Village District of Eastman
Bond Hearing, January 22, 2026
South Cove Activity Center, 7PM

VDE personnel in attendance: Commissioner Terry Large, Commissioner Bill Weeks, Commissioner Brad Moses, Moderator David Cole, Treasurer Bill Samuels, General Manager Amy Lewis. Also for VDE: John Tomasz.

Commissioner Large called the Bond Hearing to order at 7:00PM.

The proposed bond article for 2026 was read by Commissioner Large:

To see if the Village District of Eastman will vote to raise and appropriate up to the sum of $2,100,000, gross budget, for water infrastructure improvements, and to authorize the issuance of not more than $2,100,000 of bonds or notes in accordance with NHRSA 33 (Municipal Finance Act) and to authorize the municipal officials to issue and negotiate such bonds or notes and to determine the rate of interest thereon, and to authorize the Commissioners to apply for, accept, and expend any federal, state, or private funds that may become available in respect of the project to be applied toward the project, to reduce the amount that must be bonded, or to pay debt service on such bonds or notes.

Commissioner Large moved that the article be considered for public vote at the March 5 Annual Meeting. Commissioner Moses seconded.

Commissioner Weeks explained the reasoning behind the bond request: to continue drinking water infrastructure improvements based on the current Capital Improvements and Major Projects Plan, including water main replacements for West Cove B and C, the remaining 1/3 of Longwood Drive, and the main supply trunk on Eagle and Allen's Drives.

The Commissioners opened the floor for discussion.

Leigh Gibson, Turner Brae: asked about CIP investments over the next 10 years. Commissioner Weeks answered that the current CIP calls for $16.6 million over the next ten years; to replace all the water mains would be approximately $94.6 million. Gibson asked how the $2.1 million of the bond amount was arrived at. Commissioner Large explained how the CIP is created, identifying areas of concern and appropriating anticipated investments. The current CIP calls for an average of $2.1 million per year, supporting 2-3 water main projects per year. Gibson asked if the borrowing should be more, making more of an investment in the short term. Commission Large responded that the amount VDE can finance depends on what revenue can be expected – taxes and usage. Water usage rates are being increased by about 6% each year to support infrastructure

improvements. Seeking funding that exceeds 6% is unpalatable. Other considerations include the availability of contractors and the length of disruptions to the community, and also reducing the amount of water lost to breakages and leaks each year.

Claire Cofer, Anderson Pond: will there be a bond request each year? Commissioner Large said no, not every year. Other funding sources include the operating budget, grants, and available loans through the State Revolving Fund (SRF) program.

Christopher Lin, Greensward Drive: understands the logic with regard to the $2.1 million request and that costs are also increasing. What would be the associated cost with being more aggressive with the borrowing? Commissioner Large said more aggressive borrowing impacts would have to be developed, and that he anticipates having those impacts prepared for the community forums planned for later this year. Lin said that it feels like many projects have been kicked down the road and that the whole problem is not being addressed. Costs will continue to increase, and budgets will continue to increase with regard to the cost of work. Economies of scale with piece-to-piece work is not as efficient as doing the whole project at once. Commissioner Large agreed to the point of managing one single project. The CIP is wide-reaching and requires a very different type of management and work. He pointed out that the budget will show that the plan to replace the West Cove A water mains was deferred in order to combine that project with West Cove D water main replacement, in order to optimize contractor cost.

Robert Parker, Sunset Walk: VDE chair from 2015-2020, rate and tax increases have been discussed for years balanced with what the community would accept as increases. Parker stated that he had regrets not pushing for higher rates sooner in order to begin capital projects earlier than what the current CIP calls for. He encouraged the VDE board to challenge the community with respect to rate increases.

Len DeJong, Longwood Drive: questioned the use of the word "project" in the proposed article. Commissioner Large responded that VDE counsel identified "project" as appropriate. DeJong asked if any application for SRF funding would be a separate article. Commissioner Large said yes.

Marian Tener, Eagle Drive: is the capital budget available for review, as well as the system assessment? Commissioner Large said both documents are available. The CIP is on the website although currently under review by the board to determine if there are reserves available to reassign to address the water discoloration issues.

(Unknown): Are there funds available to cover unexpected events, as risks to the system seem to be multiplying. Commissioner Large said yes, VDE does have reserve funds.

Investments that have been made in the last 3-4 years have corrected or addressed the highest consequence-of-failure areas for the provision of water.

(Unknown): Between the inconvenience of road work and having no water, a customer will take the inconvenience of road work. There is a willingness to invest to ensure that all in the community have that, but there is a cost at issue: property values. It is an enormously complex system but does not feel that the VDE Commissioners should vet or limit the community's ability or willingness to invest in the system. Commissioner Large said such a discussion is not for tonight's meeting, as it is a topic that involves all property owners.

C. Lin: has there been an increase in call volume with complaints? Commissioner Large said no, that the communication/outreach has been very detailed. Lin said that waiting for summer forums and short-term/part-time owners is short-sighted. Any action will take time, and he feels that the "problem" has scaled beyond the capacity of the Commissioners.

Lorie McClory, Brookridge Drive: asked if the bond amount can be increased to $4.0 million. Not at this time, with the Annual Meeting on March 5. Commissioner Large said that with the timing of the bond request, subsequent application, and hopefully approval, this bond would finance projects for 2027-2028. There are also reserve funds that will supplement the bond request, so even though the request is for $2.1 million, we are not limited to $2.1 million because of those reserve accounts. McClory suggested the board consider adopting an 18-month budget, and present that in May when more summer owners are in residence.

Michael Simmons, Bright Slope Way: has experience in municipal budgeting; does this plan address all the issues? Is there a long-range plan to address the systemic issues? Not everything would be fixed at once but are we spending money on the right projects? Simmons also asked if the VDE and ECA work together, as ECA has a stake in this as well.

Karla Karash, Shore Drive: the big concern she is hearing about is the discolored water. VDE has consultants working on a resolution, and will the community know more later this year about that resolution? Should a new budget be prepared once those costs are known?

Commissioner Large: in 2022, an Asset Management Plan was commissioned for the drinking water division, with a primary objective of determining the availability of supply. Poorly constructed infrastructure leads to unacceptable amounts of water loss; VDE has addressed and improved several of the most poorly constructed areas. VDE has been, is, and continues to work on improvements, and he believes VDE has made tremendous progress with much more left to go. It is important to consider everyone who pays a water bill, which is why holding the summer forums is critical.

C. Cofer: this is a complex issue, and understands that with the drought in 2025 the ability to flush water mains was severely limited. In speaking with the VDE regarding discolored water at her residence, she asked when the Anderson Pond area was scheduled for water main replacement. Anderson Pond is not on the 10-year CIP as it currently stands. A VDE operator did sample and test her water, showing high enough levels of iron and manganese to cause the discoloration. She invested in a 5-micron carbon filter for $500 and has not experienced any discoloration since that was installed. There are solutions available that are not cost-prohibitive.

R. Parker: commented that the board should vote on the bond to move on to the budgets.

L. DeJong: disclosed that he too was a former Commissioner. The recent round of discolored water is not so much legacy manganese but activity at the water treatment plant. That investment needs to be maintained. Commissioner Large acknowledged the failure of a filter and stated that operations are running on the remaining two filters with repairs underway on the third. He pointed out that this filter maintenance is being performed three years ahead of schedule. DeJong asked if there was a preventive maintenance plan in place for the filters, and Commissioner Large replied yes.

Jonathan Raymond, 23 Trillium: does the funding cover cost to rebuild roads to current standards after water main work? Commissioner Large said yes, all contracts for water main replacements include a provision to return the road to pre-construction condition or better. VDE is working with ECA to coordinate water main work with paving plans.

(Unknown, Greensward Drive): Is the golf course a customer? Commissioner Large said yes, the club house is a VDE customer, although the course irrigation system is fed by Eastman Lake or treated effluent from the wastewater ponds.

Commissioner Large asked for a vote from Commissioners Weeks and Moses to move forward with Article 2 as presented; the motion passed unanimously.

The Bond Hearing closed at 8:08PM.

Respectfully submitted,

Amy Lewis
General Manager
Village District of Eastman