

Lakeshore References Interviews

Person doing the Interview: Austin Godfrey

Date of Interview: 1/16/13

Person being phone Interviewed: Frida Salvigsen, Tranquility Springs Water Co.

Phone #: **973-657-9730**

Your water system has been given as a reference by Aqua. I am with the Lakeshore Company which is located in Harding, just to the south of Morristown, NJ. We have 95 homes and 3 additional community facilities. We have two pump houses and sodium hypochloride disinfectant systems. I was wondering if I could ask you some brief questions.

Q1: How many homes does your system service?

A: Number of homes service 40, with potential for about 14 more. Services k1-3 school

Q2: How many businesses does your system service?

A:

Q3: When was your system started?

A: 2002. Cost of system exceeded amount able to charge customers, homes metered, BPU approved rates.

Q4: Is your source of water wells (or rivers)?

A: 3 wells

Q5: How many pump houses do you have?

A: 3, 1 300K gallon tanks

Q6: When were you acquired by Aqua?

A: October, 2012.

Q7: Who owned the system when it was sold?

A: Frida owned it.

Q8: What was the condition of your system when it was acquired?

A: "Fine."

Q9: What were your reasons for the sale?

A: Sold because the company was bleeding money, could not make a profit. Lost all investment made in the system, million plus.

Q10: Has Aqua maintained the system satisfactorily?

A: too soon to tell.

Q11: How would you rate their responsiveness to any service issues?

A: Too new to answer about system problems. Customers not happy with response to Sandy questions and loss of power, but 300,000 gallon tank kept them in water.

Q12: What has been their normal response time to any problems, such as leaks or pump problems?

A: too soon to tell.

Q13: What upgrades have they done to your system?

A: Aqua has only owned the system a couple of months, no changes to date

Q14: Did Aqua place any restrictions on your system or institute any major changes?

A: No restrictions.

Q15: What concerns did your community have at the time of sale?

A: Community had no say in the sale.

Q16: Have there been any problems with billing or customer service?

A: Not aware of any.

Q17: In what kind of shape are the other Aqua owned systems that are included in your rate base? Do you anticipate that major capital investments in the systems in the rate base will cause rates to go up higher than historical averages?

A:

Q18: Did Aqua raise the chlorine levels in your system when they took over?

A: No comment.

Q19: Have there been any complaints about tasting chlorine?

A: No comment.

Q20: If you had it to do over, would you still go with them? What is your reason?

A: Aqua was only bidder.

Q21: Once the decision was made to sell your water assets to Aqua can you describe how the transition went and how long the process took?

A: Negotiations took forever. She was not happy with some element of contract as she did not feel Aqua honored them. One involved a delinquent customer bill and some excess meters that Aqua agree to take care of. Small dollar amounts.

Q22: If you were to sell your water assets again what would you have done differently?

A:

Q23: Would you be willing to email us a copy of your contract of sale so we would know what to expect in this type of transaction?

A: Did not ask this question.

Q24: Do you have any additional advice or is there anyone else you think we should talk to?

A: