VILLAGE OF EASTMAN STATUS REPORT FEBRUARY 2007

Dear Customers:

The Commissioners are pleased to announce the appointment of James J. Donison as District Manager. Jim started work with the VDE on January 9, 2007. He is formerly the Water Treatment Supervisor for the city of Concord, NH. He has a degree in Civil Engineering and is a licensed Professional Engineer in this state. He has 25 years experience in water management, eight of them with municipal systems. Separately, the Commissioners regret to announce the resignation of Carole S. White as Deputy Clerk of the VDE. The Commissioners thank Carole for her selfless service this past year and request if someone would care to serve as Deputy Clerk, please contact the VDE office at 863-6512.

The replacement Gravel Packed Well #4R (Source #6) has been placed in service. The new Bed Rock Well (Source #5), which has been operating with "emergency" approval by the state, has been placed in standby. As a consequence, the water ban is rescinded. Sources #1 (the Dug Wellfield) and #6 should have sufficient capacity to meet our needs until Source #5 completes permitting. The Water Treatment Plant modifications are completed, with exception of clearing "punch list" items. Power has been shifted to the new 460 volt service and the demolition and reconstruction of the Pump House will commence soon. We anticipate the Well Field Improvement Project will be completed by the time of the Annual Meeting, except for the state's permitting of Source #5.

The Annual Meeting of the Village District of Eastman will be on Wednesday evening, March 21, 2007 at the Grantham Town Hall. There will be a public hearing on February 21, 2007 and if necessary a second meeting on February 28, 2007, also at the town hall, to review and comment on the proposed 2007 budget. At the Annual Meeting, by law, the voters of the district serve as the legislative body that appropriates all funds for the district in 2007. It will also elect the officers of the district whose terms have expired. This year, because of resignations in 2006, the voters will elect two of the three Commissioners.

The VDE is transitioning from Earthlink as its Internet Service Provider, and now hosts its own e-mail service on the web site. You may address e-mail to the VDE, the District Manager and the Commissioners at that site. The VDE Web Site is the official media outlet for posting minutes, policies and news of the district. We hope you will use it as the source for your understanding of VDE matters, and we look forward to your e-mail and inputs on how to improve the site.

Sincerely,

Commissioners; Robert E. LaGassa, William E. Sullivan and William P. Stevenson, II