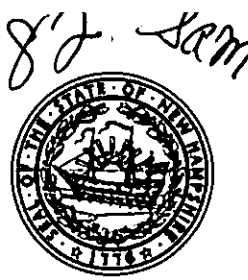




The State of New Hampshire
Department of Environmental Services

Robert R. Scott, Commissioner

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October 29, 2018

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 482:48 I(aa), authorize the New Hampshire Department of Environmental Services (NHDES) to accept two parcels of land in Antrim (Antrim Tax Map 214, Lots #41 and #103), with a combined size of approximately 5.3 acres and which abut state-owned property at the state-owned Steels Pond Dam in Antrim, from Contoocook Hydropower, LLC, the lessee of the Steels Pond Dam. The Town of Antrim has assessed the value of the property at \$187,965, and NHDES is acquiring it for forgiveness of \$27,792 in outstanding back rent. The acquisition will be concluded following approval by Governor and Executive Council.

EXPLANATION

The State of New Hampshire, through NHDES, owns the Steels Pond Dam and associated water rights and property in Antrim. Under a lease dated September 21, 1983, Steels Pond Hydro, Inc. leased the state-owned Steels Pond Dam and associated water rights from the State of New Hampshire for hydropower generation. The lease also included the state-owned property that was associated with the dam. However, the powerhouse, some of the penstock leading from the dam to the powerhouse, as well as some of the access road to the powerhouse were built on land, which abutted the state-owned land, that was acquired by Steels Pond Hydro, Inc. after they obtained the lease for the dam.

Under the terms of the lease, Steels Pond Hydro, Inc. was required to pay rent to the State of New Hampshire that was based on the revenue it received from hydropower produced at the site. However, in 2009 Steels Pond Hydro, Inc. began defaulting on the lease by failing to pay rent to the state, failing to pay real estate taxes due to the Town of Antrim under the lease, and failing to maintain the leased premises in good condition and repair. As a result, DES terminated the lease with Steels Pond Hydro, Inc. At the time of termination, the amount of rent owed to the state totaled \$27,792, and the amount of taxes owed to Town of Antrim totaled \$79,479. However, DES could not lease the site to another developer because Steels Pond Hydro, Inc. owned the land on which the powerhouse and other structures needed to generate hydropower were located, and that land was under a lien from the Town of Antrim for taxes due.

On November 13, 2013, Contoocook Hydropower, LLC, acquired the shares of Steels Pond Hydro, Inc. for the purpose of resuming hydropower operation at Steels Pond Dam as Steels Pond Hydro, Inc., to maintain the exemption from licensing issued by the Federal Energy Regulatory Commission for the Steels Pond Project. As part of the acquisition, they also exercised its right of redemption with the Town of Antrim and acquired the property of Steels Pond Hydro, Inc., which includes the powerhouse

www.des.nh.gov

29 Hazen Drive • PO Box 95 • Concord, NH 03302-0095
(603) 271-3503 • TDD Access: Relay NH 1-800-735-2964

His Excellency, Governor Christopher T. Sununu
and the Honorable Council

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and the other appurtenant structures for hydropower generation. The property is now free of all liens, including any tax liens from the Town of Antrim.

In negotiating the new lease with the reconstituted Steels Pond Hydro, Inc., DES wanted to acquire title to the land owned by Steels Pond Hydro, Inc. so that, at the end of the lease, DES could lease all the premises need for hydropower generation to a future hydropower operator. The Town of Antrim currently assesses the value of the property at \$187,965. Steels Pond Hydro, Inc. agreed to transfer that land to the state for forgiveness of the outstanding \$27,792 in back rent. The requirement to transfer the land is included in article 6(h) of the lease.

The form of the deeds has been reviewed and approved by the Office of the Attorney General.

We respectfully request your approval.


Robert R. Scott, Commissioner

Return to:

Department of Environmental
Services, Dam Bureau
29 Hazen Drive P.O. Box 95
Concord, NH 03302-0095

KNOW ALL PERSONS BY THESE PRESENT, that **Contoocook Hydro, LLC** a New Hampshire limited liability company, with a principal mailing address of 113 Bartlett Road, Plainfield, Vermont 05667 (Hereinafter known as the "Grantor," which words, unless the context clearly indicates otherwise, includes the Grantor's successors and assigns).

hereby grants and conveys to the **State of New Hampshire** acting by and through its **Department of Environmental Services** with an address of 29 Hazen Drive, P.O. Box 95 Concord, New Hampshire 03302-0095 (hereinafter known as the "Grantee" which word, unless the context clearly indicates otherwise, includes the Grantee's successors and assigns).

A certain parcel of land and buildings situated on the easterly side of the Algonquin Avenue, so called, in the Town of Antrim, County of Hillsborough, in the State of New Hampshire, and bounded and described as follows:

Being Lot # 1 containing 4.2 acres on a certain plan entitled, "Property of Robert F. & Gertrude B. Mulhall, Antrim, N.H. , scale 1"=50', surveyed by J. Milton Attridge, February, 1977, Revised April 1983", said plan on file with the Hillsborough County Registry of Deeds as Plan #15617.

Together with the rights to pass and repass with people and machinery or otherwise over Algonquin Avenue going to and from Elm Avenue, so called to within described parcel on plan.

Subject to a blanket easement over entire parcel to Steels Pond Hydro Inc., see Hillsborough County Registry of Deeds Book 8810, Page 2353.

Subject to access easement to Sarah J. Romano, see Hillsborough County Registry of Deeds Book 7430, Page 2110.

Subject to rights of Public Service to flow said land to elevation 771 feet above sea level, see Hillsborough County Registry of Deeds Book 3085, Page 647.

Subject to 4000 square foot sewage disposal easement, see Hillsborough County Registry of Deeds Book 2875, Page 385.

Subject to a 150 foot wide PSNH power line easement parallel, see Hillsborough County Registry of Deeds Book 1388, page 162.

Subject to a 100 foot wide PSNH power line easement, see Hillsborough County Registry of Deeds Book 850, page 632.

Meaning and intending to be the same premise conveyed to Contoocook Hydro, LLC by deed of Carl Erickson dated December 20, 2013, and recorded in Hillsborough County Registry of Deeds Book 8630, Page 558.

Return to:
Department of Environmental
Services, Dam Bureau
29 Hazen Drive P.O. Box 95
Concord, NH 03302-0095

Transfer Tax

In accordance with NH RSA 78-B:2,1, this deed is recorded without the payment of N.H. Transfer Tax

IN WITNESS WHEREOF, Contoocook Hydro, LLC duly authorize, has set her hand this ____ day of _____, 2018.

Lori D. Barg, President Contoocook Hydro, LLC.

State of _____
County of _____

Personally appeared before me on this _____ day of _____, 2018, Lori D. Barg, President, known to me or satisfactorily proven to be the person described in the foregoing document, and acknowledged that she is duly authorized to execute the same for the purposes therein contained, by signing his name on behalf Contoocook Hydro, LLC

Notary Public/Justice of the Peace [seal]
My Commission Expires: _____

Return to:

Department of Environmental
Services, Dam Bureau
29 Hazen Drive P.O. Box 95
Concord, NH 03302-0095

KNOW ALL PERSONS BY THESE PRESENT, that **Steels Pond Hydro, Inc.** a New Hampshire corporation, with a principal mailing address of 531 Quaker Street, Henniker, NH 03242 (Hereinafter known as the "Grantor," which words, unless the context clearly indicates otherwise, includes the Grantor's successors and assigns).

hereby grants and conveys to the **State of New Hampshire** acting by and through its **Department of Environmental Services** with an address of 29 Hazen Drive P. O. Box 95, Concord, New Hampshire 03302-0095 (hereinafter known as the "Grantee" which word, unless the context clearly indicates otherwise, includes the Grantee's successors and assigns).

A certain parcel of land with buildings and penstock situated on the southerly side of the North Branch River, so called, and easterly of Elm Avenue approximately 1,100 feet, in the Town Antrim, County of Hillsborough, and State of New Hampshire, and bounded and described as follows:

Beginning at an iron rod found in ledge being the southwest corner of herein described parcel thence running in a northeasterly direction along land of the State of New Hampshire known as tract # 2, in Hillsborough County Registry of Deeds Book 1921, Page 234, a distance of 210 feet more or less to the North Branch River; thence turning and running southeasterly and southerly along the river a distance of 400 feet more or less to a point just east of the existing hydro building; thence turning and running in a northwesterly direction passing through the hydro building a distance of 350 feet more or less to the point of beginning.

Also granting an access easement from Elm Avenue to the Grantors land over land now or formerly of Tanner set forth in Hillsborough County Registry of Deeds Book 3123, Page 256.

Subject to reservation and restrictions set forth in Hillsborough County Registry of Deeds Book 3085, Page 647. Subject to access easement to Sarah J. Romano set forth in Hillsborough County Registry of Deeds Book 7430, Page 2110. Subject to Public Service rights to flow said land to elevation 771 feet above sea level set forth in Hillsborough County Registry of Deeds Book 3085, and Page 647.

Meaning and intending to be the same premises conveyed to Steels Pond Hydro, Inc. by deed of Public Service Company of New Hampshire, dated September 30, 1983, and recorded in Hillsborough County Registry of Deeds Book 3085, Page 647.

Transfer Tax

In accordance with NH RSA 78-B:2,1, this deed is recorded without the payment of N.H. Transfer Tax

Return to:
Department of Environmental
Services, Dam Bureau
29 Hazen Drive P.O. Box 95
Concord, NH 03302-0095

IN WITNESS WHEREOF, Steels Pond Hydro, Inc. duly authorize, has set his hand this ____ day of _____, 2018.

Lori D. Barg, President Steels Pond Hydro, Inc.

State of _____
County of _____

Personally appeared before me on this _____ day of _____, 2018, Lori D. Barg, President, known to me or satisfactorily proven to be the person described in the foregoing document, and acknowledged that she is duly authorized to execute the same for the purposes therein contained, by signing his name on behalf of Steels Pond Hydro Inc.

Notary Public/Justice of the Peace [seal]
My Commission Expires: _____