

Lakeshore References Interviews

Person doing the Interview: Rick Barrett

Date of Interview: 1/17/13

Person being phone Interviewed: Lindsey Janel * Company: Vernon Water

Phone #:973-513-9802

*Attorney and daughter of original developer. Handled the sale post contract signing.

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: 225

Q2: How many businesses does your system service?

A: None

Q3: When was your system started?

A: 1957

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

A: 4 wells

Q5: How many pump houses do you have?

A: 4 pump houses

Q6: When were you acquired by Aqua?

A: Nov. 2010

Q7: Who owned the system when it was sold?

A: Janel family business along with shopping centers.

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

A: Decent shape but needed updating

Q9: What were your reasons for the sale?

A: Losing money since no BPU rate increase for many years. Cost to file for an increase was prohibitive. Needed updating, but worked fine. Her father handled operations and is now 70 so wanted to retire.

Q10: Has Aqua maintained the system satisfactorily?

A: Yes—no complaints from homeowners

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

A: Very responsive. Sends a little team out if there was a problem.

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

A: Very prompt.

Q13: What upgrades have they done to your system?

A: New radio meters read from curb.

Q14

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

A: No

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

A: Seemed more comfortable with a system managed by a public utility rather than the local management.

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

A: None.

Q17:

What kind of shape are the other Aqua 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: Have not seen rate increases that were not in line with what would expect.

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

Not that we know.

Q19: Have there been any complaints about tasting chlorine?

A: No

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

A: Definitely would go with Aqua. They seem to specialize in acquiring and managing small systems. Highly recommended Aqua.

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: Takes more than a year. Everything went well. Some hassle with switching over from billing from the old meters to the new meters, but this was easily reconciled.

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

A: Nothing.

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

A: Did not have the actual contract. Her father signed it. She handled all the post contract legal work.

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

A: No, was a good decision for Vernon.