Village District of Eastman
Budget Hearing, January 22, 2026
South Cove Activity Center, 7:30PM*

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 Budget Hearing to order at 8:08PM.

*The Budget Hearing was posted as beginning at 7:30PM after the Bond Hearing (7:00). Due to the length of the discussion during the Bond Hearing, the Budget Hearing began later than scheduled.

Commissioner Large made the motion to Commissioners Weeks and Moses that the board vote to put forward to the public body the 2026 drinking water budget of $1,977,558. Commissioner Moses seconded the motion.

Commissioner Large spoke to the 2025 accomplishments of the VDE and the highlights of the proposed drinking water budget. He mentioned that a cost-of-service study was underway, which is reviewing rates and how revenues are balanced.

Marian Tener, Eagle Drive: in the Administrative Expense section, medical expenses seem very high, and are capital expenses shown in the budget? Commissioner Large explained the rate increase for the medical expense line – this is for five full-time employees and reflects a 6.8% rate increase. The insurer is Healthtrust, which is a municipal insurance pool. The debt service shown in the budget reflects the funding for the existing projects; future projects are not included here. Information pertaining to the existing debt service will be further explained in the Annual Report.

(Unknown, Pleasant Drive): With the usage increase shown in the budget, what is the communication with an owner developing a lot? Commissioner Large said that as a utility, the VDE has a responsibility to provide service to those who request it.

(Unknown): what if we can't provide service?

Lorie McClory, Brookridge Drive: All lots in Eastman are privately owned; ECA can't tell someone they cannot build.

Bruce Altobelli, Spring Glen: has been involved in an affordable housing project in New London, which has halted because the water district has said they cannot provide the water. If VDE is at capacity to service, we have to figure out how to provide it. He appreciates the amount of information provided on the VDE website and acknowledged

that sources of discolored water vary. What is the overall problem – lines? Filter reliability? Does the water leave the plant "dirty" or is it out in the system? Commissioner Large responded that there are three factors to consider. First, a failure at the water treatment plant, which is what we are seeing now. Second, there are other less substantial failures in the system. Third, residual iron and manganese in the system. The water system operated for 25 years without any iron or manganese removal; therefore, high amounts of both have precipitated out of the finished water. Substantial discolored water events are a result of latent iron and manganese; even road vibrations can shake loose any scaling inside the lines. With new water mains being installed, flow dynamics are also being changed. This is what we are seeing on Moose Run.

(Unknown, Greensward Drive): There are a lot of positives but there is a huge uptick in changes due to those positive changes. Water has been fine at his residence and feels for those who are experiencing the discoloration. Does it make sense for residents to have wells drilled? What would the Commissioners recommend for in-house filters? Commissioner Large responded that a consultant is researching in-house filters in order to make a recommendation. VDE would not purchase the filters but would work on reduced pricing for those customers wanting to opt in to that.

Dave Philippy, Deer Run: Are volunteers needed to help with that research? Finds that discolored water happens after flushing; the surprise this time is the frequency.

Jane Clark, Trillium Lane: has VDE considered the impact of ADU's on the system capacity, if those are allowed in Eastman? Commissioner Large said that he was part of that conversation, and that VDE is bringing on an additional source this year, and the reduction of water loss also increases service capacity.

Robert Parker, Sunset Walk: was the $500,000 allocated for the capital reserve in 2025 sufficient, and if the funding for 2026 was increased to $1 million, would that accelerate the CIP timeline? Commissioner Large said that the 2025 amount contributed to the Water Mains, Valves, and Meters reserve fund was sufficient. If the amount were to be increased for 2026, VDE would still need to consider staffing and uncertainty around contractor availability. The work on capital projects will continue.

(Unknown): is there a timeline for the filter work, and what is the quality of the water from the new wells? Commissioner Large said he hopes that the filter work will be complete by summer, and that the new wellsite will be one of the better sources.

(Unknown): What percentage of capacity will the new wells provide? Commissioner Large said the new wells will add about 30% of the current capacity. Question: if the discoloration were attributed to a filter, wouldn't it be more widely spread through the community? Has

the full scale/scope of the problem been investigated? Commissioner Large said that water flows are based on demand. The discoloration is not consistent throughout the community.

Jeanne Link, Moose Run: has had an in-house filter since moving to Eastman 22 years ago and has recently been changing the filter every 10 days. Commissioner Large said that tracks with what information we've received from the engineer of the Moose Run/Bogie Place connection, that the increased flow and velocity is pulling legacy iron and manganese into the system.

Rick Karash, Shore Drive: thanked the Commissioners for their work with the VDE and asked for the total amount held in the capital reserve funds. Commissioner Large said that as of December 31, 2025, that amount was $2,831,478.13, with total interest earned of $131,418.65.

With no further discussion, Commissioner Large asked Commissioners Weeks and Moses for their vote on submitting the drinking water budget as presented to the public body at the March 5 Annual Meeting. All voted aye.

Commissioner Large made the motion to Commissioners Weeks and Moses that the board vote to put forward to the public body the 2026 wastewater budget of $493,815. Commissioner Moses seconded the motion.

Commissioner Moses spoke to the 2025 accomplishments with the wastewater division and highlighted several areas of the wastewater budget. Labor expenses and some operational expenses are directly related to the drinking water budget.

Sue Johnson, Old Beach Circle: is the wastewater staff the same as drinking water, so the wages reflect that expense? Commissioner Moses said yes.

There were no sewer users left in the audience at this time, so the wastewater budget discussion was shortened. Commissioner Large asked Commissioners Weeks and Moses for their vote on submitting the wastewater budget as presented to the public body at the March 5 Annual Meeting. All voted aye.

Commissioner Large asked if there were any further questions from the floor; there were none.

Commissioner Weeks took a moment to state that he would not be running for reelection, and introduced John Tomasz of Pleasant Drive, who will be declaring candidacy for the open Commissioner seat.

With nothing further, the Budget Hearing closed at 9:22PM.

Respectfully submitted,

Amy Lewis
General Manager
Village District of Eastman