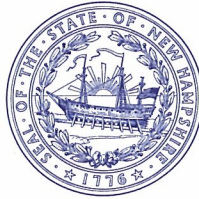


THE STATE OF NEW HAMPSHIRE

CHAIRMAN
Thomas B. Getz

COMMISSIONERS
Graham J. Morrison
Clifton C. Below

EXECUTIVE DIRECTOR
AND SECRETARY
Debra A. Howland



PUBLIC UTILITIES COMMISSION

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June 19, 2009

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



Re: DW 09-098, Lakes Region Water Company
Petition for Authority to Finance and to Increase Rates

Dear Ms. Howland:

On June 1, 2009, Lakes Region Water Company (LRWC) filed a petition with the Commission seeking approval for financing and a step increase related to seven proposed water system improvement projects. The projects would be funded by American Recovery and Reinvestment Act monies provided through New Hampshire's State Revolving Loan Fund (SRF), administered by the New Hampshire Department of Environmental Services (NHDES). LRWC serves some 1,600 customers in sixteen separate systems. Additional information related to the filing was provided in response to Staff inquiries, and those responses are attached. The seven projects are identified below:

- 1) A uranium treatment system is proposed for an existing, unused well to allow its use as a second source of supply in the company's Tamworth system. The system has approximately 70 customer connections and is currently operating with a single well. Treatment of the existing high uranium well was chosen over other alternatives due to factors including cost, land availability, and potential treatment requirements for a new well.
- 2) Replacement of the 30 year old Woodland Grove pump station in Conway, which would greatly improve access, eliminates moisture problems and accommodates treatment requirements. The project includes a significant increase in storage tank size, new pumps and installation of SCADA for remote monitoring purposes.

- 3) Water main replacement projects are proposed in Gunstock Glen/Brake Hill (Gilford), Echo Lake Woods (Conway) and 175 Estates (Thornton). All three systems have old, undersized mains that are prone to leakage. While other systems could also benefit from water main upgrades, the company applied for projects with the greatest need in those systems most likely to qualify for funding.
- 4) Metering projects are proposed in 175 Estates and Tamworth. In the past the company has proposed, or the Commission directed, metering of the company's unmetered systems.¹ The current proposal will address two of those systems. ARRA funding was not available for the remaining three unmetered systems due to their seasonal nature and, in one case (Deer Cove), small size in relation to minimum funding thresholds.

The total estimated cost of the above projects is \$1,500,000. All seven projects are on the funded portion of the most recent NHDES drinking water economic stimulus priority list (June 9, 2009). Completion of the projects is anticipated by the end of next summer.

Stimulus funding is expected to treat half of the overall cost of the financing as a grant over the life of the loan, in the form of principal and interest forgiveness. In this regard, while LRWC's filing requests financing of \$750,000, the actual financing requirement would be the full \$1,500,000, with 50 percent forgiven. Terms would be similar to other recent SRF financings. It is expected that LRWC's loan will be repaid over a 20 year term, with an interest rate of 3.744%. As with prior SRF loans, DES would make disbursements of funds based on invoices submitted by contractors engaged by LRWC, and those advances would accrue interest at a rate of 1% until substantial completion of the capital projects. Approximately six months after project completion, monthly payments of principal and interest will begin, again with 50% of the principal forgiven. According to the company's filing, the borrowing would result in a debt to equity ratio of approximately 60/40, which Staff considers acceptable.

LRWC is requesting authority to file for a step increase once the projects financed by this borrowing are completed, and estimates that this step adjustment would increase customer rates by about 8.79%. Staff would support the Commission approving a step adjustment filing such that LRWC's access to these funds is not jeopardized. Considering, however, that the issue of step adjustments versus a full rate case filing was discussed in LRWC's recent docket DW 08-070², Staff believes it is more appropriate for LRWC to plan a full rate case filing which could incorporate the plant assets in the instant proceeding.

The ARRA funding is competitive, and in fact only half of the fourteen projects the company applied for were funded. The seven funded projects will address a number of significant needs in the company's systems. As noted above, the benefits of this funding are

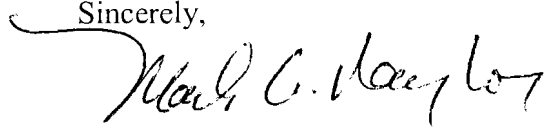
¹ See, for example, Order No. 21,872 (October 18, 1995) in DR 95-028; Order No. 24,576 (January 6, 2006) in DW 05-137; Order No. 24,692 (October 31, 2006) in DW 05-137; and Order No. 24,883 (August 5, 2008) in DW 08-070.

² See Order No. 24,925 (December 30, 2008) in DW 08-070.

significant. Staff has reviewed the petition and other information submitted by Lakes Region Water Company in this docket. Staff supports approval of Lake Region's financing request, and recommends the Commission approve it.

If you have any questions regarding this matter, please let me know.

Sincerely,

A handwritten signature in black ink, reading "Mark A. Naylor". The signature is written in a cursive style with a large, sweeping initial "M".

Mark A. Naylor
Director, Gas & Water Division

Attachment - discovery responses

cc: Service list

**DW 09-098
Lakes Region Water Company
Staff Data Requests – Set 1
Company Responses**

Staff 1-1

Two projects included in the petition do not appear on the funded portion of the final (April 20, 2009) NHDES Drinking Water SRF priority listing for ARRA funds, namely the Echo Lake Woods and 175 Estates main replacement projects. These projects are ranked #57 and 58, respectively, while funding ends with #54 on the list. Please indicate the basis for the company's belief that funding will become available for these projects.

Please see Attachment A: new updated, ARRA Funding Listing dated 6/9/09. Each of our projects is underlined with those receiving no funding being shown with a Zero (0) at the beginning and end of line. The updated listing now funds projects through number 63.

Staff 1-2

Mr. St. Cyr's testimony (page 5, line 7) notes a total of ten Drinking Water SRF projects for which the company sought funding, totaling \$2,900,000. However, the ten company projects on the final NHDES priority list total \$ 2,664,500. Please clarify or explain.

The correct total is \$2,644,500.00.

Staff 1-3

Please provide any existing correspondence from NHDES or other relevant material in support of the need for the following projects:

- a) Tamworth uranium treatment system;

Please see Attachment B: NHDES sanitary survey, dated 2/19/08.

Per NHDES regulations, any water system serving over 30 connections may require a secondary source.

- b) Woodland Grove pump station replacement.

NHDES had indicated in verbal discussions the need for an updated pumphouse in Woodland Grove. The system has an aggressive pH issue which requires treatment. A separate building is necessary for adequate storage of caustic material. The current pump station is the original pump station that has been in service since the 1970s, which has unsafe access. Please see Attachment C: NHDES Sanitary Survey, dated 1/22/07.

Staff 1-4

Please briefly describe the uranium treatment equipment proposed for Tamworth, including support for its expected life (noted as 10 years in schedule SPS 6).

Please see Attachment D: NHDES letter dated 5/29/09 concerning Uranium Treatment of Bedrock Well.

Per letter from Bruce Lewis dated 6/10/09 (Attachment E), the expected life of the filtration system will average 5 years.

Staff 1-5

Please comment on the age and condition of the Woodland Grove tank to be replaced.

The tank is the original tank of the system that was installed in the late 1970s. The tank is buried, and the current size is approximately 10,000 gallons. The capacity will be increased to 25,000 to 35,000 gallons.

Staff 1-6

Please comment on why the three water main replacement projects were chosen over possible main replacements in other systems, including what criteria were considered.

Please see Attachment F: Copies of slides from DWSRF ARRA's public hearing presentation on 4/3/09. These are partial printouts of PDF files taken from the NHDES website under the NH Recovery Section – Hot Topics – 4/3/09 Public Hearing.

Staff 1-7

Page 9, line 20 and page 10, line 12 of Mr. St. Cyr's testimony omit details (feet and/or size) of existing mains in the Echo Lake Woods and 175 Estates systems, respectively. Please provide the missing numbers.

Echo Lake Woods: Approximately 2,000 feet of existing mains are of 1.5" – 2" diameter. They will be increased, through this project to 3" diameter.

175 Estates: existing mains have a diameter of 1"-1.25" They will be increased 3".

Staff 1-8

Page 10, line 13 of Mr. St. Cyr's testimony references "Primary Road" in the 175 Estates development. Is this intended to refer to Sunrise Hill Road?

Yes, the primary road is Sunrise Hill Road.

Staff 1-9

The filing notes the company's attempts to secure ARRA funding for four metering projects, but omits mention of a fifth unmetered system, Deer Cove. Please indicate the company's intentions regarding metering of that system as anticipated by Order 24,692 (pp. 8-9).

Metering of the Deer Cove system was not submitted for ARRA funding because it was below the minimum requirement of \$20,000 estimated cost. The system is also a seasonal system, which is the primary reason for zero funding of the LOV & IM metering projects.

Staff 1-10

Does the cost of metering Tamworth include the cost of replumbing individual units within buildings? If not, please explain how the company anticipates this issue will be addressed.

NO. The company will furnish a single meter to any multi-unit dwelling that is not plumbed for individual dwellings. If the dwelling owner re-plumbs for individual meters, we will install individual meters for each dwelling. All plumbing costs beyond normal meter installation will be the responsibility of the dwelling owner.

Staff 1-11

When does the company anticipate that metering of Tamworth will be complete?

Spring 2010

Staff 1-12

Is it still the company's intention to rely, for billing purposes, on customer meters in Gunstock Glen owned by the Town of Gilford, once that system is converted to the company's consolidated rate? If not, please explain.

Yes.

GREEN PRINTS

WG

ELU

195E

ELU

NH Recovery			American Recovery and Reinvestment Act of 2009										NH Drinking Water SRF - Stimulus Package Preapplications										RECOVERY.GOV									
OTHER DW			\$ 29,640,000		Denotes proposed funded project																											
GREEN DW			\$ 7,800,000		Denotes proposed funded green infrastructure																											
total projects received			280																													
total requested (\$1,000s)			\$ 248,923		Total available										\$ 27,440,000																	
			Total Est Cost		ELIGIBLE																											
EPA ID	PWS Name	Population					CUMULATIVE	SDWA VIOL	QTY- STO	TRT- DES	CAP- DEV	READI- NESS	AFFO- RDAB	GRE- EN	TOTAL	Priority Rank	Project Start	Project Description														
0512130	Conway, Woodland Grove	155	\$	145,000	\$	145,000	\$	24,564,963							77	45	6/1/2009	Upgrade pump station and storage tank														
1562020	Milford, Ashley Commons (PEU)	73	\$	450,000	\$	450,000	\$	25,014,963	18	0	18	0	30	11	0	77	46	04/20/2009	Ashley Commons - Town of Milford Interconnection													
0301010	Bristol Water Works	3327	\$	1,191,000	\$	1,191,000	\$	26,205,963	0	22	18	0	22	3	10	75	47	7/31/2009	Hillside Ave BS and Storm Ctr well upgrade (new pumps, etc.)													
1101010	Haverhill, Precinct of Haverhill Corner	540	\$	2,270,000	\$	*	\$	26,205,963	0	14	18	0	30	3	10	75	48	7/15/2009	0.75 MG new storage tank, water main upgrades													
0231010	Berlin Water Works	9500	\$	3,000,000	\$	3,000,000	\$	29,205,963	0	0	18	0	30	15	10	73	49	6/1/2009	Water main replacement and upgrade													
2011010	Rollinsford WD	1688	\$	195,000	\$	195,000	\$	29,400,963	20	20	0	0	30	0	0	70	50	5/18/2009	BRW3 replacement, CO2 trt add, backup power Porter Wellhouse													
1461010	Marlborough Water System	750	\$	995,000	\$	452,000	\$	29,852,963	0	20	18	0	22	0	10	70	51	7/10/2009	Develop replacement wells, new pump house													
0771010	Epsom Village District	750	\$	105,000	\$	*	\$	29,852,963	0	0	34	0	22	3	10	69	52	7/1/2009	New pump station above flood level													
0202010	Belmont, Lakeland	388	\$	95,000	\$	95,000	\$	29,947,963	0	20	0	0	30	7	10	67	53	04/15/2009	Water storage tank (30kgal), off-peak demand pumping													
0993020	Greenville Estates Coop	480	\$	2,500,000	\$	2,500,000	\$	32,447,963	0	20	18	0	15	3	10	66	55	10/1/2009	IC w/Town of Greenville to ally water shortage and WQ (VOCs)													
2351010	Tilton & Northfield WD	2500	\$	1,039,679	\$	1,039,679	\$	33,487,642	0	0	18	0	22	15	10	65	56	8/1/2009	Water main replacement													
0512050	Conway, Echo Lake Woods	112	\$	161,000	\$	161,000	\$	33,648,642	0	0	18	0	22	15	10	65	57	7/3/2009	Water main replacement 2000 LF													
2342010	Thornton, 175 Estates	108	\$	345,000	\$	345,000	\$	33,993,642	0	0	18	0	22	15	10	65	58	7/3/2009	Upgrade / replace water mains with 3" PVC													
2351010	Tilton & Northfield WD	2500	\$	1,243,910	\$	1,243,910	\$	34,118,552	0	0	18	0	30	15	0	63	59	6/15/2009	Move pump station above ground													
0612070	Derry, PEU Glen Ridge	255	\$	98,000	\$	98,000	\$	34,216,552	0	0	18	0	30	15	0	63	60	06/01/2009	Storage tank replacement													
1621010	Nashua, Pennichuck Water Works	86630	\$	1,300,000	\$	1,300,000	\$	35,516,552	0	0	18	0	30	3	10	61	61	05/30/2009	French Hill Water Main Rehabilitation													
1621010	Nashua, Pennichuck Water Works	86630	\$	530,000	\$	*	\$	35,516,552	0	0	18	0	30	3	10	61	62	06/15/2009	Watermain replace Buck, Van Buren/Fletcher, Green, & Armory St													
1241010	Keene PWD	25000	\$	2,283,088	\$	2,283,088	\$	37,799,640	0	0	18	0	30	3	10	61	63	5/1/2009	Replace dist main phase 6													
1241010	Keene PWD	25000	\$	1,322,510	\$	1,322,510	\$		0	0	18	0	30	3	10	61	64	5/1/2009	Replace dist main phase 4													
1241010	Keene PWD	25000	\$	1,188,877	\$	1,188,877	\$		0	0	18	0	30	3	10	61	65	5/1/2009	Replace dist main phase 2													
1241010	Keene PWD	25000	\$	1,144,888	\$	1,144,888	\$		0	0	18	0	30	3	10	61	66	5/1/2009	Replace distmain phase 7													
1241010	Keene PWD	25000	\$	1,007,847	\$	1,007,847	\$		0	0	18	0	30	3	10	61	67	5/1/2009	Replace dist main phase 3													
1241010	Keene PWD	25000	\$	735,296	\$	735,296	\$		0	0	18	0	30	3	10	61	68	5/1/2009	Replace dist main phase 1													
1241010	Keene PWD	25000	\$	610,207	\$	610,207	\$		0	0	18	0	30	3	10	61	69	5/1/2009	Replace dist main phase 5													
2001010	Rochester Water Dept	20000	\$	1,180,000	\$	1,180,000	\$		0	0	18	0	30	3	10	61	70	5/30/2009	Washington St main replacement Phase IV													
0801010	Exeter Water Dept	11000	\$	18,400,000	\$	5,000,000	\$		0	0	18	0	30	3	10	61	71	06/01/2009	New Surface Water Treatment Plant construction													
0801010	Exeter Water Dept	11000	\$	125,000	\$	125,000	\$		0	0	18	0	30	3	10	61	72	05/01/2009	Gilman and Stadium Wells Reactivation													
1871010	Peterborough Water Works	4060	\$	719,100	\$	719,100	\$		0	0	18	0	30	3	10	61	73	5/18/2009	2,200 ft 12" diam. Water main on Rte 101													
1871010	Peterborough Water Works	4060	\$	440,050	\$	440,050	\$		0	0	18	0	30	3	10	61	74	5/18/2009	1,200 ft 16" diam water main and river crossing													
1221010	Jaffrey Water Works	3825	\$	1,182,395	\$	1,182,395	\$		0	0	18	0	22	11	10	61	75	7/15/2009	Water main replacement cathedral Rd, Prescott Rd													
1101040	Woodsville W & L	2000	\$	530,000	\$	530,000	\$		0	0	18	0	30	3	10	61	76	6/15/2009	Replace 2 inch mains													
0351010	Canaan Water Department	600	\$	22,038	\$	22,038	\$		0	0	0	30	30	0	0	60	77	5/1/2009	Provide security fencing around existing water treatment plant													
0862010	Freedom, LOV Water Co	538	\$	50,000	\$	50,000	\$		0	0	18	0	30	11	0	59	78	6/1/2009	Pump station upgrades													
0612080	Derry, PEU Redfield	250	\$	52,000	\$	52,000	\$		0	0	14	0	30	15	0	59	79	06/15/2009	Installation of Stationary Standby Emergency Power													
1732030	Newmarket, PEU Great Bay	220	\$	52,000	\$	52,000	\$		0	0	14	0	30	15	0	59	80	06/15/2009	Installation of Stationary Standby Emergency Power													
0802040	Exeter, PEU Forest Edge	100	\$	75,000	\$	75,000	\$		0	0	14	0	30	15	0	59	81	06/15/2009	Installation of Stationary Standby Emergency Power													
1471010	Manchester Water Works	133000	\$	1,750,000	\$	1,750,000	\$		0	0	18	0	30	0	10	58	82	6/30/2009	Cleaning and relining 25,000 LF													
2051010	Salem Water Dept	18000	\$	179,532	\$	179,532	\$		0	0	18	0	30	0	10	58	83	4/6/2009	Spicket Hill Tank control valve station / pump controls													
0691010	Durham/UNH Water Supply	16000	\$	270,000	\$	270,000	\$		0	0	18	0	30	0	10	58	84	06/09/2009	Colovos Rd. Main replacement													
0691010	Durham/UNH Water Supply	16000	\$	240,000	\$	240,000	\$		0	0	18	0	30	0	10	58	85	06/09/2009	Main St. West Edge Parking lot to Mast Rd. Main replacement													
0691010	Durham/UNH Water Supply	16000	\$	210,000	\$	210,000	\$		0	0	18	0	30	0	10	58	86	06/09/2009	Main St. Leavitt Ctr to West Edge Parking lot main replacement													
1321010	Lebanon Water Dept	10050	\$	817,460	\$	817,460	\$		0	0	18	0	30	0	10	58	87	06/01/2009	Hilcrest Acres main replacement (water, sewer and storm project)													
1321010	Lebanon Water Dept	10050	\$	230,400	\$	230,400	\$		0	0	18	0	30	0	10	58	88	06/01/2009	NH Rte 10 waterline replacement													
1321010	Lebanon Water Dept	10050	\$	230,400	\$	230,400	\$		0	0	18	0	30	0	10	58	89	06/01/2009	Seminary Hill Water main replacement 2400 LF													
1321010	Lebanon Water Dept	10050	\$	110,200	\$	110,200	\$		0	0	18	0	30	0	10	58	90	06/01/2009	Bank Street extension and water main replacement													
1321010	Lebanon Water Dept	10050	\$	86,400	\$	86,400	\$		0	0	18	0	30	0	10	58	91	06/01/2009	Water main replacement between Water Plan and Moulton Ave													
1071010	Hanover Water Works	8500	\$	193,200	\$	193,200	\$		0	0	18	0	30	0	10	58	92	6/3/2009	Connect dead ends and loop water mains													
1071010	Hanover Water Works	8500	\$	69,000	\$	69,000	\$		0	0	18	0	30	0	10	58	93	6/1/2009	Install new PRV													
1071010	Hanover Water Works	8500	\$	69,000	\$	69,000	\$		0	0	18	0	30	0	10	58	94	6/1/2009	Relocate services and abandon main Ripley Rd													
1071010	Hanover Water Works	8500	\$	34,500	\$	34,500	\$		0	0	18	0	30	0	10	58	95	6/1/2009	Clean and relining water main FH37 to FH38													
1071010	Hanover Water Works	8500	\$	34,500	\$	34,500	\$		0	0	18	0	30	0	10	58	96	6/1/2009	Clean and relining water main FH38 to FH40													
1071010	Hanover Water Works	8500	\$	34,500	\$	34,500	\$		0	0	18	0	30	0	10	58	97	6/1/2009	Clean and relining water mains FH41 to FH42													
1561010	Milford Water Utilities	8500	\$	395,260	\$	395,260	\$		0	0	18	0	30	0	10	58	98	6/15/2009	Union st water main improvements													
1561010	Milford Water Utilities	8500	\$	294,000	\$	294,000	\$		0	0	18	0	30	0	10	58	99	4/15/2009	Curtis Well facility upgrade													
1381010	Littleton Water & Light	5800	\$	115,000	\$	115,000	\$		0	0	18	0	30	0	10	58	100	05/01/2009	Installation of water shut-off valves													
0511030	North Conway WP	5000	\$	220,000	\$	220,000	\$		0	0	18	0	30	0	10	58	101	4/1/2009	Water main replacement 1750 LF Mechanic St													
0201010	Belmont Water System	1300	\$	1,648,810	\$	1,648,810	\$		0	0	18	0	30	0	10	58	102	5/15/2009	Pleasant Valley development distribution upgrades													
0201010	Belmont Water System	1300	\$	131,000	\$	131,000	\$		0	0	18	0	30	0	10	58	103	5/30/2009	Rte 140 water main relocation (10-in x 900 ft)													
1841010	Ossipee Water & Sewer	850	\$	575,000	\$	575,000	\$		0	0	18	0	15	15	10	58	104	09/09/2009	Route 16B Water Main 3000 LF replacement													
1841010	Ossipee Water & Sewer	850	\$	150,000	\$	150,000	\$		0	0	18	0	15	15	10	58	105	09/09/2009	Dore St Water Main 1600 LF replacement													
1211010	Jackson Water Precinct	500	\$	301,000	\$	301,000	\$		0	0	18	0	30	0	10	58	106	6/5/2009	Mervise Brook raw waterline replace and access rd													
1932180	Pleistow Tuxbury Meadows	75	\$	7,500	\$	7,500	\$		0	0	28	0	30	0	0	58	107	ASAP	Generator, new roof, drainage to prevent pump house flooding													

SORT BY RANK

American Recovery and Reinvestment Act of 2009										RECOVERY.GOV									
Drinking Water SRF - Stimulus Package Preallocations																			
Denotes proposed funded project																			
NH																			
OTHER DW																			
GREEN DW																			
Total available																			
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Population																			
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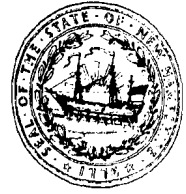
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2001010	Rochester Water Dept	20000	\$ 1,000,000	\$ 1,000,000	0	0	14	0	15	3	0	32	232	10/1/2009	Alum sludge lagoon upgrade
2001010	Rochester Water Dept	20000	\$ 725,000	\$ 725,000	0	0	18	0	0	3	10	31	233	pending	Water main relocation - Spaulding Tpk w/ DOT proj
2051010	Salem Water Dept	18000	\$ 1,700,000	\$ 1,700,000	0	0	0	0	30	0	0	30	234	6/12/2009	Watermain installation around Lake
1461010	Madison, Village Dist of Edelweiss	1050	\$ 346,800	\$ 346,800	0	0	0	0	30	0	0	30	235	06/01/2009	Reinach Tank Upgrade
0341030	Campton, Waterville Estates Vd	715	\$ 1,395,000	\$ 1,395,000	0	0	0	0	30	0	0	30	236	6/1/2009	New well and transmission main, access road
0882060	Gilford, Winnstock Condo Asso.	125	\$ 29,900	\$ 29,900	0	0	0	0	30	0	0	30	237	06/15/2009	Generator
1221010	Jaffrey Water Works	3825	\$ 816,750	\$ 816,750	0	18	0	0	0	11	0	29	238	10/1/2010	Squantum well pump house and connect to dist
1221010	Jaffrey Water Works	3825	\$ 1,661,000	\$ 1,661,000	18	0	0	0	0	11	0	29	239	6/30/2010	Old Sharon Road water main extension service to POTW, transfer sta
0501010	Concord Water Dept	43000	\$ 350,000	\$ 350,000	0	0	18	0	0	0	10	28	240	2/1/2010	Raw water metering and process control upgrade
1201010	Hudson Water Utility	16000	\$ 275,000	\$ 275,000	0	0	18	0	0	0	10	28	241	07/01/2010	Upgrade Windham Road Booster Station
1741010	Newport Water Works	5000	\$ 2,279,000	\$ 2,279,000	0	20	0	0	0	3	0	23	242	5/1/2011	New well development
0161020	Lower Bartlett W P	3386	\$ 3,340,000	\$ 3,340,000	0	0	0	0	22	0	0	22	243	8/1/2009	Interconnect Cow Hill with Lower Bartlett
0161020	Lower Bartlett W P	3386	\$ 1,000,000	\$ 1,000,000	0	0	0	0	22	0	0	22	244	7/31/2009	Altish Woods interconnect with Lower Bartlett
0501010	Concord Water Dept	43000	\$ 75,000	\$ 75,000	0	0	18	0	3	0	0	21	245	1/1/2010	Pump station #2 upgrade
1181020	Hooksett Village	2250	\$ 2,000,000	\$ 2,000,000	0	20	0	0	0	0	0	20	246	4/1/2010	Interconnect with Manchester WW, rte 3A
0691010	Durham/UNH Water Supply	16000	\$ 2,136,000	\$ 2,136,000	0	18	0	0	0	0	0	18	247	03/01/2010	Spruce Hole Well Development - Phase II (Distribution System)
0151010	Barrington, Swains Lake Water	150	\$ 875,000	\$ 875,000	0	0	18	0	0	0	0	18	248	08/01/2010	Construction of New Groundwater Supply Source
2441010	Waterville Valley Water Dist	3050	\$ 1,395,000	\$ 1,395,000	0	14	0	0	0	3	0	17	249	10/30/2010	connect new water supply to distribution system
NONE	Town of Ossipee	na	\$ 154,000	Not eligible								0	250	pending	Dismantling Town incinerator
NONE	Town of Bow	na	\$ 8,625,000	Not eligible								0	251	9/1/2009	New water system construction
NONE	Town of Thornton	na	\$ 75,000	Not eligible								0	252	ASAP	New well piping, plumbing
0501010	Concord Water Dept	43000	\$ 25,000	Not eligible								0	253	10/1/2009	Storage tank repairs
2051010	Salem Water Dept	18000	\$ 750,000	Not eligible								0	254	3/15/2010	Howard St standpipe interior/exterior painting
2151010	Somersworth Water Works	12000	\$ 690,000	Not eligible								0	255	pending	Rocky Hill Rd standpipe recoating / discharge pipe
1071010	Hanover Water Works	8500	\$ 230,000	Not eligible								0	256	6/1/2009	Rebuild spillway at Reservoir #2
1071010	Hanover Water Works	8500	\$ 172,500	Not eligible								0	257	6/1/2009	Resurface dam face at Reservoir #1
1071010	Hanover Water Works	8500	\$ 172,500	Not eligible								0	258	6/1/2009	Refacing dam at reservoir #2
1071010	Hanover Water Works	8500	\$ 57,500	Not eligible								0	259	6/1/2009	Rebuild spillway bridge for Reservoir #1
1071010	Hanover Water Works	8500	\$ 57,500	Not eligible								0	260	6/1/2009	Rebuild spillway bridge at reservoir#2
1071010	Hanover Water Works	8500	\$ 28,750	Not eligible								0	261	6/1/2009	Repair spillway at Reservoir #1
1911010	Pittsfield Aqueduct Co (PAC)	1595	\$ 70,000	Not eligible								0	262	07/15/2009	Berry Pond, Berry Brook Dam repairs/upgrades
1211010	Jackson Water Precinct	500	\$ 74,750	Not eligible								0	263	4/21/2009	BRW connection for geothermal
1681010	Newfields Village W & S	500	\$ 830,000	Not eligible								0	264	5/1/2009	PH upgrade, arsenic and CC treatment
1193030	Hopkinton, Deer Meadows	150	\$ 658,000	Not eligible								0	265	pending	New well supply for 6 priv homes affect by landfill

** System declined ARRA funding.

Attachment A



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

February 19, 2008

THOMAS MASON SR
LAKES REGION WATER CO
420 GOV WENTWORTH HWY
PO BOX 389
MOULTONBOROUGH NH 03254-0389

Subject: CWS: TAMWORTH: TAMWORTH WATER WORKS: EPA # 2311010

SANITARY SURVEY

Conducted October 4, 2007

Dear Mr. Mason Sr.:

On October 4, 2007, I visited the subject public water system to perform an in depth sanitary survey. The purpose of the sanitary survey is to evaluate the capabilities of the water system's sources, treatment facilities, distribution system, and management to continually produce safe drinking water. I wish to thank Greg Finnegan of Lakes Region Water Co. (LRWC) for his cooperation in performing this survey.

SYSTEM DESCRIPTION

The Tamworth Water Works obtains its water from one active gravel well, GPW 1/005 (green cap), which is located 100 feet south of the pumphouse (PH). The access road to the PH is located on the east side of Rte 133A (Chinook Trail) and just south of #366 Chinook Trail.

NOTE: There are also two inactive wells on site, BRW 1/004 and the "Hartley BRW". BRW 1 (blue cap) is 195 feet southeast of the PH. It was later physically disconnected from the system on 9/19/2007. The Hartley BRW (flat aluminum cap marked "Hartley Well etc") is 149 feet south-southeast of the PH and ~40-50 feet east of BRW 1. It was never connected to the water system.

As per well completion report #233.0461, GPW 1 was drilled by Tasker's Well Co on June 5, 2004. It is 123 feet deep and yields 25 GPM (as per driller's 48-hr pumping test). It is a six inch diameter well with 51 feet of casing. As per the driller's additional info notes, a six inch hole was drilled to 51 feet and then reamed out to 10 5/8 inch diameter. Fifty-one feet of casing was set and packed with 3/8 P stone to from 51-15 feet. The last 15 feet were capped off with bentonite chips. It was then drilled to 123 feet and developed.

Water is pumped from GPW 1 to the PH where it passes a source sampling tap and meter before entering the 20,000 gallon atmospheric storage tank (screened vent inside PH). No

treatment equipment was observed; former treatment equipment for corrosion control (K-5 blended phosphate, sodium orthophosphate) was taken offline on 9/8/2007. Three booster pumps transfer the water to the hydropneumatic tank (5,000 gals). Only one of the three booster pumps was observed to be online during this survey. The untreated water passes a DEP tap and distribution meter before leaving the PH to 60 service connections supplying approximately 265 people.

OPERATOR CERTIFICATION VERIFICATION

Name of system's operator: Tom Mason Sr. of LRWC
Operator's License #: 247 Operator's Certification Grade (s): (D) II (T) II
Required Certification Grade(s) For Water System: (D) I (T) IA

IDENTIFICATION NUMBERS FOR SYSTEM AND SOURCES

All New Hampshire public water supply systems, as well as each source, are assigned an identification number. These numbers will also appear on the state water laboratory results/reports and **should be used on all correspondence with our office.** The identification numbers assigned to your water system/sources appear below:

NAME OF SYSTEM	EPA ID #
Tamworth Water Works	2311010
 WATER SUPPLY SOURCES	 ID #
GPW 1: 100' south of PH	005

The remaining portion of this letter will address the specific deficiencies noted during the sanitary survey. We have grouped these deficiencies into 'significant' and 'minor' deficiencies. The positive aspects of your system are also indicated. It is our intention to point out the water system's deficiencies while at the same time providing constructive criticism.

ACKNOWLEDGEMENTS

The majority of the significant deficiencies with the water system, identified in previous site visits, have been corrected/repared. Thanks you for your cooperation in making these repairs.

SIGNIFICANT DEFICIENCIES

Significant deficiencies are those deficiencies that can have a direct effect on the water system's water quality or can reduce the water system's reliability and ability to deliver water to its customers. We must require that you give the significant deficiencies your immediate attention. All significant deficiencies must be corrected within 90 days from the date of the sanitary survey.

Attachment B

To ensure this, we are requiring that you establish and submit, within 45 days, a completion schedule to correct the significant deficiencies. You must notify this office, in writing, when they have been corrected.

Please be advised that water supply systems with outstanding deficiencies can be denied requests for reductions in sampling frequency or for waivers from sampling for various contaminants. Water systems with outstanding significant deficiencies can also be subject to administrative fines for failing to make the necessary corrections.

Duplicate Booster Pumps

Duplicate booster pumps must be installed. Water systems that lose pressure may allow the entry of contaminants back into the distribution system through breaks in the piping system or by back-siphonage of contaminants through the service connections. In order to minimize this possibility and also assure a reasonable degree of mechanical reliability, each system must have duplicate booster pumps. Duplicate pumps also provide flexibility in scheduling repairs. Emergency responses on holidays or evenings (at premium wages) can be reasonably put off until the next business day.

During this survey, the following was observed: Booster pump #2 (7.5 hp) was valved open and on "auto" on the control panel. Booster pump #3 (7.5 hp) was valved off and "off" on the control panel. Booster pump #1 (jet) was valved open but "off" at the control panel. **Thus, it appeared only booster pump #2 was online and operating during this survey.** You must have two active/working booster pumps.

As per a phone conversation with Tom Mason Sr of LRWC on Oct 4, 2007, a second booster pump was put into operational/working order. No further action is needed.

Treatment Facilities

At the time of the survey, the treatment facilities were noted as being inoperative or providing inadequate treatment. This water system needs to have the treatment facilities operating in order to meet Federal and State water quality standards. This situation is unacceptable and must be corrected immediately. Please have the treatment facilities returned to proper service.

At the time of this survey, treatment equipment for corrosion control (K-5 blended phosphate, sodium orthophosphate) had been taken offline (on 9/8/2007). On 9/11/2007 an LOD #DWGB 07-176 was issued, listing Correction Action #8 and asked you to submit to DES information re: the unapproved treatment design and specs, date installed, date of operation and objective.

Attachment B

On 9/25/2007 you responded to LOD 07-176 Correction Action #8 stating that the polyphosphate chemical treatment pump was removed 9/8/2007 and is no longer in service.

On 1/29/2008 Richard Thayer of DWGB's Lead & Copper section sent a letter to you re: the status of certain water systems with regards to optimal corrosion control treatment (OCCT) plan approvals. It listed 2311010-Tamworth Water had corrosion control treatment installed in August of 1996. It went on to state that if any corrosion control treatment processes had been removed from the above water systems, those treatment processes must be reinstalled and made operational as soon as possible or within two weeks from the receipt of the said Thayer letter. Thayer asked to be informed in writing of the date that treatment was reinstalled and is fully operational. Please contact Richard Thayer at 271-2950 or richard.thayer@des.nh.gov regarding this matter.

A phone call was placed at ~10:00AM on 2/19/2008 to Tom Mason Sr. regarding the status of this issue. A message was taken by LRWC staff asking Tom Sr to call me back.

As per a telephone conversation with Tom Mason Jr. at 11:10AM on 2/19/2008, the treatment equipment is in the process of being reinstalled and should be completed within a few days. Action Needed: Complete reinstallation of required treatment and send written confirmation to Thayer and cc: Riel when the reinstallation is completed.

MINOR DEFICIENCIES

The 'minor' deficiencies indicated below are less pressing than the significant ones. Although these are not directly health threatening, they are nonetheless, important for proper and effective operation of a public water system. We would recommend that some of these improvements be accomplished in conjunction with other system work as that work develops, with a goal of completing the required work before the water system's next survey. This letter will hopefully act as a 'reminder' list, which would be referred to and acted upon the next, time your company, well driller, or distribution system repair contractor works on the system. The adoption of this approach will allow careful planning of the work and its accomplishment at a minimum cost.

Sources of Supply

The water system currently has more than 30 services and therefore may be required to have at least two well sources. The water system has only one well source. Any new well source requires approval by this office before use. Contact Jim Gill at 271-2949 or james.gill@des.nh.gov and Stephen Roy at 271-3918 or stephen.roy@des.nh.gov to determine if a second source is required and for initiating the approval process.

Attachment B

Sanitary Protective Area

All community public water supply system wells require a sanitary protective area (protective well radius), under the control of the well owner within which no buildings, septic tank, leach fields, oil, debris, or other hazardous materials may be located or stored. Currently, these requirements are not being met. The area presently contains a perennial wetlands ~75' S of GPW 1. If water quality results, that may be attributable to this situation, appear higher than the Safe Drinking Water Act Maximum Contaminant Level (MCL); effective treatment will have to be installed or a new well will have to be established. The new well may either be located on-site or on an off-site location with an appropriate sanitary protective area and any required protective easements.

SYSTEM IMPROVEMENTS

The following system improvements and operation and maintenance procedures are noted below for your information and to assist you in improving the water system's ability to reliably provide water to its users. We could also recommend that some of these improvements be accomplished in conjunction with other system work.

Wellhead Marker

A metal pole (or something similar) with the Well ID# (GPW 1-005) should be secured near the wellhead(s). The marker will help to protect the wellhead against damage from recreational vehicles, trucks, snowplows, etc.. The marker will also assist in locating a well surrounded by heavy vegetation or beneath snowcover. If the well is marked and pump repairs become necessary, repair costs may be reduced and the water system may be repaired sooner.

Gate Valves

To ensure that gate valves are in working order, routine maintenance and exercising are required. Frequently, in older systems, there is an inadequate knowledge of valve location, or if known, these valves have become inaccessible due to subsequent construction, (i.e. buried under roadways). This makes routine maintenance impossible and greatly slows down emergency response. If a break occurs in a watermain, crews must first locate nearby valves before they can shut the section down. This increases both the amount of time that the system is inoperable and the danger of extensive contamination to the system.

It is therefore recommended that routine valve inspections be conducted once a year in which the following tasks are performed:

Attachment B

1. Verify the exact location of all valves boxes.
2. Inspect the valve stem and nut for damage and possible leakage.
3. Close the valve fully, and record the number of turns to the fully closed position.
4. Reopen the valve and reestablish flow.
5. Clean the valve box cover seat.

Records should be upgraded to include a means to easily identify the location of all valves. Records should also include measurements from at least two reference points, the type of valve, and the number of turns required to open or close the valve.

Flushing

Distribution systems are normally flushed once a year through the blow-offs. In some water systems, the flushing must be done more often to keep sediment and sand in the piping under control. The flushing should be done during time of minimum water use. The frequency of flushing should be such that it prevents legitimate consumer complaints. Each gate valve on the water system should be turned annually to counteract mineral buildup and the subsequent jamming of the valve.

Leak Detection Survey

At least once a year the system should be checked for leakage. This can be accomplished in the following way. The water system's customers should be asked not to use any water between midnight to 6:00 A.M. on a particular evening. The water system operator should check system usage during this period by noting the usage on the meter or any change in the water level in your vented storage tanks (supply sources turned off). If there is any significant system demand, this can be attributed to leakage.

It is important to note that the force from this leakage sets in motion sand particles in the soil that will abrade the general area of the pipe ultimately to the point of total failure. The noise of this running water can normally be heard through the use of geophones, even though the leak has not surfaced. Intermediate and larger municipal water systems in your area likely have geophones and may be willing to loan them to you. If not, please contact our office for a list of contractors with this or more specialized types of equipment.

BACTERIA MONITORING PROGRAM

The water supply system satisfies the definition of a community public water supply system. Under the Safe Drinking Water Act (SDWA), all community public water supply systems are subject to certain requirements such as submitting samples of water for analysis and assuring that the water meets the quality standards of the Act.

Attachment B

If you fail to submit water samples on time, the State has the option of seeking substantial daily fines. Fines of up to \$2,000 can be assessed against systems for failure to monitor. Please insure that future samples are submitted in a timely manner.

The SDWA allows for a frequency reduction in bacterial samples to one sample per quarter (4/year), if the record of bacterial quality has been consistently good, and if a sanitary survey confirms the safety of your system and its sources.

A copy of the water system's master sampling schedule may be obtained from the DES Website at <http://www2.des.state.nh.us/OneStop/>.

If you have any questions regarding the bacteria monitoring program please contact this office at (603) 271-2542.

LEAD & COPPER REGULATIONS

On June 7, 1991, the EPA enacted the Lead and Copper Rule in drinking water. The major objective in the Lead and Copper Rule is to reduce lead in supply sources and to reduce lead and copper leached from piping. Specifically, the Lead and Copper Rule requires a water system to identify the most susceptible services based upon age and pipe material, and to monitor those services for lead and copper. For additional information on the Lead and Copper Rule and the water system's current responsibilities, please contact this office at (603) 271-2950.

SURVEY SAMPLING RESULTS

No samples were taken during the sanitary survey. Please refer to the water system's sampling schedule for the samples required to be taken and their respective due dates. These sample results must be from a laboratory certified by the New Hampshire Department of Environmental Services (DES) for the particular parameters being tested. It is the water system owner's responsibility to assure that these samples are taken and the results submitted to the Bureau.

A copy of the water system's master sampling schedule may be obtained from the DES Website at <http://www2.des.state.nh.us/OneStop/>.

If you have any questions regarding these results, the sampling schedule, or your responsibilities, please contact this office at (603) 271-6703 or (603) 271-3907.

RADON TREATMENT

Drinking water with a radon concentration greater than 4,000 pCi/L is a health concern. Historical water analysis records show that most bedrock wells in New Hampshire will

Attachment B

exceed this new proposed standard. Therefore, radon treatment will likely be required for the water system at some time in the future. At this time radon treatment should be researched and anticipated for the current water supply sources.

WATER CONSERVATION

It is just as important for water systems to ensure that this valuable resource is not needlessly wasted as it is to provide clean, safe drinking water. Practicing water conservation will reduce operating costs, wastewater flows, and may help eliminate the need for additional water sources.

RSA 485.61 requires the NHDES to administer Water Conservation rules. Under this program, water systems seeking approval for new sources are required to implement Water Conservation measures including installation and maintenance of source and service meters, a water audit and/or a leak detection and repair program, rate structures that promote conservation, and implementation of an educational outreach initiative.

We suggest that appropriate fact sheets, found on the NHDES website (http://www.des.state.nh.us/h2o_conservation.htm), be distributed to all your customers to help achieve water conservation. By promoting Water Conservation, systems can encourage the wise use of their water resources while reducing overall system costs.

FUTURE CONSTRUCTION OR EXPANSION

Please be advised that, under RSA 485:8 (Approval of Construction or Alteration), no new construction, addition or alteration involving the source, treatment, distribution or storage of water in any public water supply system can begin without approval by the Bureau.

The ownership and operation of a public water supply system involve many significant responsibilities. These responsibilities can also involve financial liabilities. Our main concern is to protect the public health. It is also our intention to work with you in solving any water related problems that your system may have. Should you have any questions, please contact me at (603) 271-2539 or by e-mail at kevin.riel@des.nh.gov or the appropriate staff member. Thank you for your attention to these matters.

Very truly yours,



Kevin J. Riel
Environmental III
Drinking Water & Groundwater Bureau

cc: DWGB Files: System, Riel, Thayer (pg 3-4), Gill & Roy (pg 4)

Attachment B



The State of New Hampshire
Department of Environmental Services



January 22, 2007

THOMAS MASON SR
LAKES REGION WATER CO
PO BOX 389
MOULTONBOROUGH NH 03254-0389

Subject: CWS: CONWAY: WOODLAND GROVE: EPA # 0512130

SANITARY SURVEY
June 21, 2006

Dear Mr. Mason:

On June 21, 2006, I visited the subject public water system to perform an in depth sanitary survey. The purpose of the sanitary survey is to evaluate the capabilities of the water system's sources, treatment facilities, distribution system, and management to continually produce safe drinking water. I wish to thank Fred Malatesta, Jr. of Lakes Region Water Co. for his cooperation in performing this survey.

SYSTEM DESCRIPTION

Woodland Grove obtains its water from two bedrock wells, BRW 1 and BRW 2. BRW 1 is located inside the pumphouse (PH). It is a six inch diameter well with an unknown depth and unknown length of casing. It yields 24 GPM. BRW 2 is located 40 feet southwest of the PH. It is a six inch diameter well with unknown casing length. It is 185 feet deep and yields 20 GPM.

Water is pumped simultaneously from BRW 2 into the PH passing a meter and source tap and shutoff valve, before joining with the BRW 1 waterline (source tap shared with BRW 2 line-in?) and blending the 10,000 gallon atmospheric storage tank. Pottassium carbonate (corrosion control) is fed into the top of the atmospheric tank. Two booster pumps transfer the water to the 3395 gallon hydropneumatic tank (with oil-less AC). Two outgoing water lines, each equipped with a water meter, distribute the treated blend to 62 single family residences, supplying approximately 155 people.

OPERATOR CERTIFICATION VERIFICATION

Name of system's operator: Fred Malatesta, Jr. of Lakes Region Water Co.
Operator's License #: 2437 Operator's Certification Grade (s): (D) I (T) I
Required Certification Grade(s) For Water System: (D) IA (T) IA

IDENTIFICATION NUMBERS FOR SYSTEM AND SOURCES

All New Hampshire public water supply systems, as well as each source, are assigned an identification number. These numbers will also appear on the state water laboratory results/reports and **should be used on all correspondence with our office.** The identification numbers assigned to your water system/sources appear below:

NAME OF SYSTEM	EPA ID #
Woodland Grove	0512130
WATER SUPPLY SOURCES	ID #
BRW 1: In PH	001
BRW 2: 40 southwest of PH	002

The remaining portion of this letter will address the specific deficiencies noted during the sanitary survey. We have grouped these deficiencies into 'significant' and 'minor' deficiencies. The positive aspects of your system are also indicated. It is our intention to point out the water system's deficiencies while at the same time providing constructive criticism.

SIGNIFICANT DEFICIENCIES

Significant deficiencies are those deficiencies that can have a direct effect on the water system's water quality or can reduce the water system's reliability and ability to deliver water to its customers. We must require that you give the significant deficiencies your immediate attention. All significant deficiencies must be corrected within 90 days from the date of the sanitary survey.

To ensure this, we are requiring that you establish and submit, within 45 days, a completion schedule to correct the significant deficiencies. You must notify this office, **in writing**, when they have been corrected.

Please be advised that water supply systems with outstanding deficiencies can be denied requests for reductions in sampling frequency or for waivers from sampling for various contaminants. Water systems with outstanding significant deficiencies can also be subject to administrative fines for failing to make the necessary corrections.

Atmospheric Storage Tank-Opening

Atop the atmospheric storage tank, two opening were observed. These openings potentially allows the entry of contaminants into the tank. One opening was an elbow pipe fitting, through which the chemical feed pipe enters the tank. The second opening is the orifice for the water level probed wires. The opening around the wires should be sealed/closed. This deficiency must be corrected immediately.

Attachment C

As per an email dated 9/6/2006 from Fred Malatesta and received at the WSEB, the "atmos tank openings have been sealed, chem tube has been secured in feed port in atmos tank."

Treatment Facilities

At the time of the survey, the treatment facilities were noted as being inoperative or providing inadequate treatment. This water system needs to have the treatment facilities operating in order to meet Federal and State water quality standards. This situation is unacceptable and must be corrected immediately. Please have the treatment facilities returned to proper service.

The chemical feed tube for the potassium carbonate (corrosion control) had slipped from the feed port (elbow pipe fitting atop atmospheric tank) and was discharging down the tanks sides and onto the PH floor, where a water-foamy residue was observed. This was repaired on site during this survey by Fred Malatesta, who slipped the feed tube back into the feed port. However, the opening around the tube still needed to be sealed.

As per an email dated 9/6/2006 from Fred Malatesta, the "atmos tank openings have been sealed, chem tube has been secured in feed port in atmos tank."

MINOR DEFICIENCIES

The 'minor' deficiencies indicated below are less pressing than the significant ones. Although these are not directly health threatening, they are nonetheless, important for proper and effective operation of a public water system. We would recommend that some of these improvements be accomplished in conjunction with other system work as that work develops, with a goal of completing the required work before the water system's next survey. This letter will hopefully act as a 'reminder' list, which would be referred to and acted upon the next, time your company, well driller, or distribution system repair contractor works on the system. The adoption of this approach will allow careful planning of the work and its accomplishment at a minimum cost.

Water Meters

All community public water systems are required to have a water meter. Water meters provide a twofold benefit for the water system. A water meter quickly alerts the operator to leaks in the distribution system (well before excess electrical usage will note such leakage). Meter readings will provide actual usage data to determine when additional sources of water may be necessary. Meters are normally placed between the well and storage tanks where flow is more uniform and often at a lower rate. Thus a smaller meter can be used. There needs to be a meter at each source. Flows should be measured and recorded, preferably on a daily basis; but as a minimum, on a monthly basis. **The waterline for BRW 1 needs a source meter.**

Attachment C

Groundwater Seeping Into Pumphouse

An excessive amount of groundwater was noted to be seeping into the below grade-underground pumphouse. This situation promotes corrosion of pipes, controls, and equipment; and may cause electrical problems. Measures should be taken to adequately drain the pumphouse and prevent this. A screened drain to daylight is recommended for an above grade pumphouse and a sump pump is required in below grade pumphouses when the installation of a drain to daylight is not possible.

A sump pump was in place and in working order during this survey.

Sanitary Protective Area

All community public water supply system wells require a sanitary protective area (protective well radius), under the control of the well owner within which no buildings, septic tank, leach fields, oil, debris, or other hazardous materials may be located or stored. Currently, these requirements are not being met. The area presently contains BRW 1: Micmac Road ~75'; BRW 2: Micmac Rd ~120', seasonal wet ~40'. If water quality results, that may be attributable to this situation, appear higher than the Safe Drinking Water Act Maximum Contaminant Level (MCL); effective treatment will have to be installed or a new well will have to be established. The new well may either be located on-site or on an off-site location with an appropriate sanitary protective area and any required protective easements.

SYSTEM IMPROVEMENTS

The following system improvements and operation and maintenance procedures are noted below for your information and to assist you in improving the water system's ability to reliably provide water to its users. We could also recommend that some of these improvements be accomplished in conjunction with other system work.

Blow-Offs

Blow-offs are high volume flushing points located near the ends of the distribution system. They allow annual (or periodic) high volume flushing of the distribution system to remove iron sediment and silt originating in the well. Blow-offs are also critical in cleaning the distribution line after a watermain break. Without such flushing points, stones, sand, and possibly highly contaminated water must be run through each customer service line. This sand and stone often blocks flow in some service line and requires the disassembly of certain water use devices for cleaning, not to mention the potential contamination threat to health. Please install blow-offs at all ends of the distribution system.

Attachment C

Flushing

Distribution systems are normally flushed once a year through the blow-offs. In some water systems, the flushing must be done more often to keep sediment and sand in the piping under control. The flushing should be done during time of minimum water use. The frequency of flushing should be such that it prevents legitimate consumer complaints. Each gate valve on the water system should be turned annually to counteract mineral buildup and the subsequent jamming of the valve.

BACTERIA MONITORING PROGRAM

The water supply system satisfies the definition of a community public water supply system. Under the Safe Drinking Water Act (SDWA), all community public water supply systems are subject to certain requirements such as submitting samples of water for analysis and assuring that the water meets the quality standards of the Act.

If you fail to submit water samples on time, the State has the option of seeking substantial daily fines. Fines of up to \$2,000 can be assessed against systems for failure to monitor. Please insure that future samples are submitted in a timely manner.

The SDWA allows for a frequency reduction in bacterial samples to one sample per quarter (4/year), if the record of bacterial quality has been consistently good, and if a sanitary survey confirms the safety of your system and its sources.

A copy of the water system's master sampling schedule may be obtained from the DES Website at <http://www2.des.state.nh.us/OneStop/>.

If you have any questions regarding the bacteria monitoring program please contact this office at (603) 271-2542.

LEAD & COPPER REGULATIONS

On June 7, 1991, the EPA enacted the Lead and Copper Rule in drinking water. The major objective in the Lead and Copper Rule is to reduce lead in supply sources and to reduce lead and copper leached from piping. Specifically, the Lead and Copper Rule requires a water system to identify the most susceptible services based upon age and pipe material, and to monitor those services for lead and copper. For additional information on the Lead and Copper Rule and the water system's current responsibilities, please contact this office at (603) 271-2950.

SURVEY SAMPLING RESULTS

No samples were taken during the sanitary survey. Please refer to the water system's sampling schedule for the samples required to be taken and their respective due dates.

Attachment C

These sample results must be from a laboratory certified by the New Hampshire Department of Environmental Services (DES) for the particular parameters being tested. It is the water system owner's responsibility to assure that these samples are taken and the results submitted to the Bureau.

A copy of the water system's master sampling schedule may be obtained from the DES Website at <http://www2.des.state.nh.us/OneStop/>.

If you have any questions regarding these results, the sampling schedule, or your responsibilities, please contact this office at (603) 271-6703 or (603) 271-3907.

RADON TREATMENT

A new Federal drinking water standard of 300 pCi/L for radon has been proposed by the EPA. Historical water analysis records show that most bedrock wells in New Hampshire will exceed this new proposed standard. Therefore, radon treatment will likely be required for the water system at some time in the future. At this time radon treatment should be researched and anticipated for the current water supply sources. A summary sheet on radon is enclosed for your information.

WATER CONSERVATION

As important as it is to continue to maintain our water supply systems to provide clean and safe drinking water, it is equally important that this valuable resource not be needlessly wasted. By conserving water, reduction in water use can be realized. These reductions represent lower system operating costs, reducing wastewater flows, and may eliminate the need for expansion of some water systems. For more information on the WSEB's Water Conservation Program, contact Derek Bennett at (603) 271-4087 or dbennett@des.state.nh.us.

FUTURE CONSTRUCTION OR EXPANSION

Please be advised that, under RSA 485:8 (Approval of Construction or Alteration), no new construction, addition or alteration involving the source, treatment, distribution or storage of water in any public water supply system can begin without approval by the Bureau.

SPARE PARTS

It is a good idea to maintain an inventory of spare parts of each diameter pipe in the water system. Although of some initial cost, such an inventory is quite appropriate when compared to the cost of emergency labor and equipment left standing idle, waiting for such a part to be picked up at a distant supplier. Gate valves, repair clamps, tapping saddles, and lengths of pipe should be stocked for each diameter pipe in your water system. Please note when storing PVC pipe that it loses some strength when directly exposed to the ultraviolet rays of the sun.

Attachment C

Conway-Woodland Grove-0512130
January 22, 2007
Page 7 of 7

The ownership and operation of a public water supply system involve many significant responsibilities. These responsibilities can also involve financial liabilities. Our main concern is to protect the public health. It is also our intention to work with you in solving any water related problems that your system may have. Should you have any questions, please contact me at (603) 271-2539 or by e-mail at kriel@des.state.nh.us or the appropriate staff member. Thank you for your attention to these matters.

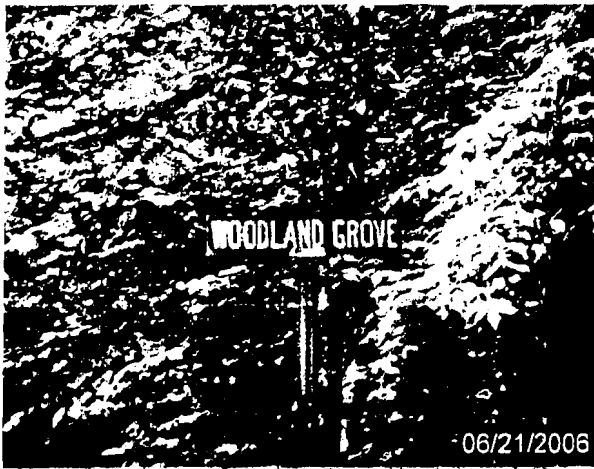
Very truly yours,

A handwritten signature in black ink, appearing to read 'KJRIEL', with a horizontal line extending from the end.

Kevin J. Riel
Water Pollution Sanitarian II
Water Supply Engineering Bureau

cc: Fred Malatesta, Jr.
WSEB Files: System, Binder, Riel

Attachment C



WOODLAND GROVE TO MIMAZ RD



PH OFF MIMAZ ROAD



BKN 2 -



BKN 2



CORROSION CONTROL FEED-UPPER LEVEL PH



CORROSION CONTROL CHEMICAL



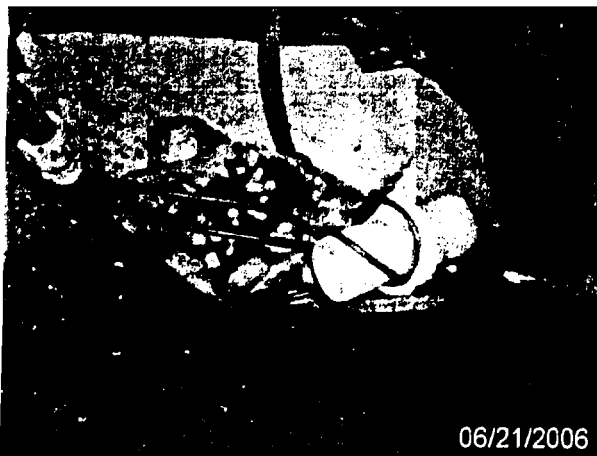
ACCESS TO POND GROVE DIL / MIMAZ



LRWC

CONWAY - WOODLAND GROVE - 0512130

Attachment C



TOP OF ATMOS TANK - CHEM FEED WL WIRE S



WATER LEVEL ELECTRODE WIRE PORT OPENING



CHEM FEED TUBE - SLIPPED OUT OF PORT



CHEM FEED DRIPPING ONTO TOP OF ATMOS TANK DOWN SIDE, ONTO PH FLOOR.



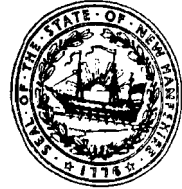
VIEW OF TOP ATMOS TANK FROM ABOVE / OPEN LEVEL. (LEFT) CHEM FEED TUBE HAS BEEN RE-INSERTED INTO PORT INTO ATMOS TANK (PORT HAS OPENING THAT NEEDS TO BE SEALED). (RIGHT) WATER-LEVEL ELECTRODE WIRES ENTER OPEN HOLE INTO ATMOS TANK - OPEN HOLE NEEDS TO BE SEALED.

CONWAY
WOODLAND GROVE
0512130

Attachment C



The State of New Hampshire
DEPARTMENT OF ENVIRONMENTAL SERVICES



Thomas S. Burack, Commissioner

May 29, 2009

Thomas Mason, Jr.
Lakes Region Water Company
420 Gov Wentworth Hwy
PO Box 389
Moultonborough, NH 03254-0389

Subject: Tamworth; Tamworth Water Works
EPA ID #: 2311010
Uranium Treatment of Bedrock Well

Dear Mr. Mason:

This letter will note our approval, with comments, of the proposed Uranium treatment equipment for the currently unused bedrock well at the Tamworth Water Works.

The present water system has two wells: an unused bedrock well, rated at 25 gpm, and the active gravel well, rated at 25 gpm. The gravel well will continue to be treated for corrosion control using Potassium Carbonate. The future use of the bedrock well will be conditioned on treatment with a flow of approximately 20 gpm.

The report indicates that the gravel well will act as the main producing well with the bedrock well used to provide supplement flow. This well will also provide mechanical reliability to the supply function. The proposed treatment for the Bedrock well will use Anion Exchange. The treatment equipment train will consist of a 10 micron particle filter and two 24" diameter Anion Exchange treatment tanks in series. There will be approximately 10 cubic feet of media in each tank. The anticipated design flow rate is 25 gpm.

The current design proposes a ½ cubic foot of Dow RSC specialty cation resin which preferentially adsorbs Radium. There is very little Radium in either of these water supply wells. and our discussion with Mr. Lewis indicated that that material may be removed.

Flow Regimes Concerning paragraph 2 in the first page of the design report; the proposed pump sequence would have approximately 90 % of the water produced from the gravel well and approximately 10% from the bedrock well. The policy of the DWGB sampling program is "that if blended samples are used for compliance sampling then the blend ratio of the two sources must be constant throughout the sampling period.

If, on the other hand, compliance monitoring is performed at essentially wellheads; then each source could then be used at any production level desired. Please consider these two options

ATTACHMENT
D

and report back to us before our final field inspection of the completed installation of the equipment.

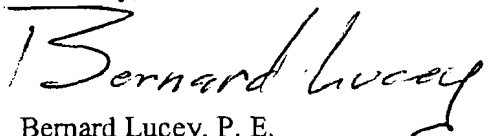
Physical Rinse of Filters The physical rinse for the adsorber tanks is proposed to be discharged to the floor drain. This fluid should drain into a dry well in the soils and not be discharged onto the surface of the ground.

Tank Location These tanks are 24 inches in diameter and would have an estimated weight approaching 500-1000 lbs per tank. These tanks should have an easy method for dewatering prior to disposal shipment. We also request that tank movement around the open pump house doors be considered when choosing the final tank location.

Waste Disposal Disposal of spent anion exchange resin will be performed by a speciality radionuclide contractor. This will create a peak in operational costs approximately every three or so years according to the report. It would be prudent to put aside an annual budget reserve to spread this expense over the operational period. Such set-a-side likely needs to be consistent with the policies of the Public Utilities Commission. Cost components consist of removal and disposal of the exhausted media and tank and the purchase and placement of the new anion exchange media and its associated. Based on other uranium treatment projects, projected overall cost for these expenses is estimated at, approximately \$10,000.

Please call me with any questions at 271-2952 or by email at *bernard.lucey@des.nh.gov*.

Sincerely,



Bernard Lucey, P. E.
Senior Engineer
Drinking Water and Groundwater Bureau

cc: Bruce Lewis
Leah McKenna, DES
Dennis O'Dowd, DHHS

Attachment D

Lakes Region Water Company Inc.

From: Bruce Lewis [lewis.h2o@comcast.net]
Sent: Wednesday, June 10, 2009 10:51 AM
To: Tom Carol Mason; Tom Carol Mason
Subject: Anticipated Filtration Equipment Life for Removal of Radioactive Minerals - Tamworth Water EPA #2311010

Dear Tom:

As you know, NHDES in a letter dated May 29, 2009, have approved the design for the necessary water treatment system for Tamworth Water's bedrock water supply well (BRW-01). This is being undertaken as part of the ARRA / SRF program.

Proper disposal of the filter resin, once contaminated with the radioactive minerals, is one of the primary issues. This will be done utilizing the services of a licensed radioactive waste disposal company.

To that end, the filtration equipment has a finite life, as the filter vessel itself acts as the shipping container for the contaminated resin, and is turned over in total, properly drained and sealed, ready for shipment.

In this application, the anticipated life of the filtration system (2 filters) will average 5 years, with one filter per 2.5+/- years having to be changed. This is an estimated timeframe, based on the level of radioactive minerals, the amount of resin, and the amount of water that will be treated through the filtration system.

As an example, if water use increases, and more water has to be treated, the average system life will be lessened.

After review, please contact this office with any questions.

Respectfully,

Bruce W. Lewis, P.E. - Manager
Lewis Engineering, PLLC
44 Stark Lane
Litchfield, NH 03052
tel. 603-886-4985 - fax 886-5149
Email: lewis.h2o@comcast.net



Please consider the environment before printing this email

ATTACHMENT
(E)

6/10/2009

DWSRF ARRA REVIEW PROCESS

- 265 Pre-applications (\$246,236,590)
- \$ 37,400,000 available for projects
(\$18,700,000 ARRA funds and
\$18,700,000 DWSRF funds)
- Drinking Water Infrastructure Projects
- Energy/Water Efficiency & Green Projects
(20% -\$3.9 million)

DWSRF Setasides Allotment

- Available: 4% Administration (\$780,000)
- To be taken by NH: **\$390,000** (2%)
- Available: 2% Technical Assistance (\$390,000)
- To be taken by NH: **\$390,000** (2%)
- Available: 10% Program Management (\$1,950,000)
- To be taken by NH: 0

RANKING CRITERIA – Drinking Water

- Developed by DES using the following considerations:
 - ARRA requirements (New)
 - Readiness
 - Green
 - SDWA Violations *
 - Quantity/Storage Deficiencies *
 - Treatment/Design Deficiencies *
 - Affordability *
 - Capacity Development (New) *
- * Not eligible for PWS with less than 50% permanent residents

RANKING CRITERIA - Drinking Water

- Violations of National Drinking Water Standards
 - Total and fecal coliform
 - Nitrate
 - Filtration Related Treatment Techniques
 - THM's
 - Lead and Copper (90th percentile)
 - Primary Organics, inorganics, and radionuclides
 - Secondary standards
 - Boil status

RANKING CRITERIA - Drinking Water

- Quantity Deficiencies or Insufficient Storage
 - Continual shortage (daily)
 - Shortage during peak demand
 - Shortage during seasonal high use with conservation plan
 - Shortage during seasonal high use without conservation plan

RANKING CRITERIA – Treatment/Design Deficiencies

- Design deficiencies that could be corrected by enlargement, repair, installation, or replacement of all or a portion of the water system

RANKING CRITERIA – Capacity Development

- Public water systems in need of significant technical, managerial, or financial assistance
 - Identified the need for improvements in Sanitary Survey and listed on capacity development tracking database.

RANKING CRITERIA - Drinking Water

- Readiness to proceed to construction contract award – 30 points (Maximum)
 - ARRA requires that preference be given to projects that can be started within 120 days of February 17, 2009.
 - Project score based on pre-application information submitted by applicant.
 - Use it or lose it.

Readiness to Proceed

I. Readiness to Award Construction Contract (Maximum 30 points)

Award Date	Points
By June 17, 2009	30
June 18-August 16, 2009	22
August 17-October 15, 2009	15
October 16-December 14, 2009	7
December 15, 2009-January 16, 2010	3
After January 16, 2010	0

RANKING CRITERIA - Drinking Water

- Affordability
 - Ratio that compares water rate to the Median Household Income (MHI)
 - MHI used from 2000 census
 - Water rates utilized from 2006 Water Rate survey or statewide average

Affordability

V. Affordability (Maximum 15 points)

User Rate/Median Income x 100%	Points
>2.0	15
1.75-2.0	11
1.50-1.74	7
1.00-1.49	3
<1.0	0

e.g., water use rate = \$500/yr, median household income = \$40,000/yr
 affordability ratio = $500/40,000 \times 100\% = 1.25$

Attachment F.

RANKING CRITERIA - Drinking Water

- Project Includes Component that has Green Infrastructure, Water Efficiency, Energy Efficiency or Environmentally Innovative Benefit
 - ARRA requires 20% of funds be dedicated to green projects (\$3.9 million)
 - EPA listed “categorical” green projects
 - Conventional energy or water efficiency

Public Hearing Procedure

- Please keep comments concise due to limited time.
- We will allow more time once everyone has commented.
- Written comments are encouraged especially if you have new information or differences in interpretation of project ranking.
- We will seriously consider all comments.
- In the public hearing context, this is not a question and answer period: we are here to receive comments. If you have questions, please comment then contact staff afterwards. You have a week to finalize your written comments
- Note: rankings could change based on DES analysis of comments.

Attachment F.

DW 09-098
Lakes Region Water Company
Staff Data Requests – Set 2

Date Request Received: 6/12/09
Staff 2-1

Date of Response: 6/16/09
Witness: Stephen P. St. Cyr

Request: Staff 1-4, Attachment D appears to indicate a cost of approximately \$10,000 every three years for disposal and replacement of the proposed Tamworth uranium treatment filters (p. 2, 'Waste Disposal' paragraph - see also Attachment E). Please indicate how the overall cost of this option compares to the cost of any other options considered, such as a new well.

Response: LRWC has explored the possibility of installing a new well both onsite and offsite. The land that the Company owns is very small. It is not large enough to sustain a new well in addition to its three (3) existing wells. The Company has also explored purchasing property for a new well. The costs of new property would be very expensive. In addition, there would be the costs of an additional pump station and storage. This option is simply too cost prohibitive. In addition, the excessive levels of uranium in the exiting wells suggest that any other new source may contain high uranium content as well.

Date Request Received: 6/12/09
Staff 2-2

Date of Response: 6/16/09
Witness: Stephen P. St. Cyr

Request: Staff 1-6 meant to ask why the three main replacement projects included in the filing were chosen by the company, not by DES, over other possible main replacement projects. Please respond to the question as clarified, including what criteria were considered.

Response: The three main replacement projects chosen by the Company were selected due to their excessive leakage and aging infrastructure. The construction of the existing pipelines suggests that more failures will occur in the future. Additionally, full time community water systems ranked higher on the ARRA funding listing than second home communities.

STEPHEN P ST CYR
STEPHEN P ST CYR & ASSOC
17 SKY OAKS DR
BIDDEFORD ME 04005

Docket #: 09-098 Printed: June 18, 2009

FILING INSTRUCTIONS: PURSUANT TO N.H. ADMIN RULE PUC 203.02(a),
WITH THE EXCEPTION OF DISCOVERY, FILE 7 COPIES (INCLUDING COVER LETTER) TO:
DEBRA A HOWLAND
EXEC DIRECTOR & SECRETARY
NHPUC
21 SOUTH FRUIT STREET, SUITE 10
CONCORD NH 03301-2429

PURSUANT TO N.H. ADMIN RULE 203.09 (d), FILE DISCOVERY

DIRECTLY WITH THE FOLLOWING STAFF

RATHER THAN WITH THE EXECUTIVE DIRECTOR

LIBRARIAN
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

BULK MATERIALS:

Upon request, Staff may waive receipt of some of its multiple copies of bulk materials filed as data responses. Staff cannot waive other parties' right to receive bulk materials.

DOUG BROGAN
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

MATTHEW FOSSUM
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

MARK NAYLOR
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429

AMANDA NOONAN
CONSUMER AFFAIRS DIRECTOR
NHPUC
21 SOUTH FRUIT ST, SUITE 10
CONCORD NH 03301-2429