

**REPORT OF THE COMMITTEE
ON THE PURCHASE
OF THE PLANT OF THE
DEDHAM WATER COMPANY**

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Report of the Committee on the Purchase of the Plant of the Dedham Water Company by
Various

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VARIOUS

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DEDHAM WATER COMPANY**

REPORT
OF
Dedham
THE COMMITTEE
ON
THE PURCHASE
OF THE
PLANT OF THE DEDHAM WATER COMPANY.

DEDHAM, MASS.:
PRESS OF C. G. WHEELER.
1896.

REPORT.

To the Inhabitants of the Town of Dedham :

We, the Committee on the purchase of the plant of the Dedham Water Company, Dedham, Mass., make the following report of our doings and findings :—

The company was incorporated in 1876 with a capital stock of \$200,000.

The first meeting of the corporation was holden January 31, 1877, when the act was accepted, and the company organized with a capital stock of \$75,000.

They at once commenced to obtain the subscription of the stock, and not until 1880 did they obtain stock sufficient to warrant the success of their undertaking.

With a great amount of push they commenced to see the fruits of their labors in 1881, when the water was finally introduced.

The expenditures of the company to January, 1882, amounted to \$94,942.82. They had laid, up to that time, 49,403 feet, or 9.357 miles, with all the necessary valves, gates, etc., together with 76 hydrants. All of the piping then laid in the streets was wrought iron, cement-lined and covered. The standpipe on Walnut street near the junction of Cedar street was built 103 feet high by 20 feet in diameter, with a suitable base to support and sustain the whole structure, said pipe holding 235,000 gallons when full. Since then an overflow well has been built near said standpipe to receive surplus water. A pumping station was built, the size of which was 25 × 28 feet

for the engine house, and a boiler room 28 × 30 feet, with a chimney 70 feet in height.

In the engine room two engines were placed, one a compound condensing engine capable of raising 750,000 gallons of water in 24 hours. The other is a high-pressure engine capable of raising double the amount of water in the same time. The engines are placed on solid bases made of brick and stone laid in the best manner possible for strength and durability. The two boilers are of 60 horse power each, well set in brick, with return flues and pipe to chimney.

The supply of water is obtained from a well 26 feet in diameter and 18 feet in depth (the original well), with 9 driven wells within this large well, to a depth of from 8 to 12 feet, which when the large well is nearly exhausted, small wells come to the relief of the large one, and materially aid in the water supply.

The property of the company consists of the power house with all of its machinery, coal sheds, etc.; two standpipes — one on Walnut street holds 235,000 gallons, and one on Federal Hill holds 500,000 gallons when full; land where the power house is located contains 217,800 square feet; meadow adjoining contains 7 acres; standpipe lot on Walnut street contains 12,000 feet; standpipe lot on Federal Hill contains 101,330 feet. There are 129 hydrants, the locations of which are shown on the company's plans, and 1040 service pipes.

About 22 miles of pipe of different sizes is laid in streets. About 2½ miles is iron pipe, and 19½ miles is iron, cement-lined and covered.

They have on hand tools and equipments for carrying on the work or business, horses, wagons, carts, office furnishing, including safe and all fixtures.

The whole amount expended in all for its franchise is \$216,163.65.

Capital stock paid in	\$125,000 00
Five per cent bonds	100,000 00
	<hr/>
	\$225,000 00

Leaving a surplus in the treasury.

The property has earned its expenses, together with $4\frac{5}{14}$ per cent during the time of its existence, with payment of the 5 per cent on the bonds. In 1882 it paid $1\frac{1}{2}$ per cent on its stock, and in 1895 it paid 6 per cent on its stock.

To obtain the real value of the stock on the 1st day of January, 1896, providing the stock should have earned 6 per cent from the commencement, we should add $1\frac{5}{14}$ per cent to the capital stock each year during its existence, which would make its present value \$128 per share, or \$28,000, which, added to the construction account, would make the whole value \$244,000.

If the rate per cent on the capital stock was placed at 7 per cent and we added $2\frac{5}{14}$ per cent per year to it, would make \$43,000, which added to the construction account, the value then of the plant would be \$259,000. On examination of the plant, we find the standpipes have been kept in good condition by being painted often, and otherwise kept in perfect repair, and, from present appearances, will last for many years.

We had the privilege of examining the pipes taken from the ground in four different places during the past fall, which were laid or put down about fourteen years ago, and none of them showed any signs of decay or rust, looking as bright and strong as when first laid.

The power house and its surroundings are the same as when built; age does not detract from its looks or worth; no show of wear or waste in or about the premises. The boilers lay within their beds in perfect shape, with no leaks, cracks, or bulges, looking as well as though they had been there but a year; and should judge, with the same care they have received, their life was not half spent.

The engines and other machinery run in perfect order, and are as good, seemingly, as the day they were started up. Everything connected with the whole plant seems in perfect order. One of the engines was remodelled in 1889, so as to increase its capacity nearly double. The whole plant speaks well for the husbandry of its projectors, and especially those

who have the immediate care and control of the whole workings.

The town, at the present time, is paying the company yearly rental of about \$5000, which pays the interest on the mortgage bonds of \$100,000. This contract ceases or closes on September 1 of the present year, and from the present outlook the town will not be able to obtain the water at a lower rental than has been paid for the past ten years. Otherwise it looks as though there might be an increase on the rental. More hydrants will be added yearly, and when the town is obliged to put in sewerage, all the sewers will have to be flooded often through the warm weather in order to protect the health of the town. This will necessitate the use of more water than is used by the town at the present time. This alone will double the present rate the town pays, which will pay the interest on stock at 6 per cent and on bonds at 5 per cent of the cost of the franchises at the present time.

The corporation will not provide water for the town unless paid for, and it will be obliged to have it.

If the town owned the plant it would cost the town but little to furnish this extra water, except the pumping. If the corporation continues to own the plant, if anything should call for more money for repairs, or new pipe to replace old, the town may expect to be obliged to pay most of the expense by a higher rental. The property is now owned mostly by parties who started the work to help the town to water, not as a speculation; and if the town is to own the plant, would it not be best to purchase now, at the present time, before it is purchased by speculators and sharpers? Water we must have, and is it not better for the town to own its own plant and control it, rather than to have it owned by a foreign company which may come in and deal it out to the people and town as they please, at the price they choose? There is no competition in this matter, — only one water company in the town.

We have been unable to obtain any price from the company for which they would be willing to dispose of the property to the town; and, looking as we do to the prosperity of the town

in the future, its growth, sewerage, etc., we recommend that, if a satisfactory arrangement could be made (as regards price), for the town to purchase the plant. If not, take the plant, and ask the court to appoint three commissioners to appraise the same, and take it at the appraisal. In payment, the town assumes the 5 per cent bonds, \$100,000; then issue other bonds for the remainder of the purchase money for thirty years at 4 per cent, which will sell at par or more. Place a certain amount of money, every year, of the plant's earnings in a sinking fund, and at the close of the thirty years there might be nearly money enough to cancel all the bonds.

We employed Mr. Percy M. Blake to assist us in the obtaining of the values of the property in its present condition and comparing it with the cost of the same when built.

A full copy of his report is hereto annexed.

Most respectfully submitted,

JOHN CROWLEY.

CHARLES C. SANDERSON.

WILLIAM T. TAPLEY.

REPORT OF PERCY M. BLAKE, CIVIL ENGINEER.

DEDHAM, Mass.

JOHN CROWLEY, *Chairman*; C. C. SANDERSON; WILLIAM
T. TAPLEY, *Clerk, Committee on the Purchase of the
Plant of the Dedham Water Company.*

Gentlemen,— Having been requested by you to investigate and report upon the condition, efficiency, and value of the plant of the Dedham Water Company, and to advise you in regard to the desirability and expediency of the purchase of this plant by the town of Dedham, I respectfully submit below the results of my labor.

As it is well known that I was intrusted by the promoters of the Dedham Water Company with the work of devising and constructing the water works which are the subject of this inquiry, and that since the introduction of water in the town of Dedham I have sustained pleasant relations with the management of the water company, as well as with many of the citizens of the town who have enjoyed the benefits accruing from the efforts of the company while not having a financial interest in the enterprise, my position in this case may appear to be an unusual one. I take this early opportunity to assure you that an experience of many years in dealing with subjects of this kind has shown that the interests of all concerned are best served by an impartial presentation of all the facts as they are found to exist, and I trust that the following report will be received and judged in as fair a spirit as I have presented it, and that its conclusions will be weighed with a full appreciation of the facts which have been collected for the information of your citizens.

This report is necessarily historical in its first part, as the origin and subsequent progressive steps in so important an