of those funds, begin to develop and reserve capacity for the Project in an amount equivalent to that which could be purchased for said amount at the prevailing MSDC rate at the time of purchase to ensure that the above-stated ADF and MDF amounts are available to the Project at the above-stated times. All payments are contingent on approval by the Governor and Executive Council.
3. The procurement of MSDC capacity described herein is in addition to any pre-existing or separate agreement that a Water Recipient or Derry may have with MWW for capacity procurement which is unrelated to or outside of the scope of the Project.
4. If the Department transfers \$11,174,100 to MWW prior to June 1, 2019, the Department shall be charged the 2018 MSDC rate, and MWW shall make capacity available to the Project in the manner set forth below. If the Department transfers \$11,174,100 to MWW on or after June 1, 2019, the Department shall be charged the prevailing MSDC rate, and the amount of capacity that MWW must provide shall be adjusted accordingly.
5. Upon execution of this Agreement and subject to Paragraphs 6 and 7 below, MWW shall make the full amount of capacity related to the Project available for purchase to the Water Recipients. Use of such capacity shall be governed by the SIA. Although MWW shall sell capacity to the Water Recipients according to the following allocations, MWW's only obligation, unless otherwise specifically stated herein, shall be to deliver water for use by the Project to the Derry water system in an amount equal to 1.00 MGD ADF and 1.30 MGD MDF at the time of the transfer of funds described above and through the end of Phase 1, and 3.13 MGD ADF and 4.07 MGD MDF at the start of Phase 2 and thereafter.
6. Subject to the second sentence of Sections 2 and 4, MWW shall make capacity available for purchase by the Water Recipients for use beginning after the transfer of funds described above and through the end of Phase 1 in the following manner:
 - a. Capacity in the amount of 0.30 MGD ADF (0.39 MGD MDF) shall be made available for purchase by Salem.

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- b. Capacity in the amount of 0.20 MGD ADF (0.26 MGD MDF) shall be made available for purchase by Windham or Salem, in either case for use within the geographical boundaries of Windham.
 - c. Capacity in the amount of 0.25 MGD ADF (0.33 MGD MDF) shall be made available for purchase by HAWC.
 - d. Capacity in the amount of 0.25 MGD ADF (0.33 MGD MDF) shall be made available for purchase by Plaistow.
7. Subject to the second sentences of Sections 2 and 4, MWW shall make additional capacity available for purchase to the Water Recipients for use in Phase 2 and thereafter in the following manner:
 - a. Capacity in the amount of 1.20 MGD ADF (1.56 MGD MDF) shall be made available for purchase by Salem. This amount is in addition to the Phase 1 capacity allotted to Salem.
 - b. Capacity in the amount of 0.11 MGD ADF (0.14 MGD MDF) shall be made available to Windham or Salem, in either case for use within the geographical boundaries of Windham. This amount shall be in addition to the Phase 1 capacity allotted for use within Windham.
 - c. Capacity in the amount of 0.50 MGD ADF (0.65 MGD MDF) shall be made available for purchase by HAWC. This amount is in addition to the Phase 1 capacity allotted to HAWC.
 - d. Capacity in the amount of 0.32 MGD ADF (0.42 MGD MDF) shall be made available for purchase by Plaistow. This amount is in addition to the Phase 1 capacity allotted to Plaistow.
8. The MSDC rate charged by MWW to the Water Recipients for any capacity purchased prior to June 30, 2019, shall be \$3.57 per gallon per day. If a Water Recipient purchases 100% of its allotted Phase 1 capacity prior to June 30, 2019, the MSDC rate charged by MWW to that Recipient for any portion of its allotted Phase 2 capacity shall be \$3.57 per gallon per day provided such capacity is purchased no later than sixty (60) days after the date the New Hampshire Drinking Water and Groundwater Trust Fund Advisory Commission votes to fund Phase 2 of the Project. Otherwise, the rate charged by MWW for capacity purchases shall be MWW's prevailing MSDC rate.
9. To the extent any Water Recipient does not purchase the portion of the Phase 1 capacity allotted to it above by May 1, 2022, MWW shall make the unsold portion available to all of the Water Recipients on a first-come, first-served basis.
10. To the extent any Water Recipient does not purchase the portion of the Phase 2 capacity allotted to it above by May 1, 2025, MWW shall make the unsold portion available to all of the Water Recipients on a first-come, first-served basis.

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11. Any sales by MWW of capacity to any Water Recipient shall be made from the capacity reserved by this agreement up to the limit of the total capacity available for the Project as set forth herein until all of this capacity is sold. Sales of additional capacity beyond the total capacity identified herein shall be handled by MWW in the same manner as any other sale of its capacity. Upon termination of this Agreement, MWW shall transfer any un-purchased capacity associated with the Agreement to the party or parties within the Project area designated by the Department and upon payment terms determined by the Department.
12. MWW shall read the meter at the Londonderry-Derry town line and at the Derry-Windham town line to determine the amount of Project water flowing through the Derry water system and received by Salem at the Derry-Windham town line. MWW shall then bill Salem directly for the amount of water received by Salem. Said billings shall reflect the rates to be paid by Salem under this Agreement and the SIA. Upon receipt of payment, MWW shall remit to Derry the amount that Derry is due under the SIA. MWW shall invoice Salem on a monthly basis in arrears. Payments on such invoices shall be made within thirty (30) days.
13. MWW shall remit to the Trust Fund all of the money received from the Water Recipients for their capacity purchases described in this Agreement less an administrative fee of one tenth of one percent (0.1%). Such remittance shall be made within thirty (30) days of payment by a Water Recipient to MWW.
14. By ensuring capacity as described above, and subject to Sections 2 and 4 and the capital improvement funding provisions in Article II of the SIA, MWW shall ensure the ability to deliver an equivalent amount of water to the Project; specifically up to a total of 1.00 MGD ADF and up to a total of 1.30 MGD MDF beginning at the transfer of funds and through the end of Phase 1 of the Project. MWW shall further ensure the ability to deliver a total of up to 3.13 MGD ADF and up to a total of 4.07 MGD MDF of water to the Project at the start of Phase 2 and thereafter. All such water deliveries by MWW shall be made in the manner set forth herein and in accordance with water system industry practice and MWW's applicable tariff provisions, water delivery rules, regulations, procedures, and restrictions. MWW shall complete all capital improvements necessary to supply this water.
15. MWW will monitor and report to the Department on a quarterly basis the status of all capacity purchases related to the Project.
16. MWW will notify any Water Recipient if it is using water in an amount that exceeds the level of water use for which the Water Recipient purchased capacity. MWW may also notify any Water Recipient that the Water Recipient is about to exceed the level of water use for which the Water Recipient purchased capacity.
17. **MWW shall provide water to the Water Recipients under the following terms and conditions unless otherwise specified in the SIA:**

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17. 1. **Limitation of Rights** - Nothing in this Agreement is intended as a grant by MWW of any exclusive right or privilege. In any period in which a Water Recipient receives water pursuant to this Agreement, the Water Recipient shall comply in all respects with applicable provisions of MWW's Tariff, except as otherwise specified herein.
17. 2. **Charges and Fees** – Timely payments of all charges described in this Agreement shall be made in accordance with the terms of this Agreement.
17. 3. **Quantity of Water** –For purposes of the Project, MWW shall have no responsibility to supply water in excess of the amounts stated in this Agreement. In addition, regardless of which Water Recipient purchases the capacity under this Agreement, MWW shall only be responsible for ensuring that such water is supplied to the metering point where water is currently delivered from MWW to Derry, the meter located at New Hampshire Route 28 (Rockingham Road) at the Londonderry-Derry town line.
- 17.4. **Capacity Rights Not Assignable** – Once purchased, a Water Recipient may not assign its water quantity rights to another party without the express written consent of the Department except that any town may assign its rights to an entity providing water within its town boundary without such consent. If a Water Recipient makes an assignment of capacity rights without necessary consent, such assignment shall be null and void. The Water Recipients may only use or distribute water from the capacity purchased from MWW pursuant to this Agreement within the geographical boundaries of the towns of Derry, Salem, Windham, Atkinson, Hampstead, and Plaistow.
- 17.5. **Control of System Leaks and Wasteful Use** – The Water Recipients shall operate and maintain their waterworks in accordance with customary engineering and waterworks practices and with the guidelines set forth below.

The Water Recipients shall minimize any wasteful use of water within their service areas.

In any period in which a Water Recipient receives water from the capacity purchased pursuant to this Agreement, the Water Recipient shall impose the same voluntary or mandatory restrictions on water use by its customers (e.g. sprinkling bans) as MWW shall impose on its franchise customers within one week of being informed of such imposition by MWW. The imposition and removal of any restrictions shall be within the sole and exclusive discretion of MWW. Nothing in this Agreement shall prevent the Water Recipients from imposing their own restrictions which are more restrictive than those imposed by MWW.

- 17.6. **Conformance of Law** – The Water Recipients shall comply and shall make all reasonable efforts to ensure that their customers and any private water systems connected to them comply with all applicable laws of the United States and of the State of New Hampshire, including but not limited to all applicable rules and regulations of

Grantee Initials WRT
Date 3-29-19

the Department, and all applicable rules and regulations of the New Hampshire Public Utilities Commission (NHPUC). If, after sixty (60) days' written notice from MWW of a known violation, any Water Recipient fails to comply or to make prompt, substantial or reasonable efforts to comply within such time, the Water Recipient may forfeit the right to receive water under this Agreement until such time as they demonstrate compliance.

17.7. Quality of Water - MWW shall make all reasonable effort and shall maintain and operate the supply system so as to supply water meeting the drinking water quality criteria established from time to time by the United States Environmental Protection Agency (EPA) and the Department. This obligation shall be limited to the water when it is supplied to the metering point where water is delivered from MWW to Derry on New Hampshire Route 28 (Rockingham Road) at the Londonderry-Derry town line.

17.8. Construction of Connection - Any and all connections between MWW's waterworks and Derry's waterworks, including modifications or upgrades which may be necessary to effectuate this Agreement, including but not limited to meter vaults and metering devices, shall be designed by Derry, or after notification to MWW, constructed by any subcontractors as Derry shall choose to employ subject to the requirements of Derry's municipal procurement code, such decision to be made by Derry. The cost of all design and construction undertaken to construct, modify or upgrade the connection of MWW's waterworks to Derry's waterworks, including the purchase of metering devices and appurtenances, shall be paid by the Project either through the Fund or the Water Recipients. The necessity of and selection of all materials and equipment and the location thereof shall be decided by Derry upon approval of MWW. Such approval shall not be unreasonably withheld.

17.9. Ownership of Connection Facilities - Piping, valves and vaults constructed to make the connection necessary beyond the Londonderry-Derry town line shall be the property of the individual Water Recipients and shall be maintained by each Water Recipient.

17.10. Maintenance of Metering Devices

Any and all metering devices installed pursuant to this Agreement shall be inspected and calibrated by the party owning the metering device in the manner provided by regulations of the NHPUC. The cost for inspection and calibration will be the responsibility of the party owning the meter. Each party conducting such inspection and calibration shall cause a copy of its inspection and calibration reports to be filed at MWW's offices. Said reports shall be available for examination by any Water Recipient, Derry, or the Department at the offices of MWW during normal business hours.

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Date 3-29-19.

MWW may request any Water Recipient or Derry to test and certify the accuracy of any metering device at any time. MWW must submit such requests in writing to the party. If the metering device reads within specifications accepted by the NHPUC, the cost of such tests shall be borne by MWW. If the average error over different test rates is greater than that allowed by the NHPUC, the cost of the tests shall be paid by the relevant party.

In the case of missing or inaccurate flow records, due to faulty metering device operation or other circumstances, an estimate of flow shall be made by MWW based on past records for a comparable period. The estimates shall be used by MWW to calculate the amount of payments due from Salem for water usage only, not MSDC.

17.11. Records, Calculations - MWW shall maintain records of all calculations in determining capacity for all Water Recipients, and these records shall be available for inspection by any Water Recipient or the Department at the office of MWW during normal business hours. The Department may also require MWW to send such records to it electronically. Said records shall be available for inspection by other parties only upon presentation to MWW of a written authorization from the Department or a Water Recipient.

17.12. Responsibility for System Operation and Maintenance - MWW assumes no responsibility for operation and maintenance of waterworks constructed and owned by any other party. MWW's sole duty hereunder shall be to make capacity available and supply water up to the maximum amounts specified in this Agreement at the locations specified subject to the terms and conditions contained in this Agreement.

17.13. Impairment of Supply - Existing customers of MWW have first right to any water supplied by MWW, and this Agreement shall not impair the supply of water to them. If MWW is unable to supply both its other customers and the Water Recipients with water for any reason other than the negligence of MWW, the Water Recipients cannot compel MWW to supply them with water, nor shall they be entitled to any damages from MWW as a result of MWW's failure to supply them with water. MWW shall not make such demand upon the Water Recipients until it has made reasonable attempts to seek reductions in demand from its existing customers unless the cause of such impairment is isolated to the Water Recipients' supply from MWW. In addition, MWW cannot be compelled to furnish the Water Recipients with water if MWW's waterworks or the source upon which MWW is dependent for its supply of water is impaired, and the Water Recipients shall be entitled to no damages from MWW as a result of MWW's failure to supply them with water, except in the case of MWW's negligence or intentional acts as indicated in section 17.15. MWW shall be the sole judge as to whether the water available to it is adequate to supply both the Water Recipients and MWW's other customers and whether MWW's waterworks or source of supply is impaired, which decision shall be final and binding on the Water Recipients.

Grantee Initials WRTA
Date 3-29-19

Notwithstanding the foregoing, if MWW reduces the amount of water which it supplies to the Water Recipients pursuant to this Section, such reduction shall be proportional to reductions made to each other wholesale customer of MWW, based on the average amount of water received by each wholesale customer during the ninety (90) days preceding such reduction from MWW.

17.14. **Liability for Accident** - Neither MWW, the Department, nor the Water Recipients shall be liable in damages or otherwise for failure to perform any obligation under this Agreement, which failure is occasioned by or in consequence of any act of God, act of public enemy, wars, blockades, insurrections, riots, epidemics, landslides, lightning, earthquakes, drought, fires, storms, floods, winter freeze, washouts, vandalism, arrests and restraints of rulers and peoples, civil disturbances, labor strikes, power failures, explosions, breakage or accident to machinery or lines of pipe, failure or want of water supply, the binding order of any court or governmental authority which has been resisted in good faith by all reasonable legal means, and any other cause, whether of the kind herein enumerated or otherwise, not within the control of such party and which act, omission or circumstances such party is unable to prevent or overcome by the exercise of reasonable care.

17.15. **Liability Resulting from Negligence and Intentional Acts** – No party shall be relieved of liability for loss resulting from its negligence, intentional actions, or its failure to use due diligence to remedy the situation and remove the cause in an adequate manner and with all reasonable dispatch, nor shall such causes or contingencies affecting performance relieve any Water Recipient from its obligations to make payments of amounts then due with respect to water theretofore supplied.

17.16. **Notices** - All notices and other writings sent pursuant to this Agreement shall be addressed to the Director of MWW at:

Manchester Water Works
Attention: Director
281 Lincoln Street
Manchester, NH 03103

and to Derry at: Derry Department of Public Works
Attention: Director
14 Manning Street

Grantee Initials WR+J
Date 3-29-19

Derry, NH 03038

and to Salem at: Salem Municipal Services Department
Attention: Director of Municipal Services
21 Cross Street
Salem, NH 03079

and to HAWC at: Hampstead Area Water
Attention: President
54 Sawyer Ave.
Atkinson, NH 03811

and to Plaistow at: Town of Plaistow
Attention: Town Manager
145 Main Street
Plaistow, NH 03865

and to Windham at: Town of Windham
Attention: Town Administrator
3 N Lowell Road
Windham, NH 03087

17.17. **Rate per 100 Cubic Feet (CCF)** –Rates charged by MWW for all water related to the Project shall be calculated in the manner described in Exhibit C to this Agreement.

17.18. **Purchase of Additional Capacity** –Capacity purchases related to the Project shall be limited to the amounts as set forth above and in no event shall they be more than the

Grantee Initials LRT Jr.
Date 3-29-19.

equivalent of 3.13 MGD in the aggregate. Purchase of additional capacity beyond Project limits, including penalties for exceeding allotted capacity, shall be in accordance with MWW's normal practices and procedures unless otherwise specified herein.

17.19. **Excess Use** – Should the Project use water supplied by MWW in excess of 1.0 MGD ADF and 1.3 MGD MDF prior to the end of Phase 1, or in excess of 3.13 MGD ADF and 4.07 MDG MDF during Phase 2 and thereafter, and if MWW in its absolute discretion agrees to supply such additional water, MWW may identify the Water Recipient that used water in excess of its capacity obtained through this Agreement and the SIA. Any Water Recipient so identified by MWW under this section, shall pay an “excess water use charge” directly to MWW in addition the charge for water already being paid by the Water Recipient. The amount of the “excess water use charge” shall be equal to the water rate then being charged by MWW and shall be applied to the amount of water exceeding the Water Recipient's allotted capacity. Nothing in this section shall be construed as giving any Water Recipient or the Project a right to water supply or capacity in excess of the limits specified herein. MWW shall have sole and exclusive discretion as to the determination of the available water in excess of the limits stated herein and the determination of the length of any prolonged use in excess of the amounts so stated.

17.20 **Billing Cycle** - MWW shall issue invoices on a monthly basis in arrears for amounts due to MWW under this agreement. Payment on invoices shall be due within thirty (30) days.

17.21. **Delinquent Bills** - Invoices remaining unpaid for thirty (30) days or longer from the invoice date shall be subject to one and one-half (1 1/2) percent interest per month on the unpaid balance from the original due date. If such an event occurs, MWW may require the Water Recipient to post a deposit and make payments more frequently than at monthly intervals.

17.22. **Expansion and/or Upgrading of MWW** - In all cases, MWW reserves the right to determine as to all improvements, additions or expansions to its waterworks, provided that the undertaking of such improvements, additions or expansions does not impair the ability of MWW to provide water to the Water Recipients pursuant to this Agreement.

18. MISCELLANEOUS PROVISIONS:

Status of Current Agreement – It is the intention of the parties that both this Agreement and MWW's current Derry Wholesale Water Agreement (Derry Agreement) dated March 26, 2013, shall be read together to fully implement the purposes and provision of both.

Grantee Initials WRW J. MAS
Date 4-3-19 4-3-19
KAB 4-3-19

EXHIBIT B

BUDGET & PAYMENT METHOD

Upon receipt of a properly executed Trust Fund Disbursement form, the Department may pay MWW up to \$11,174,100 from the Fund on or before December 31, 2019 in accordance with the requirements of this Agreement.

EXHIBIT C

SPECIAL PROVISIONS

1. Paragraph 22 (THIRD PARTIES) of the Agreement is revised to as follows:

The parties hereto do not intend to benefit any third parties other than Water Recipients, and this Agreement shall not be construed to confer any such benefit. MWW assumes no responsibility for any facility not included in its waterworks, and in the event that a facility of a third party shall be involved in the furnishing of service to, or the receipt of service from any Water Recipient to this Agreement, that Water Recipient shall look solely to such third party for any such services. All Water Recipients assume sole responsibility for compliance with this Agreement by all third party users or customers of its waterworks.

2. As a condition to receiving funds under this Agreement, MWW agrees to be bound by the terms of the SIA.

3. General liability insurance shall be limited to 1,000,000 each occurrence and \$325,000 for each person.

RATES

Rate per 100 Cubic Feet (CCF) - The rate charged by MWW for water supplied as part of the Project through the Route 28 meter at the Londonderry-Derry town line and received by any Water Recipient shall be equal to the in-town rate per hundred cubic feet ("CcF") for City of

Grantee Initials WRTJ MAA
Date 4-3-19 4-3-19

KAB 4-3-19

Manchester water customers including any increase in such rate to in-town customers approved by the Manchester Water Works Board of Water Commissioners. This rate shall apply from the commencement of this Agreement through the tenth (10th) year of this Agreement. In years 11 through 15, rates shall escalate as indicated below such that in year 15 and thereafter, the rate shall be MWW's out-of-town rate.

Any increases in the rate charged under this Agreement shall be effective as of the same date on which the increase in rates charged to customers residing inside the City of Manchester is effective.

Escalation of Rate from In-town (City of Manchester) to Out-of-Town Rate –Beginning in the eleventh (11th) year of this Agreement, the rate per CcF described above will increase in the following manner over a five (5) year period until it is equal to the out-of-town rate charged by MWW: In year 11, the rate will be the sum of the in-effect in-town rate plus one-fifth (1/5th) of the difference between the in-effect in-town rate and the in-effect out-of-town rate; in year 12, the rate will be the sum of the in-effect in-town rate plus one fourth (1/4) of the difference between the in-effect in-town rate and the in-effect out-of-town rate; in year 13, the rate will be the sum of the in-effect in-town rate plus one third (1/3) of the difference between the in-effect in-town rate and the in-effect out-of-town rate; in year 14, the rate will be the sum of the in-effect in-town rate plus one half (1/2) of the difference between the in-effect in-town rate and the in-effect out-of-town rate; in year 15 all subsequent years, the rate will be equal to the in-effect out-of-town rate.

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Grantee Initials WWTJ
Date 3-29-19

Certificate of Vote of Authorization

MANCHESTER WATER WORKS
281 Lincoln Street, Manchester, NH 03103

I, Philip W. Croasdale, Director of the Manchester Water Works do hereby certify that at a meeting held on March 28, 2019 the Manchester Water Works Board of Water Commissioners voted to enter into a Drinking Water and Groundwater Trust Fund grant agreement with the NH Department Environmental Services to fund a water system improvement project.

The Manchester Water Works further authorized William R. Trombly, Jr., President, Board of Water Commissioners to execute any documents which may be necessary to effectuate this grant agreement.

IN WITNESS WHEREOF, I have hereunto set me hand as Director of the Manchester Water Works the 29th day of March 2019.

Signature 

STATE OF NEW HAMPSHIRE County of Hillsborough

On this 29 day of March, 2019, before me Monique T. Dodd (Notary Public) the undersigned Officer, personally appeared. William R. Trombly, Jr., who acknowledged himself to be the President of the Board of Water Commissioners of the Manchester Water Works, being authorized so to do, execute the foregoing instrument for the purpose therein contained.

In witness thereof, I have set my hand and official seal.

Notary Public Monique T. Dodd My commission expires: MONIQUE T. DODD, Notary Public
State of New Hampshire
My Commission Expires August 26, 2020



Kevin J. O'Neil
Risk Manager

CITY OF MANCHESTER
Office of Risk Management
CERTIFICATE OF COVERAGE

NH DEPARTMENT OF ENVIRONMENTAL SERVICES
Drinking & Ground Water Bureau
29 Hazen Drive
Concord, New Hampshire 03302-0095

This certificate is issued as a matter of information only and confers no rights upon the certificate holder. This certificate does not amend, extend or alter the coverage within the financial limits of RSA 507-B as follows:

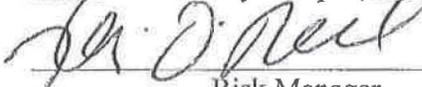
	Limits of Liability (in thousands 000)	
GENERAL LIABILITY	Bodily Injury and Property Damage	
	Each Person	325
	Each Occurrence	1000
AUTOMOBILE LIABILITY	Bodily Injury and Property Damage	
	Each Person	325
	Each Occurrence	1000
WORKER'S COMPENSATION	Statutory Limits	

The City of Manchester, New Hampshire maintains a Self-Insured, Self-Funded Program and retains outside claim service administration. All coverages are continuous until otherwise notified. Effective on the date Certificate issued and expiring upon completion of contract. Notwithstanding any requirements, term or condition of any contract or other document with respect to which this certificate may be issued or may pertain, the coverage afforded by the limits described herein is subject to all the terms, exclusions and conditions of RSA 507-B.

DESCRIPTION OF OPERATIONS/LOCATION/CONTRACT PERIOD

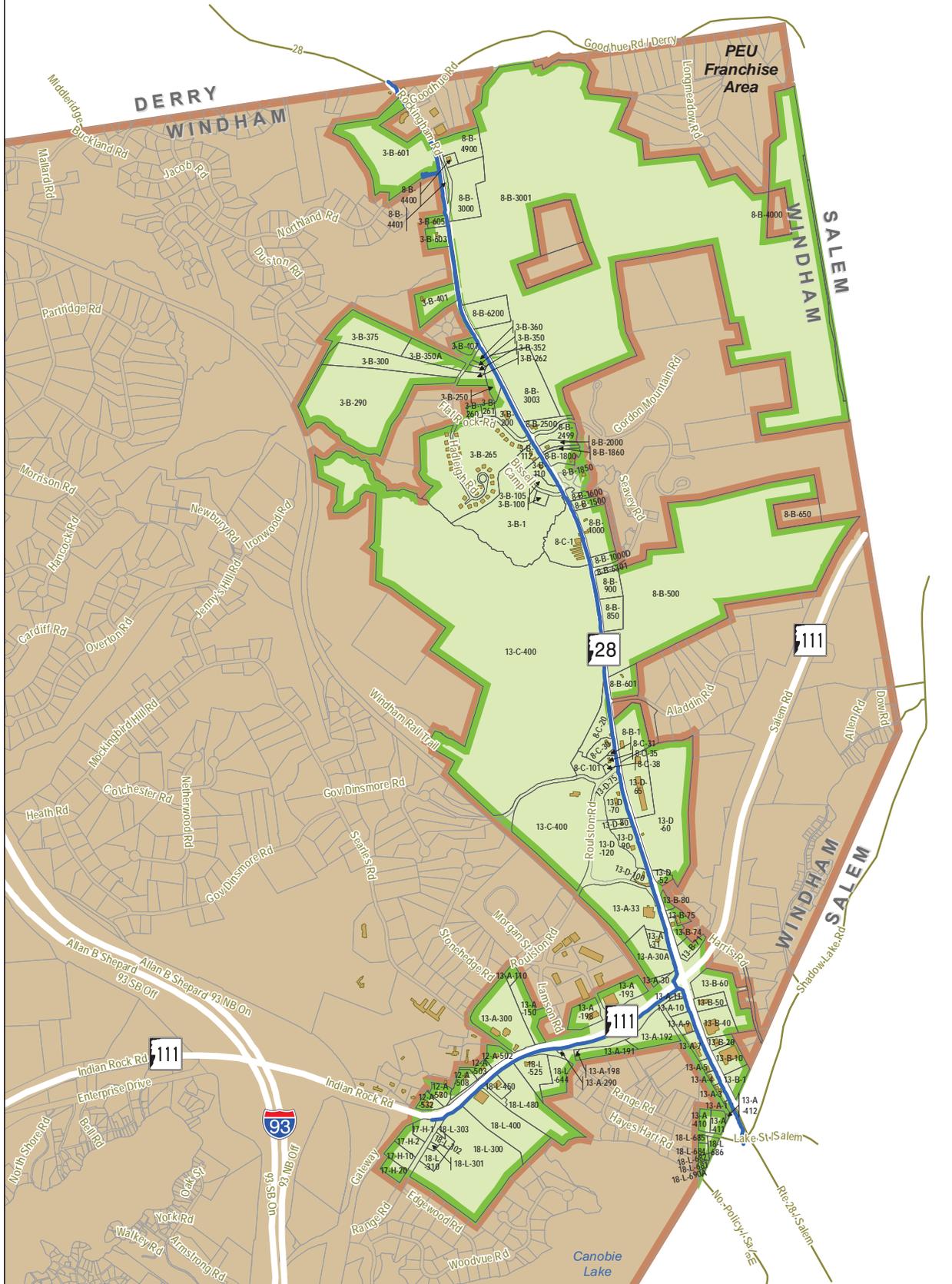
For the Southern New Hampshire Region Water Interconnection project beginning on March 29, 2019.

Issued the 2nd day of April, 2019.



Risk Manager

Areas to be Transferred from Pennichuck East Utilities (PEU) to Town of Salem



- PEU Service Area
- Salem Service Area
- Regional Water Line
- Windham Buildings

Map by Salem, NH GIS
Date of Issue 5/5/2020

Windham Parcels in Salem Water Dept Area

Windham parcels and lot information represent April 1, 2019 conditions





TOWN OF WINDHAM, NEW HAMPSHIRE

OFFICE OF THE BOARD OF SELECTMEN/TOWN ADMINISTRATOR
3 NORTH LOWELL ROAD – WINDHAM, NEW HAMPSHIRE 03087

May 20, 2020

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

Re: Town of Salem and Pennichuck East Utility, Inc.
Petition to Transfer Service Territory and Assets and to Commence Business
Town of Windham Support for Petition

Dear Ms. Howland:

The Town of Windham is a party to the Agreement Regarding the Southern New Hampshire Regional Water Interconnection Project (“Interconnection Agreement”), along with the Town of Salem, Pennichuck East Utility, Inc. (“PEU”) and others. The purpose of the Interconnection Agreement is to address water issues in several communities, including contaminated wells in Windham and Windham’s need for additional water capacity.

Because the Town of Windham does not operate a municipal water system, and the Town of Salem does, the Interconnection Agreement provides that the Town of Salem shall construct, own, operate, and maintain certain infrastructure in Windham, specifically, a 20-inch water transmission main along Route 128 and a 12-inch water main along Route 111. The Interconnection Agreement also provides that PEU will surrender its franchise rights in Windham as appropriate to permit the Town of Salem to serve retail customers in Windham. Furthermore, the Interconnection Agreement provides that the Town of Salem will charge retail customers in Windham rates, as agreed to by the Towns, which shall be no higher than 15% above the rates charged in Salem, as permitted by RSA 362:4, III-a (a) (1).

The Board of Selectmen have discussed issues related to the signing and implementation of the Interconnection Agreement at numerous duly-noticed public meetings over the past two years to insure that the public is fully informed and that the Interconnection Agreement achieves its purpose. On March 25, 2019 the Board voted to unanimously support the Agreement.

To implement the Interconnection Agreement, PEU and the Town of Salem have prepared a Petition to Transfer Service Territory and Assets and to Commence Business (“Petition”) for filing with the Public Utilities Commission, which, among other things provides that the Town of Salem will charge retail customers in Windham rates 15% above the rates it charges in Salem. The Board of Selectmen has reviewed the Petition and, at its meeting of May 18, 2020, voted to fully support it. If you have any questions or require additional information, please do not hesitate to contact me.

Very truly yours,

David Sullivan
Town Administrator

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**PENNICHUCK EAST UTILITY, INC.
TOWN OF SALEM
DOCKET NO. DW 20-___**

**PETITION TO TRANSFER SERVICE TERRITORY AND ASSETS
AND TO COMMENCE BUSINESS**

**DIRECT PREFILED TESTIMONY
OF
DONALD L. WARE**

May 21, 2020

1 **Q. What is your name and what is your position with Pennichuck East Utility, Inc.?**

2 A. My name is Donald L. Ware. I am the Chief Operating Officer of the Pennichuck East
3 Utility, Inc. (“PEU” or the “Company”). I have worked for the Company since 1995. I
4 am a licensed professional engineer in New Hampshire, Massachusetts and Maine.

5 **Q. Please describe your educational background.**

6 A. I have a Bachelor in Science degree in Civil Engineering from Bucknell University in
7 Lewisburg, Pennsylvania and I completed all the required courses, with the exception of
8 my thesis, for a Masters degree in Civil Engineering from the same institution. I have a
9 Masters in Business Administration from the Whittemore Business School at the
10 University of New Hampshire.

11 **Q. Please describe your professional background.**

12 A. Prior to joining the Company, I served as the General Manager of the Augusta Water
13 District in Augusta, Maine from 1986 to 1995. I served as the District’s engineer
14 between 1982 and 1986. Prior to my engagement with the District, I served as a design
15 engineer for the State of Maine Department of Transportation for six months and before
16 that as a design engineer for Buchart-Horn Consulting Engineers from 1979 to 1982.

17 **Q. What are your responsibilities as Chief Operating Officer of the Company?**

18 A. As Chief Operating Officer, I am responsible for the overall operations of the Company,
19 including customer service, water supply, distribution and engineering. I work closely
20 with the Company’s Chief Engineer and other Senior Managers to help develop the
21 Company’s Annual and Three Year Capital Improvement Plans.

22

23

1 **Q. What is the purpose of your testimony?**

2 A. My testimony explains why the transfer of the Company’s franchise area along Route 28
3 in Windham between the Town of Derry and the Town of Salem and along Route 111
4 from Route 28 to its intersection with Range Road to the Town of Salem is for the public
5 good.

6 **Q. Please describe the area that PEU proposes to transfer to the Town of Salem.**

7 A. PEU currently owns the franchise rights to provide water service to the entire Town of
8 Windham. The Company is proposing to surrender its franchise rights for a portion of
9 the Town Windham to the Town of Salem. The area that the Company is proposing to
10 surrender generally involves lots that abut Route 28 in Windham from the Derry Town
11 Line to the Salem Town Line as well as lots that abut Route 111 between Route 28 up to
12 the intersection of Route 111 and Range Road and along Range Road between Route 111
13 and Edgewood Drive. Please see Attachment B to the Petition for a map detailing the
14 areas in Windham that PEU is proposing to surrender to the Town of Salem.

15 **Q. Please provide some background on why the transfer is being proposed?**

16 A. As the Commission may be aware, the New Hampshire Department of Environmental
17 Services (“NHDES”) is funding a project to extend water from Manchester Water Works
18 through Derry into Southern New Hampshire to provide Safe Drinking Water to the
19 Towns of Windham, Salem, the Hampstead Area Water Company and the Town of
20 Plaistow in response to MTBE contamination of local wells in these communities. A
21 portion of this project is the installation of:

- 22 1. 16,000+ lineal feet of 20” water main down Route 28 from the
23 Derry/Windham Town line to the Windham/Salem Town line and

1 2. 4,300+ lineal feet of 12” water main along Route 111 to the intersection of
2 Route 111 and Range Road.

3 The total projected cost of the water mains in Windham (inclusive of engineering design,
4 engineering inspection, water main construction and the creation of the final project as-
5 built) is \$14.9 million.

6 **Q. Please explain why it is more efficient for the Town of Salem to serve the area**
7 **identified in the Petition.**

8 **A.** There are three primary reasons why it is in the public good for the Town of Salem to
9 provide service to the customers of Windham within the proposed Franchise transfer
10 area:

11 1. The water mains in question are being paid for 100% by with funds from the
12 New Hampshire Department of Environmental Services (NHDES) Drinking Water and
13 Groundwater Trust Fund. If PEU were to accept these water mains from the NHDES,
14 which are being 100% funded by the NHDES, the water mains would be considered
15 Contributions in Aid of Construction (CIAC). In accordance with the Tax Cuts and Jobs
16 Act of 2017, PEU would be required to treat this CIAC as ordinary income at the time it
17 accepted the water mains from the NHDES which would result in a Federal and State
18 Income tax liability to the Company of about \$5.1 million. Based on its current tariff,
19 PEU would be required to collect the \$5.1 million in tax liability from the NHDES at the
20 time PEU accepted the water mains resulting in the project cost increasing by about 34%.
21 Conversely, if Salem is the owner of these water mains, as a municipality, it is not
22 required to pay the Federal and State taxes on the CIAC, thus resulting in the project

1 costing the NHDES substantially less if Salem is the project owner as opposed to
2 Pennichuck.

3 2. If PEU owns the water main through Windham it would be required to pay
4 property taxes to the Town of Windham and the State of New Hampshire on this water
5 main at a combined rate of \$26.84 per \$1,000 of valuation resulting in an annual property
6 tax expense to Pennichuck of about \$400,000 per year. Whereas 90% of the water
7 through this water main would exclusively benefit the Town of Salem, the Hampstead
8 Area Water Company and the Town of Plaistow about \$360,000 in property taxes would
9 need to be collected from these entities by the Company each year to cover these property
10 tax expenses. At full water main usage (about 2.8 million gallons per day) this would
11 translate to an additional \$0.26 per one hundred cubic feet of purchased water cost for
12 Salem et al. Conversely, if Salem owns the water mains it is not subject to either the
13 local or State property taxes on this section of water main resulting in lower purchased
14 water costs from this section of water main.

15 3. There is MTBE contamination in the vicinity of the intersection of Route 111
16 and Range Road. PEU serves a portion of the contaminated area with water from its
17 W&E Community Water System (W&E). The W&E system's water supply is provided
18 by a number of groundwater wells. The existing wells are at their maximum capacity and
19 cannot provide the additional water necessary to serve the area contaminated by MTBE.
20 The extension of the 12" water main along Route 111 to its intersection with Range Road
21 will provide the Safe Drinking Water to this area (that W&E does not have the supply
22 for) to allow for the development of this area.
23

1 **Q. Are there any advantages to the Company associated with the transfer?**

2 A. Yes. The advantages to the Company are as follows:

3 1. The W&E water supply is currently at its maximum capacity and as such a
4 small leak or minimal outside usage results in the need for the Company to haul water to
5 maintain water service. The section of the W&E system being proposed for surrender to
6 the Town of Salem uses between 10,000 to 15,000 gallons per day of water (about 15%
7 of the W&E system demand). Removing this demand from the W&E system will leave
8 additional supply for the remaining W&E customers allowing for some outside water
9 usage and should eliminate the need to track water into the system to supplement supply
10 when a small leak occurs.

11 2. The Company will have reduced expenses associated with the local and State
12 property taxes paid by the Company for the value of the assets being transferred to the
13 Town of Salem.

14 3. The NHDES will fund an emergency interconnection between the Salem
15 portion of the W&E system and the PEU portion of the W&E system at no cost to the
16 Company.

17 **Q. What is the value of the assets the Company is proposing to transfer to the Town of**
18 **Salem?**

19 A. The Company will be transferring about 1,400 feet of 8" water main, 17 main-to-stop
20 services and 2 hydrants to the Town of Salem. The value of these assets to the Company
21 is \$0.00 for rate making purposes as all the property proposed to be transferred to the
22 Town of Salem was contributed by developers.

1 **Q. What will happen to the meters and radios owed by the Company that are currently**
2 **located at customer locations that are being transferred to the Town of Salem in the**
3 **proposed Franchise transfer?**

4 A. The Company will remove its meters and radios from service and place them into stock
5 for reuse at other locations. The Town of Salem will install its own meters and radio at
6 each of the locations being transferred to the Town.

7 **Q. Are there any disadvantages to PEU and its customers as a result of this proposed**
8 **franchise modification?**

9 A. No.

10 **Q. Does this conclude your testimony?**

11 A. Yes.

12

**STATE OF NEW HAMPSHIRE
BEFORE THE
PUBLIC UTILITIES COMMISSION**

**PENNICHUCK EAST UTILITY, INC.
TOWN OF SALEM, NEW HAMPSHIRE
DOCKET NO. DW 20-__**

**PETITION TO TRANSFER SERVICE TERRITORY AND ASSETS
AND TO COMMENCE BUSINESS**

**DIRECT PREFILED TESTIMONY
OF
ROY SORENSON**

May 21, 2020

1 **Q. What is your name and what is your position with the Town of Salem?**

2 A. My name is Roy Sorenson. I am the Director of Municipal Services for the Town of
3 Salem, where I have worked since January 2016.

4 **Q. Please describe your educational background.**

5 A. I have a Bachelor of Science degree in Civil Engineering Technology from UMASS-
6 Lowell in Lowell, Massachusetts graduating Magna Cum Laude. In addition, I hold an
7 Associate's Degree in Business Administration from Middlesex Community College in
8 Bedford, Massachusetts.

9 **Q. Please describe your professional background.**

10 A. Prior to becoming the Municipal Services Director in Salem, I was the Director of Public
11 Works for Bedford, MA and was its representative to both the Massachusetts Water
12 Resources Authority and Boston Region Metropolitan Planning Organization. Over my
13 twenty-year career, I have also served as the Street Superintendent in Nashua, NH, the
14 Operations Manager for Public Works in Melrose, MA, and the Foreman of Public
15 Works in North Reading, MA.

16 **Q. What are your responsibilities as the Director of Municipal Services?**

17 A. As Director of Municipal Services, I manage and direct the operations and activities of
18 three divisions; Public Works, Utilities, and Engineering, overseeing the largest
19 department budget in the Town of Salem. My Public Works responsibilities include
20 Administration, Cemeteries, Fleet, Streets and Shops, Solid Waste, Parks, and Properties.
21 My Utilities responsibilities include Water Treatment, Distribution, and Metering, Sewer
22 Distribution to Greater Lawrence Sanitary District, and sewer station management. My
23 Engineering responsibilities include Department Wide Capital Improvements, Design,

1 Technical Review, and Permitting. I am also responsible for developing and
2 administering strategic long-range plans for the delivery of municipal services, preparing
3 and administering budgets and financial plans, and assuring responsible use of resources.
4 I currently manage Municipal Service's \$60 million Capital Improvements Program,
5 which includes the regional water line.

6 **Q. What is the purpose of your testimony?**

7 A. My testimony discusses the *Agreement Regarding the Southern New Hampshire Regional*
8 *Water Interconnection Project* ("Interconnection Agreement") and describes the Town of
9 Salem's financial, technical and managerial expertise to furnish water service in the
10 Town of Windham.

11 **Q. Please summarize the Interconnection Agreement and explain the Town of Salem's**
12 **role.**

13 A. The Interconnection Agreement memorializes a joint public works program for the
14 provision of water services pursuant to RSA Chapter 53-A to address water issues in a
15 number of communities in southern New Hampshire, including Salem and Windham.
16 Among other things, the Interconnection Agreement sets forth the terms and conditions
17 under which certain infrastructure will be developed, constructed and operated, in order
18 to deliver clean drinking water from the Manchester Water Works.
19 As part of Phase I of the Project, Salem will construct, own, operate, and maintain a 20-
20 inch water transmission main in Windham along Route 28, as well as a 12-inch water
21 main along Route 111. Funding for Phase I is provided from the New Hampshire
22 Department of Environmental Services ("DES") Drinking Water and Groundwater Trust

1 Fund, which approved \$19.6 million for Phase I of the overall project, and by MTBE
2 Settlement Funds in the amount of \$7.3 million.

3 The Interconnection Agreement also provides that, subject to New Hampshire Public
4 Utilities Commission (“PUC”) approval, the Town of Salem will furnish retail water
5 service in Windham and PEU will surrender its franchise rights in agreed-to areas.

6 **Q. What is the status of the Town’s activities under the Interconnection Agreement?**

7 A. Consistent with the Interconnection Agreement, the Town of Salem intends to have all
8 Phase 1 infrastructure to be constructed in Windham complete and in service by
9 December 31, 2020. The water main along Route 28 and two pressure reducing valve
10 stations will be completed and ready to place into service by mid-June, 2020. The Route
11 111 stub has been put out to bid and will be in service by December 31, 2020.

12 **Q. Does the Town of Salem have the financial, managerial and technical expertise to
13 furnish water service in the Town of Windham?**

14 A. Yes. The Town of Salem has operated a municipal water utility since 1905, when the
15 Town purchased the private Salem Water Works Company.

16 Currently, the Water Fund’s unrestricted fund balance is \$2.1 million dollars which
17 represents 51% of the water fund’s operating budget. The Town annually reviews the
18 rates to ensure that the fund remains fiscally stable. Over ten million dollars of capital
19 improvements have been approved by Salem voters in the past five years including
20 securing water rights through purchases of Merrimack Source Development rights from
21 Manchester Water Works.

22 As Director of Municipal Services, I create the annual budget and capital improvement
23 requests along with oversight by the Town’s Finance Director, Nicole McGee, and the

1 Town Manager, Chris Dillon. In addition, the town has a water capital reserve fund,
2 which has money set aside for unforeseen emergency expenditures that cannot be
3 absorbed by the operating budget. Ultimate approval of all Water Fund Finances are
4 through the Board of Selectmen.

5 The Salem Utilities Division has twelve full-time employees and provides water service
6 to over 7,700 homes and businesses in Salem, distributing on average over 2.3 million
7 gallons of drinking water per day. The Town uses two reservoirs for drinking water;
8 Canobie Lake from the months of May through October, and Arlington Pond from
9 October through May. The Canobie Lake Water Treatment Plant, built in 1995, uses a
10 Trident upflow clarification treatment system designed for a peak flow rate of 6 MGD.
11 The water system comprises over 140 miles of water main, including 1,750 valves and
12 932 hydrants. Annual revenues for the water system in 2018 were approximately \$3.6
13 million and capital investment in that year amounted to approximately \$2.4 million.

14 **Q. Why is it for the public good for the Town Salem to serve retail customers in**
15 **Windham?**

16 A. The purpose of the Interconnection Agreement is to address water capacity and water
17 contamination issues that would not otherwise be addressed in a timely and cost-effective
18 manner. As explained by Mr. Ware in his testimony, if PEU were to construct the water
19 mains and the facilities along Route 28 and Route 111 required under the Interconnection
20 Agreement, it would incur significant income tax liability that would increase
21 construction costs by roughly one-third and increase local property taxes by
22 approximately \$400,000 annually, which costs would be borne by ratepayers. The Town

1 of Salem, on the other hand, is not subject to the income taxes and local property taxes
2 that would apply to PEU, which benefits customers in Windham.

3 **Q. How will the Town of Salem prepare to serve retail customers in Windham?**

4 A. Serving retail customers outside of its municipal boundaries will impose additional costs
5 and risks on the Town of Salem inasmuch as it must be prepared for the eventuality of
6 serving up to as many as 100 or so new customers. The build-out of the system in
7 Windham will require the involvement of Municipal Services personnel on an initial and
8 ongoing basis to, among other things, connect new customers, maintain infrastructure,
9 respond to complaints, and read meters. In addition, the Town of Salem will need to
10 expand its billing and collections capacity to serve the new customers. Accordingly, the
11 Town of Salem is contemplating hiring additional personnel but has not yet resolved the
12 specific job requirements.

13 **Q. How will the Town of Salem rates compare to PEU rates?**

14 A. PEU customers in Windham pay \$7.51 per 100 Cubic Feet under existing rates. As
15 permitted by statute, the Town of Salem will charge Windham residents rates 15% above
16 the rates charged to Salem residents (currently, \$3.65 per 100 Cubic Feet), that is, \$4.20
17 per 100 Cubic Feet.

18 **Q. Is it correct that PEU will be removing its meters from the customer locations that
19 are being transferred to the Town of Salem?**

20 A. Yes. PEU will remove its equipment and the Town of Salem will install its own meters
21 and radios at each of the 17 locations being transferred.

22 **Q. Does the Town of Salem satisfy DES requirements concerning the suitability and
23 availability of water?**

1 A. Yes. In accord with RSA 364:22, III, DES has submitted a letter attesting that the Town
2 of Salem has satisfied the DES requirements.

3 **Q. Does this conclude your testimony?**

4 A. Yes.

5



The State of New Hampshire
Department of Environmental Services



Robert R. Scott, Commissioner

May 5, 2020

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

Re: Joint Petition to Modify Franchise
Pennichuck East Utility, Inc. and Salem Water Department (PWS 2051010)
Opinion of Suitability and Availability per NH RSA 374:22, III

Dear Ms. Howland:

We have reviewed our records and hereby confirm that the subject public water system meets the suitability and availability criteria of NH RSA 374:22 III, for expansion of water service to the lots in the Town of Windham identified on the attached figure "Areas to be Transferred from Pennichuck East Utilities (PEU) to Town of Salem", dated 5/5/20.

In addition, the Department of Environmental Services supports Pennichuck East Utility, Inc. (PEU) and the Town of Salem's request to modify PEU's franchise to allow Salem to provide water service to the lots identified above for the public good. NHDES believes that Salem's Petition is in the best interests of Salem's and PEU's customers and the properties in question as it will enable the parties to continue to provide safe and reliable service at just and reasonable rates.

Sincerely,

Michael C. Unger, PE
Drinking Water and Groundwater Bureau

Cc Roy Sorenson, Town of Salem
David Sullivan, Town of Windham
Donald Ware, Pennichuck Corporation

www.des.nh.gov

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