

As a former director of the water company when it was being run by the Lakeshore company as intended I would point out that many expenses incurred in recent years were deferred from previous years while we were building up capital for the dam and dredge project prior to becoming eligible for state low cost loans thanks to the dam failure in north jersey and the state requiring private and publicly owned dams be upgraded.

While this was already one of our priorities it allowed us to recoup the costs of the preliminary work we had already done and reapply this to things like the water company budget which at the time was supposed to be about 20,000 a year but which was not spent on capital improvements over an extended period of at least ten years more than what would have been the case had this not been taking place.

Per year expenses should be calculated for this period as being divided by the additional years as well as those in which the outlay actually occurred.

I would also point out that the Lakeshore company " loaned " an extra 54,000 thousand dollars to the roads project and was billed for another 34,000 for repairs to the primrose hill section after a rainstorm washed out the surface over the newly laid pipes when the roads crew did not do the paving on the day they were scheduled to be doing it but instead began four days later on the following Monday after the storm ruined the finished preparation done the Thursday before to be paved on the Friday of the previous week.

That was an additional 88 grand not shown in the budget that should have still been in the lakeshore coffers.

On the subject of BPU permissions for rate increases I would like to point out that for utilities like the electric companies that often while a rate increase is allowed in a particular time frame like a calendar or fiscal year the company is not restricted from asking for additional rate increases when they think it is justified. This has occurred with the electrical providers many times where a rate increase has not even been billed yet before they were asking for another increase. Also that catastrophic difficulties can affect the larger corporations over a much vaster area and not be a direct affect on the local portion but can be recovered by billing the entire customer base. This actually occurred when three mile island which supplied no power to

NJ whatsoever failed and all of the customers of the parent company including those in NJ (US that is) were billed an additional amount to help pay for the problem raising rates without a need for the state to say it was ok to do so.

As one who has done volunteer work in this community all of my life and done everything from cutting the grass on community land to maintaining the tennis courts and road repair and drainage repair I am surprised that people in this community now want to pass off to a professional profit making corporation what we have done for generations.

While what the water corporation may be willing to pay for our system might be in line with what they think is fair we have much more invested in it over 88 years than that and what they propose to give us they would most likely recover from us in one or two years at the most instead of our paying ourselves the same amount for both the water company operations and repairs/upgrades and to be available for emergencies if necessary.

Someone suggested that we may have a lot of water loss from the system but there is no proof that this is in fact occurring. the basic water use adjusted to take into account the number of customers and changes I what the water is being used for over the years has not changed very much and any leaks that have occurred have been obvious when this changes from the average water use per day. I see no indications of leaks taking place which would show up as water coming to the surface or showing up downhill from the water lines when there is dry weather and no drainage of the ground water coming to the surface.

the==he only spot where a recurring water situation seems to appear is near the Kerns property and the water there does not appear to be coming from the water mains and has usually not tested as having much if any residual to show it is chlorinated water from the water system.

If you have not yet figured it out I am opposed to the sale of this valuable asset which will only become more valuable in the future.

Bill Manser

former director of the Lakeshore Water Company
Sole remaining member of an investor shareholder family