

March 20, 1982

COMMISSIONERS' REPORT  
TO THE  
VILLAGE DISTRICT OF EASTMAN

This first year of the District's existence has been an interesting one and in the course of the year all of the District officers have been introduced to new and wondrous experiences.

The Commissioners held their first meeting on May 12, 1981 and have held a total of 16 regular and special meetings since that time. The regular monthly meetings have been held on the second Wednesday of each month at 2:00 PM in the ECA South Cove Complex and remain open to the public. Notices of regular and special meetings are posted in accordance with state law, and minutes of the meetings including the treasurer's report are available for inspection.

Much of our time has been spent familiarizing ourselves with the water system and establishing a management structure appropriate to the Village District. Operating under the state's statutes imposes requirements that are different from those under which the Water Company was initially organized. Moreover, our concern has been to operate in as efficient a mode as possible while remaining aware of our obligation to be accountable to the Eastman community. Some matters that may be of interest are presented in the following paragraphs.

Compensation of Officers - The officers of the District are serving without compensation and do so willingly. At some future time it might be appropriate to provide minimal compensation although it is unlikely that an equitable hourly rate would ever be achieved.

Office Services Contract - As was anticipated when the Village District was formed, we have negotiated an office services contract with ECA which leaves the management of the water system in our hands and which assures the necessary support of day-to-day operations. The contract reimburses ECA for all identifiable costs and will be subject to renegotiation each year.

Water Rates - In early 1980, when discussion of the community's acquisition of the water company was beginning, the Public Utilities Commission was informally approached by the company on the need for a rate increase. The matter was not pursued and in 1981, when the company was acquired by the ECA, it was apparent that a rate increase was necessary to put the system on a sound financial basis. Therefore, in

July 1981 new water rates were introduced with the approval of the commissioners although we had not yet taken over the system from the ECA. These rates are still in effect and there is no plan to increase them in the foreseeable future. The Public Utilities Commission no longer has authority over the system, and rates are set by action of the Village District Commissioners.

Delinquent Accounts - When the Village District acquired the water company, there were a number of delinquent customer accounts - primarily from those who own lots and pay availability fees. We are instituting a procedure similar to that employed by ECA for collecting delinquent accounts including accrued interest. Experience tells us that collection of some of these accounts will require court action and we intend to pursue this to a satisfactory conclusion.

Finances - The budget and long-term financing of the District has been a principle concern. The municipal bond market has been such that we have borrowed short term until this month when the New Hampshire Municipal Bond Bank finally made its offering of which we are a part. We opted for 10-year bonds at level debt service over 20-year bonds with equal principal payments. This option provided a lower interest rate and a savings of around a million dollars. These bonds will be amortized in part by water use rates and in part by taxation rates based on assessed property values.

We extend our thanks to Sam Hale, a resident of Eastman and former partner in the national accounting firm of Ernst and Whinney, who audited and assisted in the preparation of the financial statement for the first five months of our operation.

Capital Improvements - There are two projects included in the capital budget for 1982. Both of these are intended to augment service to the "high-level" sections of the system: Auxiliary power will be provided to the Snow Hill booster pump that will ensure its operation in the event of electric power failure, and an additional booster pump will be located uphill of the one at West Shore Drive and Road 'Round the Lake.

A Problem - Shortly after the Village District acquired the water company, it was discovered that there was a considerable difference between the amount of water pumped from the wells and the amount registered on customers' meters. Although the water supply is more than adequate for the foreseeable future, we feel that responsible stewardship requires that close attention be given to this problem.

Various lines of attack are being followed. Daily readings are made of the volume of water pumped from the wells. Quarterly readings of user's meters provided the basic measurements but there are unmetered users of the system. Twice a year, spring and fall, the water mains are flushed to remove silt or sand which may have accumulated. The daily readings of water pumped during these periods provide a

basis for a good estimate of the unmetered water used in flushing. During the winter some water lines are "bled" to prevent their freezing, and the water used can only be estimated. Some leaks were found in the 140,000-gallon concrete storage tank and were repaired last summer. The least is known about possible leaks in the distribution system and the losses are possibly greatest from this cause. Major leaks, such as from a broken main, are easily discovered and are quickly repaired. Small leaks in the 34 miles of water mains are very difficult to locate if they do not show visible evidence at the surface.

We inherited some leak detection equipment from the water company and are considering the purchase of additional devices which will be employed this coming summer in the concerted effort to locate and repair leaks in the mains.

Meter Accuracy - A standard test meter is used to check the accuracy of installed meters. To date the only faulty meters encountered were several that had been giving low readings. The design of our meters is such that high readings are most unlikely.

Water Quality - We are all grateful for the excellent quality of Eastman water which is distributed untreated. To ensure and monitor this supply, monthly tests are conducted on bacterial count and an annual test is performed for mineral content and pH value. These tests are conducted by state laboratories in Concord and in all cases the results are well within state standards. A matter of interest to those who use automatic dishwashers and washing machines; the water is soft enough that only minimum amounts of low-phosphate detergents need be used.

Raymond Manning  
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Commissioners