

**STATE OF MAINE
PUBLIC DRINKING WATER COMMISSION**



**2022 ANNUAL REPORT
STATE FISCAL YEAR ENDING JUNE 30, 2022**

**Annual Report
of the
Maine Public Drinking Water Commission**

for the period ending
June 30, 2022

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Introduction

The Annual Report of the Maine Public Drinking Water Commission (MPDWC) is prepared for the Commissioner of the Department of Health and Human Services, pursuant to 22 M.R.S. §§ 2660-C (4)(H). This statute requires that the MPDWC submit an annual report to the DHHS Commissioner that must include, but is not limited to, a performance evaluation of the program, including the implementation of administrative remedies, and MPDWC recommendations regarding, but not limited to, administrative remedies, program operations, funding and staffing requirements, funding formulas and fee collection and transfer schedules.

The purpose of the report is to provide the DHHS Commissioner with an understanding of the issues the MPDWC and the Maine CDC 's Drinking Water Program (DWP) faced during the last year, as well as outline the goals and work for the upcoming year. Background information about the regulated public water systems is also provided, along with the current fee structure. Enclosed or linked with this report are:

- [DWP's Public Drinking Water in Maine Annual Report 2021](#)
- [The 2021 Drinking Water Construction Project Report](#)
- The Drinking Water Program's State Fiscal Year 2022 Financial Summary

Enabling Legislation

Legislation relating to the MPDWC is found in 22 M.R.S. §§ 2660-B - 2660-G. The statutes were first established in 1993 (c. 410) and have been modified five times since (1995, c. 581; 1995, c. 21; 1997, c. 705; 2001, c. 232; 2003, c. 601; and 2009, c. 15).

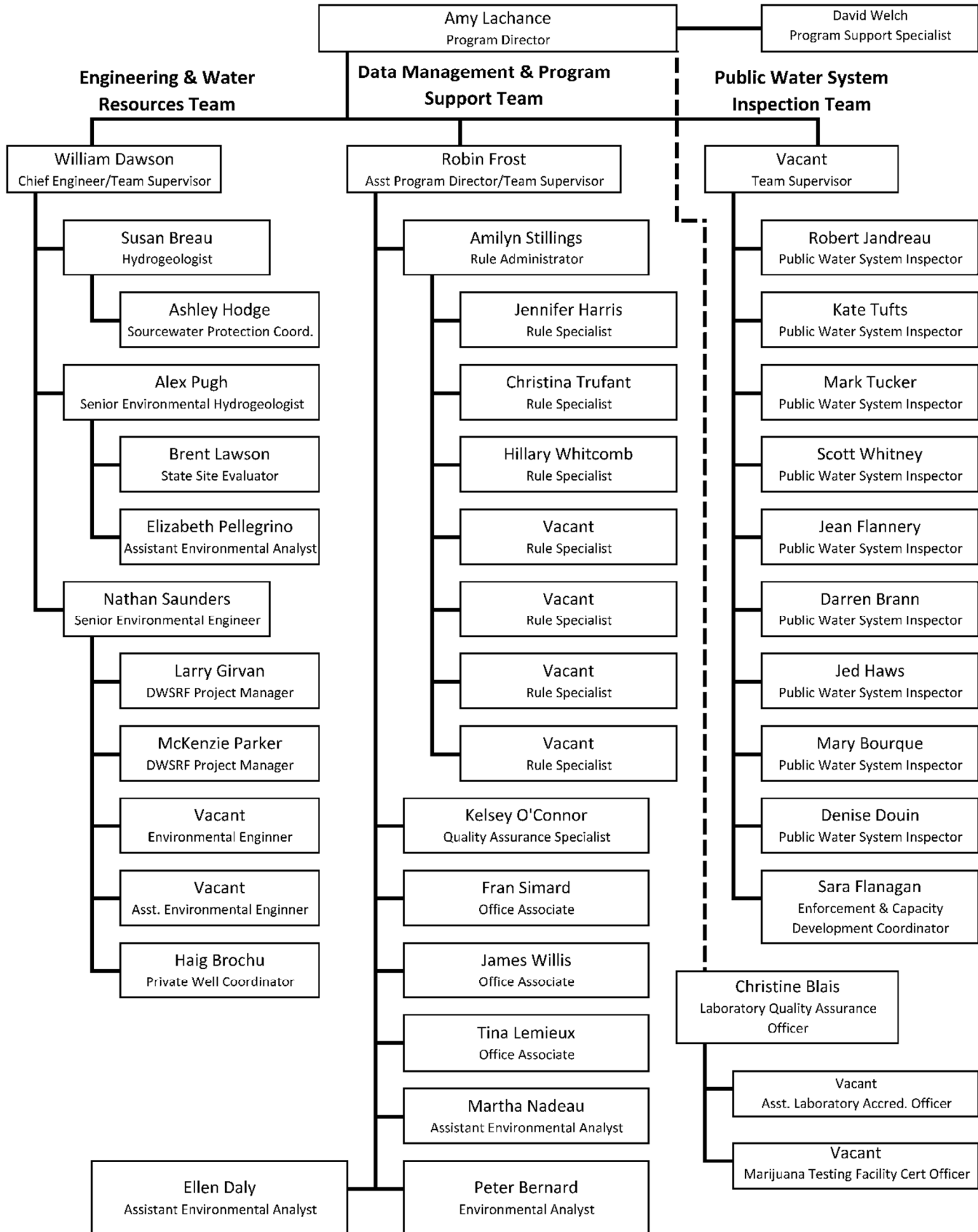
The legislation includes definitions, membership requirements, responsibilities, duties, compensation, annual report requirements, and authority to impose an annual public water system (PWS) operation fee.

Members of the Maine Public Drinking Water Commission

<i>Name, Address, E-Mail</i>	<i>Seat # & Expiration Date</i>	<i>Statutory Provisions for Seat</i>
Amy Lachance Director, Drinking Water Program 11 State House, Station Augusta, ME 04333-0011 (207) 557-2380 FAX (207) 287-4172 E-mail: amy.lachance@maine.gov	<u>Seat 1</u> Until Replaced	Commissioner of Health and Human Services or the Commissioner's designee
Rebecca Laliberte The Meadows PO Box 629 Greene, ME 04236 (207) 946-3007 E-mail: RLalib3967@aol.com	<u>Seat 2</u> August 31, 2019	Represent the water purveying community and be associated with a public water system serving a population of not more than 1,000.
Vacant	<u>Seat 3</u> August 31, 2021	Must represent the drinking water public
Vacant	<u>Seat 4</u> August 31, 2019	Represent the water purveying community and be associated with a public water system serving a population of at least 1001, but not more than 10,000.
Kathy Moriarty, Chairperson Bangor Water District, General Manager PO Box 1129 Bangor, ME 04402-1129 (207) 947-4516, FAX (207) 947-5707 E-mail: moriarty@bangorwater.org	<u>Seat 5</u> August 31, 2021	Represent the water purveying community and be associated with a public water system serving a population greater than 10,000.
Lee Worcester, III Smugglers Den Campground PO Box 787 Southwest Harbor, ME 04679-0787 (207) 460-9033 E-mail: bcw@smugglersdencampground.com	<u>Seat 6</u> August 31, 2021	Must be a user of a transient, non-community water system
Carol White C.A. White & Associates 1 Main Street Yarmouth, ME 04096 (207)846-5599 FAX (207) 846-9066 E-mail: cawhitemaine@gwi.net	<u>Seat 7</u> August 31, 2020	Must be a user of a non-transient, non-community water system
Jeffrey D. LaCasse, 35 East River Road Skowhegan, ME 04976 E-mail: jdlacasse@myfairpoint.net	<u>Seat 8</u> August 31, 2019	Must represent the drinking water public
Brian Richardson Winterport Water and Sewer District, Trustee P.O. Box 260, 337 So. Main St Winterport, ME 04496 (207)223-8880 E-mail: bprassociates@aol.com	<u>Seat 9</u> August 31, 2021	Must represent the drinking water public

Drinking Water Program Organizational Chart

DRINKING WATER PROGRAM, DIVISION OF ENVIRONMENTAL AND COMMUNITY HEALTH, MAINE CDC



Performance Review of the Drinking Water Program

The MPDWC gets regular updates from the DWP and assesses the performance of this State agency. The management and the staff of the program continue to effectively implement the drinking water regulations in a manner that is protective of public health. However, the scope of the drinking water regulations, along with public concerns about their drinking water quality, have grown significantly in recent years. New federal regulations such as the Lead and Copper Rule Revisions, promulgated in December 2021, have expanded direct regulatory activities by several times over. And, with the passing of the federal Bipartisan Infrastructure Law, the amount of funding for infrastructure improvements, emerging contaminants and lead service lines has increased from \$11M in 2021 to approximately \$70M per year for the years 2022-2026, and the required state match has risen proportionally. Additionally, state regulations regarding PFAS and lead in schools have increased the DWP's workload significantly.

This is an important time in the history of the drinking water industry, and the DWP must adapt in order to keep up with considerable new regulations and infrastructure expenditures. The MPDWC supports the DWP in their attempt to right-size the program by adding new positions and converting five limited period positions to permanent. These measures, proposed in the SFY 2023-2024 budget cycle, can be implemented using set-aside funding from the State Revolving Fund and Bipartisan Infrastructure Funding without the need to increase the Alternative Funding Mechanism Fees. Right-sizing the DWP to address its current and future challenges will ensure that safe and adequate drinking water can continue to be provided by Public Water Systems across Maine.

Two reports produced by the Drinking Water Program that highlight the work done by the Program in 2021: 1) The Public Drinking Water in Maine Annual Report 2021 Report and 2) 2021 Drinking Water Construction Project Report. These reports demonstrate the work that has been done by the Drinking Water Program to assist Maine public water systems maintain required water quality standards and address the problems associated with aging infrastructure within those water systems. The reports can be found online at the following locations:

- ◆ Public Drinking Water in Maine Annual Report 2021 - www.medwp.com/consumers.shtml
- ◆ 2021 Drinking Water Construction Project Report - www.medwp.com/pws/srf.shtml

MPDWC Objectives for the Coming Year

The MPDWC will continue to support and guide the DWP as needed, and prudently oversee the alternative funding mechanism established to fund a portion of the program's budget. Staffing and funding will remain extremely important issues for the DWP. In response to those concerns, the Commission in the upcoming year will:

- ◆ Continue to support and work to obtain the appropriate funding for the State Match of the Drinking Water State Revolving Fund
- ◆ Support the DWP's efforts to obtain the legislature's approval to right-size, pursuant to a budget request.
- ◆ Be a resource and an advocate for the director and staff of the DWP
- ◆ Review DWP performance measures to evaluate the operations and effectiveness of the DWP

Acknowledgements

The Commission acknowledges the dedication and work ethic of all employees of the DWP. DWP staff continues to provide effective and valuable assistance to Maine’s 1,900 public water systems as they seek to address ever-evolving water issues and new regulations. The MPDWC feels confident in the DWP as a critical presence in promoting the safety and reliability of Maine’s drinking water.

Alternative Funding Mechanism Fee

In 1993, the Legislature created legislation enabling the DWP to assess a fee on all public water systems. This fee is deposited in the Public Drinking Water Fund for the purpose of supporting the DWP. The fee, also known as the Alternative Funding Mechanism (AFM) Fee, is calculated by using a formula with a base rate and a population multiplier.

In State Fiscal Year 2022 the AFM fee paid the costs of 5.0 full-time employees. Each year, the MPDWC reviews the formula, the base fee, the per capita fee and the DWP budget to determine if any changes need to be made to the formula or fee rates. Revenues derived from the collection of these fees are used to ensure adequate staffing to meet the US Environmental Protection Agency’s requirements. Specifically, AFM funding covers the costs of five DWP staff positions.

For all water systems except bottled water and vending machines, the fee is equal to the minimum fee plus the per capita rate, multiplied by the population capacity of the system, minus the exempt population. A summary of the rate structure for these types of water systems can be found in Table 1 below.

Table 1 – SFY 2022 Rate Structure for all Public Water Systems except Bottled Water and Water Vending Machines	
Description	Rate
Per capita rate (above base population)	\$0.60
Base fee	\$65
Base population	100

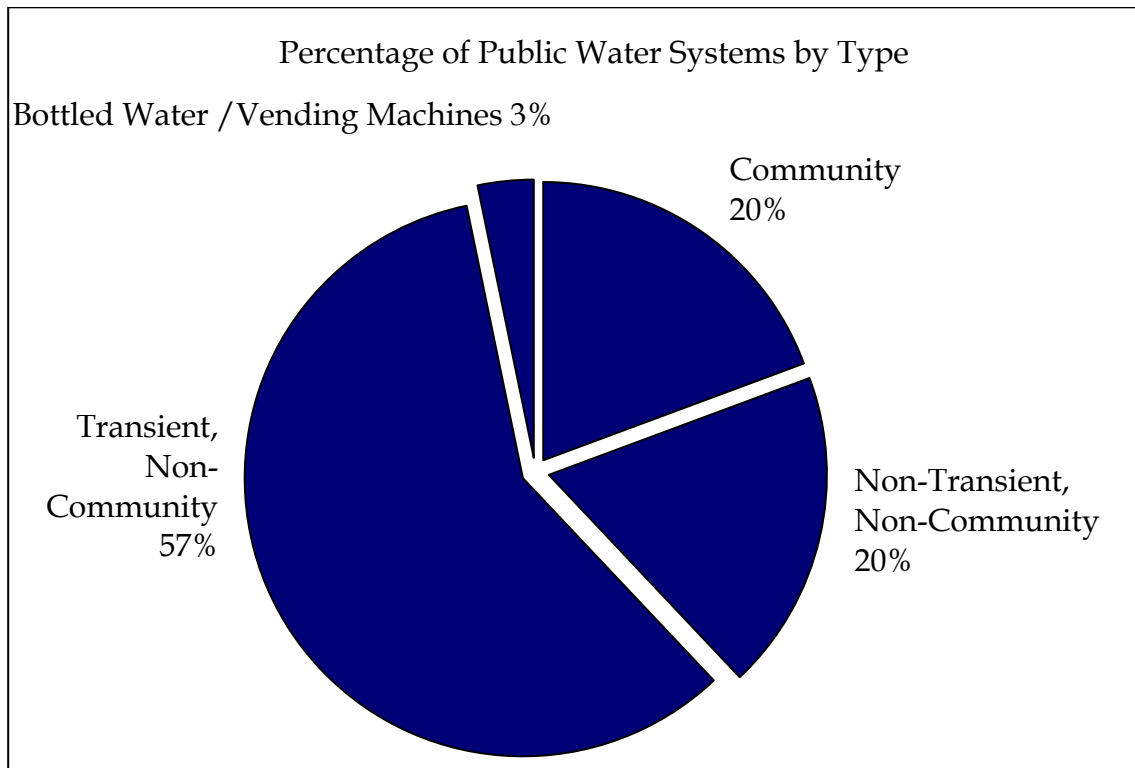
A separate formula and rate structure exists for bottled water facilities and water vending machines. A summary of the rates for these facilities can be found in Table 2 below.

Table 2 – SFY 2022 Rate Structure for Bottled Water Facilities & Water Vending		
System Type	Description	Rate
In-State Small	Small (up to 250,000 gallons per year)	\$105
In-State Medium	Medium (>250,000 to 20 million gallons per year)	\$300
In-State Large	Large (>20 million gallons per year)	\$3,900
Water Vending Machine	Per Water Vending Machine	Minimum \$50 \$10 per machine up to \$150 maximum

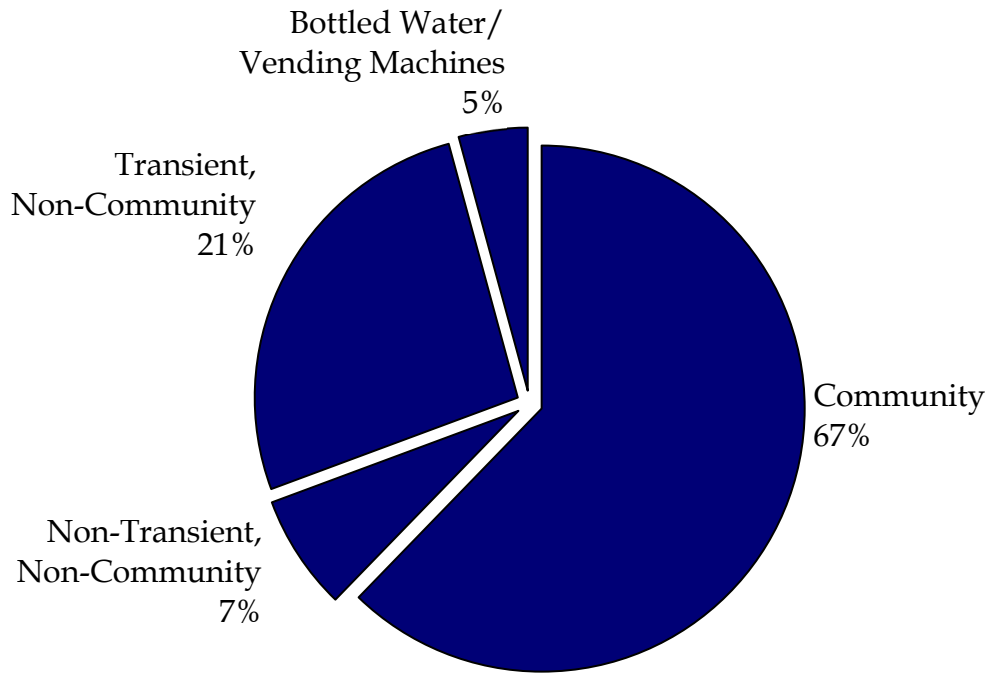
Fees by Public Water System Type

State Fiscal Year 2022
Summary of AFM Fee Billings

Types of PWS	Number of Public Water Systems	% of Total Public Water Systems	Population Served	Calculated Revenue	% of Total Calculated Revenue
Community	384	20%	688,512	\$419,511	67%
Non-Transient, Non-Community	374	20%	61,830	\$43,788	7%
Transient, Non-Community	1,095	57%	182,701	\$129,193	21%
Bottled Water / Vending Machines	47	3%	N/A	\$33,545	5%
Totals	1,900	100%	933,043	\$626,037	100%

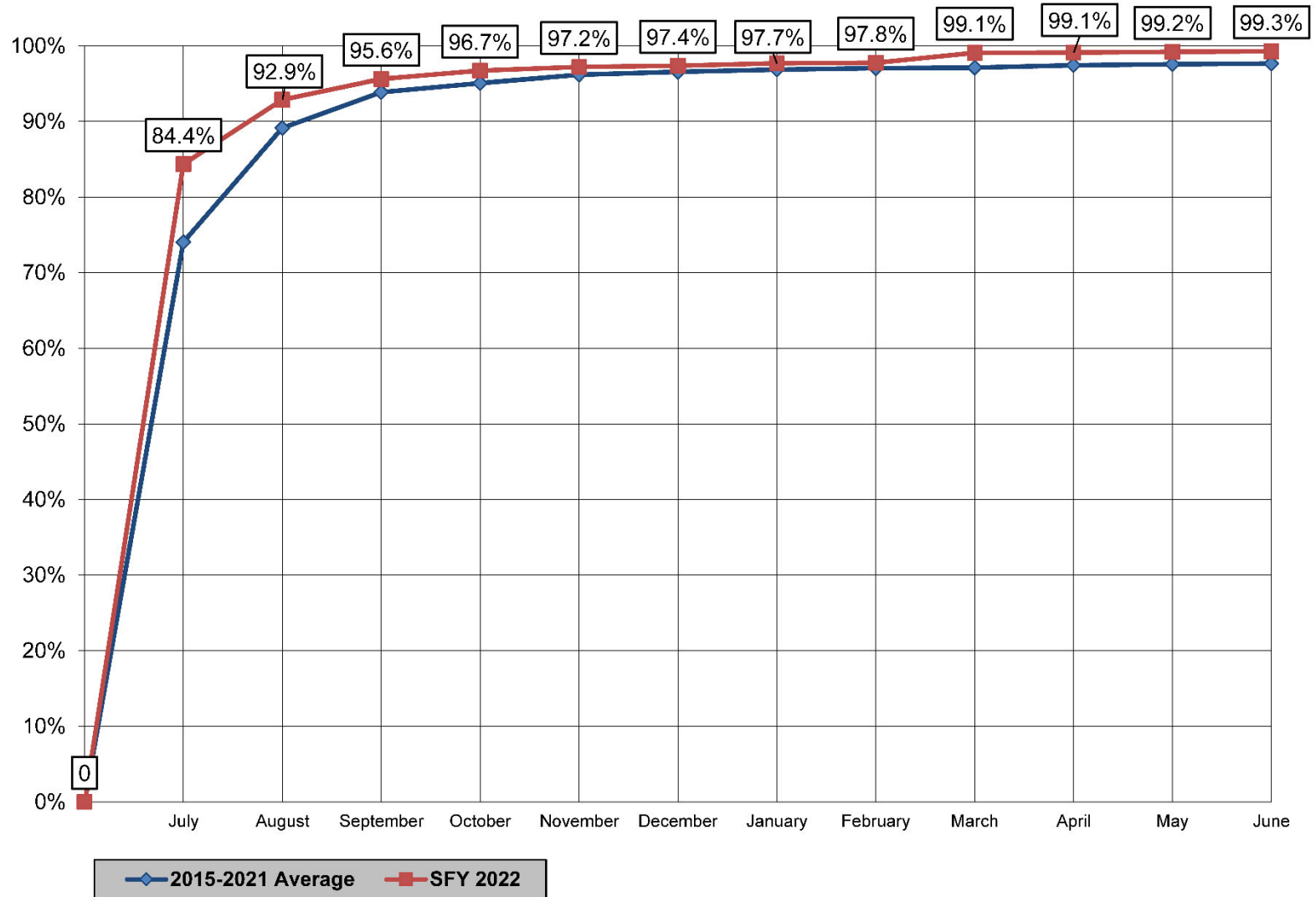


Percentage of Total Calculated AFM Revenue by Public Water Systems Type



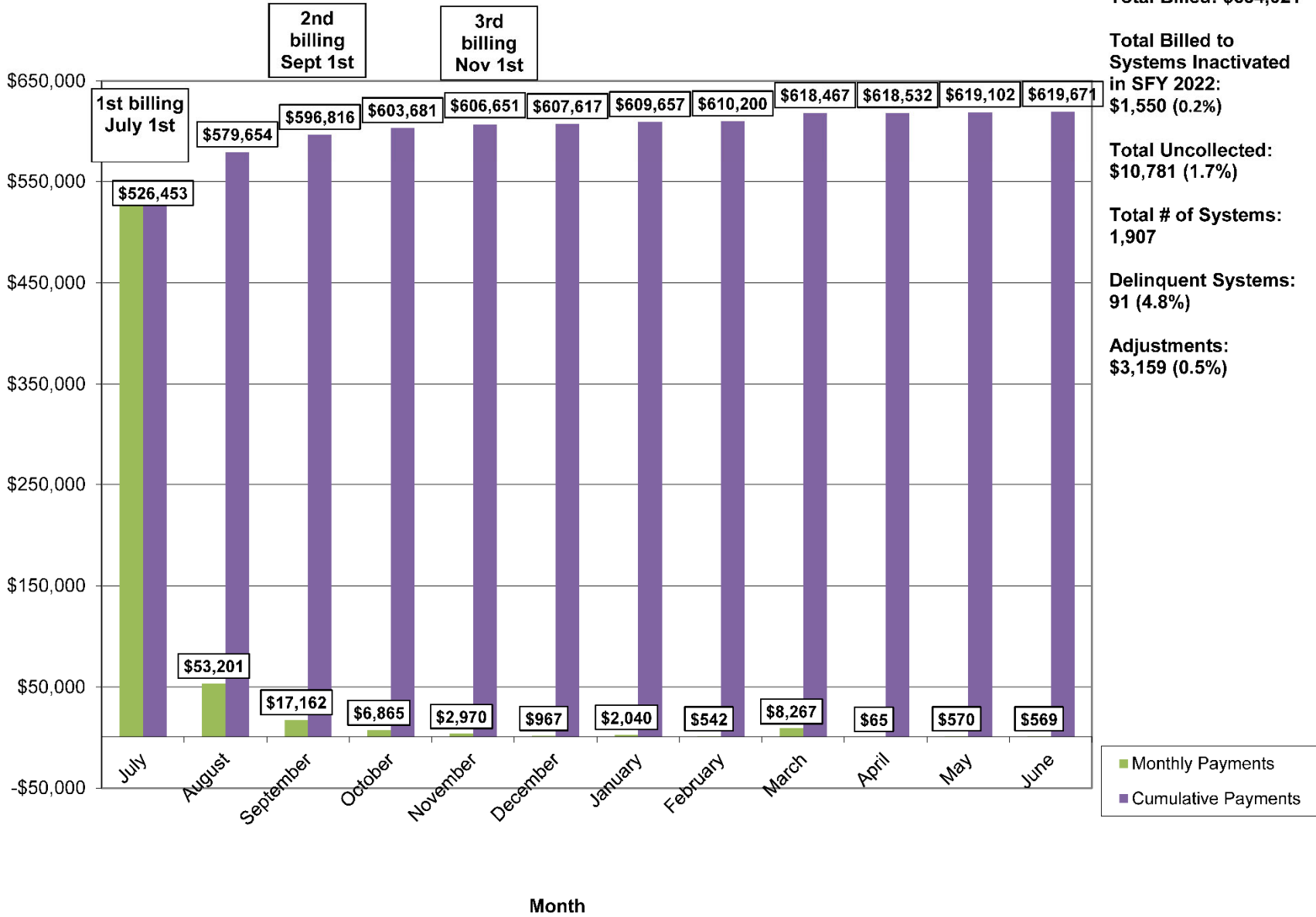
Fee Collection Performance Measures

AFM Monthly Summary Percentage of Total Billed vs. Collected Updated June 30, 2022



8/9/2022

**AFM Payment Summary SFY 2022
as of June 30, 2022**



AFM Fee Rate Changes for SFY 2023

The MPDWC has maintained a long-standing expectation that the carry-over funds available at the end of each state fiscal year should equal approximately three months of expenditures. To that end, during the May 3, 2017 meeting of the MPDWC, the commission members unanimously approved increasing fees for SFY 2019 by approximately 10 percent. The SFY 2023 fee structure can be found in Tables 3 and 4 below.

The Commission felt that adequate funding of the reserve account is necessary and reasonable to protect program operations in the event of unexpected circumstances. The Commission's intent is to continue to review and adjust funding and budgets annually to ensure financial stability for the program.

The following table illustrates the approved fee increase plan for SFY 2018 through the end of SFY 2022. A fee increase for SFY2023 was considered during SFY2022 but was determined to not be necessary for at least another year.

Approved Alternative: Increase Base Fee by \$5 base and Per Capita Fee by \$0.05 in each year until three-month carry-over is achieved and transfer \$75,000 in cash over two years (SFY 2017 and SFY 2018) from another account to the AFM account (9.8% increase for first step increase - slightly lower for subsequent stepped increases)						
		SFY18	SFY19	SFY20	SFY21	SFY22
Total Estimated Expenses		\$538,498	\$588,030	\$599,311	\$610,947	\$622,089
Carryover (previous year)		\$108,844	\$126,601	\$144,036	\$150,191	\$144,709
Total Estimated Revenue		\$556,255	\$605,465	\$605,465	\$605,465	\$622,681
Carryover (Current year)		\$126,601	\$144,036	\$150,191	\$144,709	\$177,580
Goal Minimum Carryover end of year (3-months of operating expenses)		\$144,000	\$147,007	\$149,828	\$152,737	\$155,522
Assumes a 10 percent BW fee increase in each SFY where the base fee and per capita fee are increased.						
Highlighted cells represent years where fee increases are anticipated						

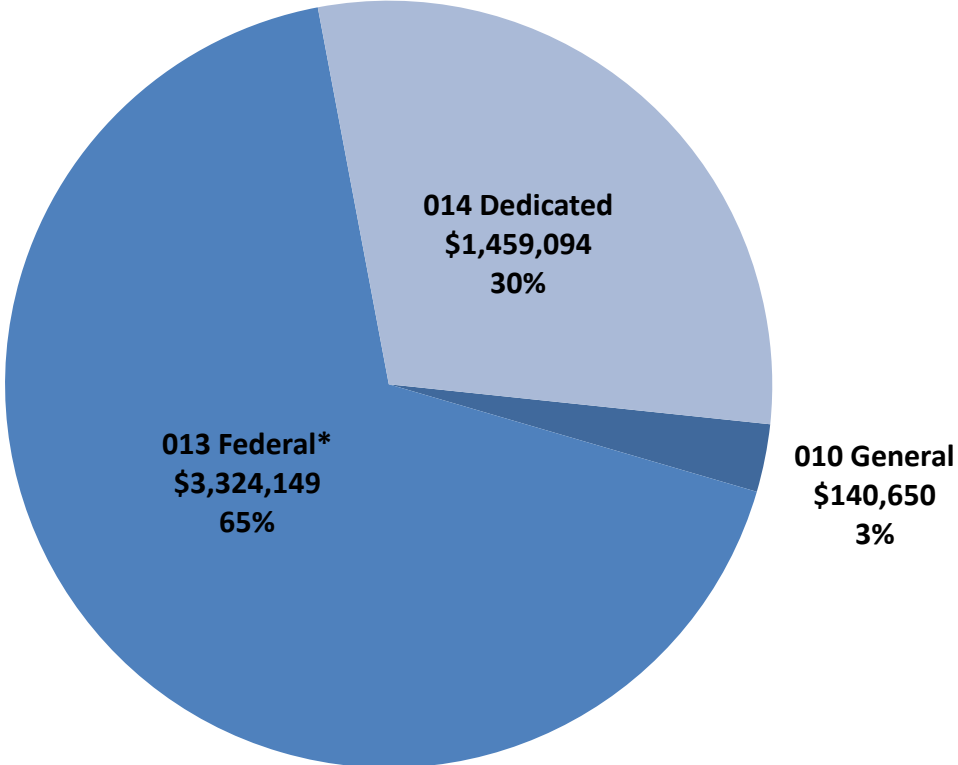
Table 3 - SFY 2022 Rate Structure for all Public Water Systems except Bottled Water and Water Vending Machines	
Description	Rate
Per capita rate (above base population)	\$0.60
Base fee	\$65
Base population	100

Table 4 - SFY 2023 Rate Structure for Bottled Water Facilities & Water Vending		
System Type	Description	Rate
In-State Small	Small (up to 250,000 gallons)	\$105
In-State Medium	Medium (>250,000 to 20 Million gallons)	\$300
In-State Large	Large (>20 Million gallons)	\$3,900
Water Vending Machine	Per Water Vending Machine	Minimum \$50, \$10 per machine up to \$150 maximum

Staff Merit Award

Annually, the MPDWC recognizes an employee of the Drinking Water Program who has made a significant contribution in the past year to the goals and mission of the program. Nominations are solicited and received from the drinking water “community” in Maine, including the DWP staff, other Maine water industry associations, and public water systems. In 2021, the Commission decided to recognize the Maia Ferris, former Rule Specialist. An awardee for 2022 will be announced in September 2022.

Drinking Water Program Expenses, SFY2022



* Does not include direct assistance to public water systems or technical assistance providers

State Fiscal Year 2022 Summary of Expenditures - Drinking Water Program

Drinking Water Program Staff Costs and Other Expenses

Expense	010	013 Federal						014 Other Special Revenue (Fees)								
	General	Public Water System Supervision Grant	WIIN Grant Lead in Schools	Drinking Water State Revolving Fund Grant (Set Asides)				Water Operator's Board	Laboratory Accreditation	Marijuana Laboratory Accreditation	Well Driller's Commission	Drinking Water Act Fund (AFM)	Drinking Water Enforcement	Subsurface Wastewater	Site Evaluator Licensing	Total
General Fund	4% Set Aside SRF Admin.			10% Set Aside Program Management	15% Set Aside Wellhead Protection Assistance	15% Set Aside Capacity Development Assistance	Revenue									
Salary & Benefits	131,115	817,370		294,900	699,568	183,179	46,823	36,273	9,981	91,025	3,878	333,962	0	438,948	0	\$3,087,022
Travel	224	7,664		12,243	1,217	812		581	0	159	593	11,889	0	3,029	0	\$38,409
Operating Expenses	2,998	40,603	3,601	6,288	16,310	15,525	2,458	4,608	3,677	2,998	22,389	22,870	0	138,429	1,372	\$284,127
Technology	6,313	32,882		10,605	76,045	8,186	1,789	1,487	5,820	2,769	1,339	14,576	0	61,854	0	\$223,666
Contracts	0	0	257,250	0	388,650	0	2,927	0	0	0	5,695	0	0	33,336	591	\$688,449
Overhead (StaCAP & DiCAP)	0	112,302	11,283	60,434	164,130	37,663	11,443	13,773	2,586	11,724	1,095	75,540	243	99,934	68	\$602,219
Total	\$140,650	\$1,010,821	\$272,134	\$384,470	\$1,345,919	\$245,365	\$65,440	\$56,722	\$22,065	\$108,676	\$34,990	\$458,838	\$243	\$775,529	\$2,031	\$4,923,893
# Of FTE (Budgeted)	2.0	7.82	0.00	2.5	12.0*	2.0	0.5	0.4	1.0	1.00	0.4	5.0	0.0	4.38	0.0	39.0
								\$36,428	\$70,038	\$122,125	\$34,459	\$616,634	\$15,660	\$745,632	\$1,300	\$773,219
Direct Assistance to Public Water Systems or Technical Assistance Providers								\$34,624	\$124,873	\$32,709	\$14,461	\$370,791	\$25,529	\$311,286	\$69,190	
Technical Assistance Provided to Public Water Systems							\$202,318	The technical assistance set-aside funds two Water Quality Specialists through the Maine Rural Water Association. Water Quality Specialists provide free on-site technical assistance to small public water systems.								
Source (Wellhead and Sourcewater) Protection Grants to Public Water Systems							\$177,625	Public Water Systems receiving Source Protection Grants: St John Valley Tech Center, Old Town Water District, Whiting Village School, Limestone Water & Sewer District, Sugarloaf Water Association, Leightons Little Bear Den, Boothbay Region Water District, Wilton Water Department, Kennebec Water District, Old Town Water District, Big Rock Ski Area/Restaurant, Kennebec Water District, York Water District, Brewer Water Department, The Meadows Senior Living Center, South Slope Estates Mobile Home Park, York Water District, Hingham Heights, Homestead Estates, Wilton Water Department, Greater Augusta Utilities District, Willowbrook Mobile Home Park, Baileyville Utilities District, Colonial Mobile Home Park, Hallowell Water District, Craginair Inn								
Capacity Development and Consolidation Grants to Public Water Systems							\$197,433	Public Water Systems receiving Capacity Development or Consolidation Grants: Orono-Veazie Water District, Bangor Water District, Madawaska Water District, Limerick Water District, Auburn Water District, Gray Water District, Brewer Water Department, York Water District, Maine Water Company Greenville Division, Maine Water Company Millinocket Division, Ellsworth Water Department, Dover-Foxcroft Water District, North Jay Water District, Jay Village Water District, Paris Utilities District, Fryeburg Water Company								
Training and other Capacity Development Assistance Provided to Public Water System Operators and other Personnel							\$464,062	Training includes funding provided as reimbursements to training providers based upon the number of training contact hours awarded, pre-exam training, asset management training and more.								
Funds Loaned to Public Water Systems							\$10,245,947 (\$4,031,595 forgiven)	Public Water Systems receiving low interest construction loans: Bath Water District, Berwick Water Department, Boothbay Region Water District, Calais Water Department, Caribou Utilities District, Dixfield Water Department, Fryeburg Water Company, Gardiner Water District, Kennebec Water District, Mars Hill Utility District, Milbridge Water District, North Berwick Water District, Passamaquoddy Water District, Portland Water District, Searsport Water District								

Grand Total All Expenditures SFY 2022 \$16,211,278