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STATE OF MAINE
PUBLIC DRINKING WATER COMMISSION



2006 Annual Report
Year Ending June 30, 2006

Maine Public Drinking Water Commission

11 State House Station
Augusta ME 04333-0011

Nancy A. Beardsley, Designee of Commissioner DHHS

Robert N. MacKinnon, Asst. Chair, Serving Systems serving 1,000-10,000

Judith W. Kelley, Systems serving 10,000

Richard N. Berry, Chair, Drinking Water Public

Richard K. Parent, transient, noncommunity water systems

Thomas J. Brennan, Drinking Water Public

Vaughn Smith, Drinking Water Public

Kenneth A. Sonagere, Systems < 1,000

Harvey A. Chesley, Jr. nontransient system

August 1, 2006

Brenda Harvey, Commissioner
Department of Health and Human Services
10 State House Station
Augusta ME 04333-0010

Dear Commissioner Harvey:

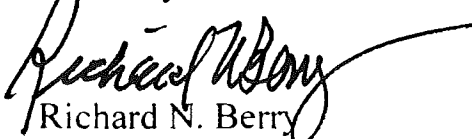
The enclosed Maine Public Drinking Water Commission Annual Report for State Fiscal Year 2006 covers the operations and accomplishments of the Maine Drinking Water Program for the period July 1, 2005 to June 30, 2006 and sets forth the objectives of the Drinking Water Program for the year ahead.

Our Drinking Water Program organization, led by Director Nancy Beardsley, continues its outstanding work in delivering safe public drinking water supply oversight for the benefit of our Maine people.

This Report is submitted in accordance with the provisions of Title 22 Chapter 601 ss2660-C.

We add our congratulations and wishes for success in your assumption of leadership of the Department of Health and Human Services.

Sincerely,



Richard N. Berry
Chairman

ANNUAL REPORT
of the
MAINE PUBLIC DRINKING WATER COMMISSION
for the period ending
June 30, 2006

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Introduction

The Annual Report of the Maine Public Drinking Water Commission (MPDWC) has been prepared for the Commissioner of Health and Human Services pursuant to Title 22 MRSA § 2660-C 4h. The purpose of this report is to provide the Commissioner with an understanding of the issues the MPDWC and the Drinking Water Program have dealt with during the past year. The submission includes MPDWC recommendations regarding a) program evaluations, b) program operations, c) funding requirements, d) funding formulas and e) fee collections. The report also includes a performance evaluation of the Drinking Water Program and additional, helpful and pertinent information.

Enabling Legislation

Legislation relating to the MPDWC is found in Title 22 MRSA § 2660-B et seq. 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 and 2003.c.601).

The legislation includes Definitions, Membership Requirements, Chair Responsibilities, Duties, Compensation, an annual work plan submission to the DHHS Commissioner and the Authority to impose an annual public water system operation fee.

Members of the Maine Public Drinking Water Commission

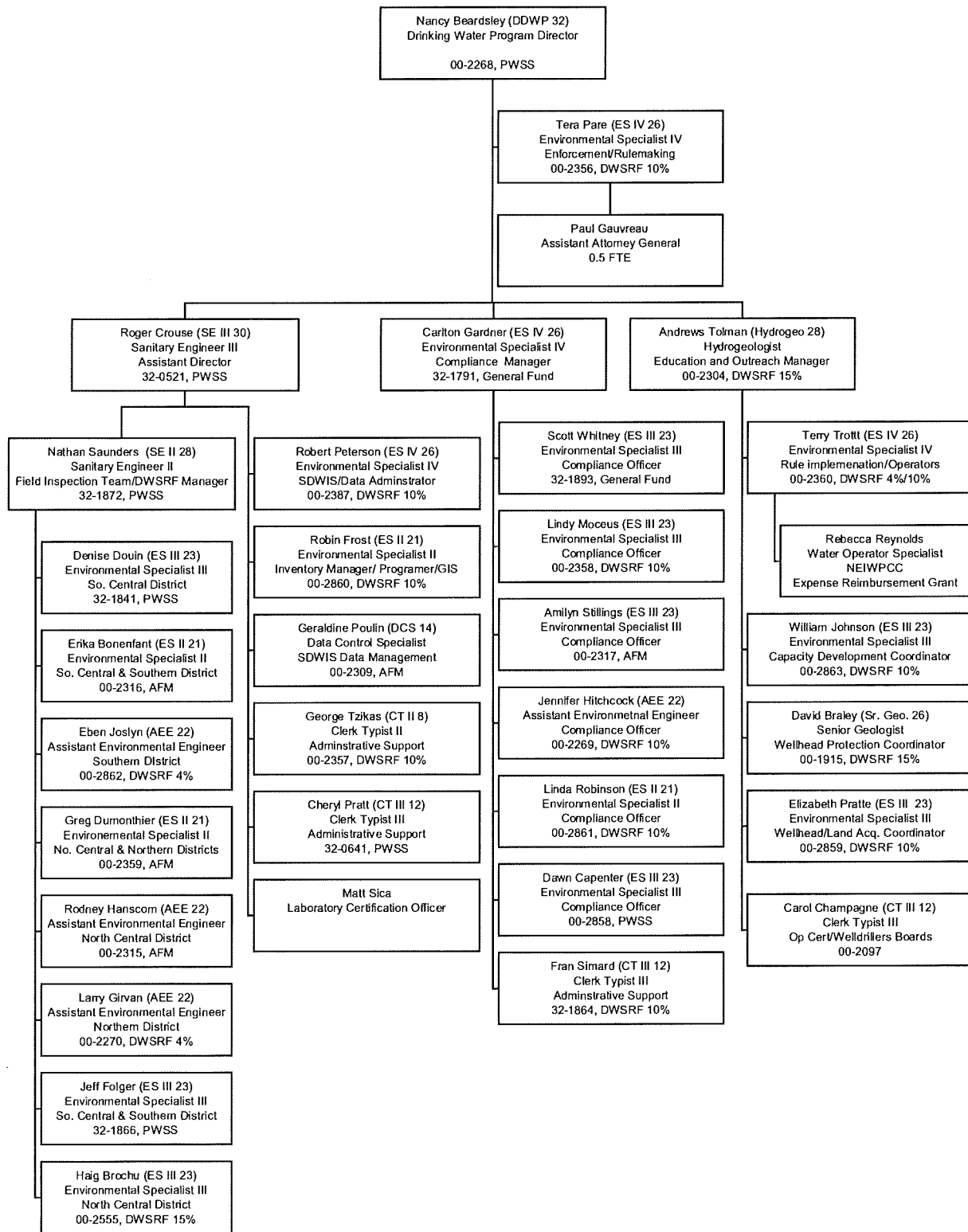
Name, Address, E-Mail	Seat # Expiration Date	Statutory Provisions for Seat
Nancy A. Beardsley Director, Drinking Water Program State House, Station 11 Augusta, ME. 04333-0011 287-5674 FAX 287-4172 E-mail: nancy.beardsley@maine.gov	<u>Seat 1</u> Until Replaced	Commissioner of Human Services or the Commissioner's designee
Kenneth A. Sonagere 483 West Auburn Road Auburn, ME 04210 782-6367 E-mail: trapper483@aol.com	<u>Seat 2</u> August 31, 2007	Represent the water purveying community and be associated with a public water system serving a population of not more than 1,000.
Thomas J. Brennan, C.G. Nestle Waters North America – Poland Springs 123 Preservation Way Poland Spring, Maine 04274 998-6350 ext. 6350 FAX: 998-5181 E-mail: tbrennan@perriergroup.com	<u>Seat 3</u> August 31, 2005	Must represent the drinking water public
Robert N. MacKinnon, Jr., <u>Vice Chairperson</u> Yarmouth Water District, Superintendent PO Box 419, 14 Smith Street Yarmouth, ME 04096 846-5821 FAX 846-1240 E-mail: ywdbob@maine.rr.com	<u>Seat 4</u> August 31, 2007	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.
Judith W. Kelley 10 Ashley Terrace Rockport, ME 04856 236-8428 FAX 236-3701 E-mail: jwkelley@aquaaamerica.com	<u>Seat 5</u> August 31, 2005	Represent the water purveying community and be associated with a public water system serving a population greater than 10,000.
Richard K. Parent P.O. Box 189 Manchester, ME 04351 623-1651 FAX 623-1651 (call before fax) E-mail: rchrparent@aol.com	<u>Seat 6</u> August 31, 2005	Must be a user of a transient, noncommunity water system
Harvey A. Chesley, Jr. 25 Hill Crest Drive Clinton, ME 04927 397-2141 FAX 397-5324 E-mail: none	<u>Seat 7</u> August 31, 2008	Must be a user of a nontransient, noncommunity water system
Vaughn Smith 54 Pineledge Road Bangor, ME 04401-2031 262-1309 FAX 262-2062 Cell 852-0315 E-mail: vsmith54@verizon.net	<u>Seat 8</u> August 31, 2007	Must represent the drinking water public
Richard N. Berry, P.E., <u>Chairperson</u> 650 Brighton Avenue Portland, ME 04102 774-8214 FAX same (no call before required) E-mail: richardnberry@me.acadia.net	<u>Seat 9</u> August 31, 2005	Must represent the drinking water public

Drinking Water Program Organization Chart

DRINKING WATER PROGRAM, DIVISION OF ENVIRONMENTAL HEALTH, MAINE CDC

ORGANIZATIONAL CHART

March 2, 2006



Performance Review of the Drinking Water Program

Carefully planned and implemented changes in our Program have helped in coping with continued funding shortages and increased federal rules, initiatives and reporting requirements.

The “we can do” spirit of our Director and staff have overcome seemingly impossible obstacles and have maintained a high professional level of competence overseeing a good drinking water supply for Maine consumers.

Current Fee Schedule

Alternative Funding Mechanism

The MPDWC sets a fee that is charged each year to every public water system in the state; this fee is based on the population served by the system. Small systems pay the minimum fee of \$35. This fee system is called the Alternative Funding Mechanism (AFM).

Revenues derived from the collection of these fees are used to retain primacy, or maintaining state control of the DWP, including funding five DWP staff positions.

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.

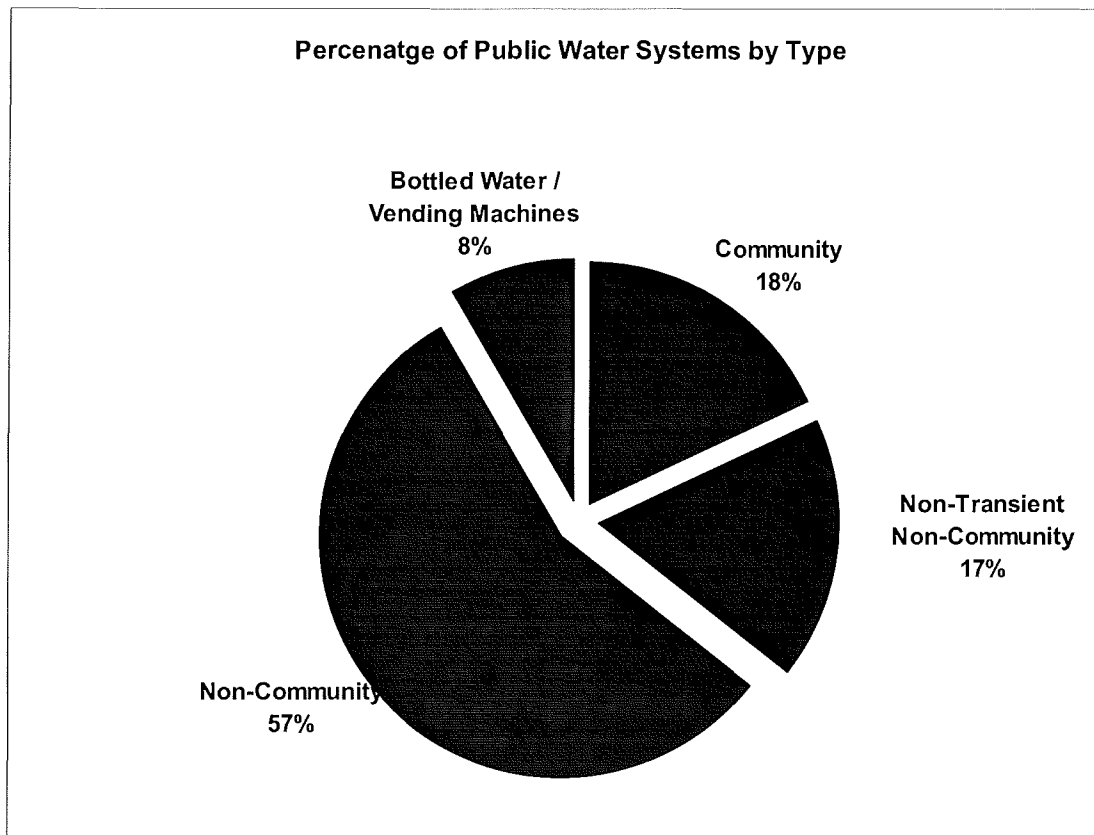
Public Drinking Water Systems	
Per capita rate	\$0.30
Minimum fee	\$35.00
Maximum fee	\$30,000.00
Minimum population	100

Bottled Water Fees

The MPDWC sets a fee each year for in-state bottled water companies based on gallons produced while out-of-state bottlers are charged a flat fee and water vending machine businesses are charged based on the number of machines.

Annual Bottled Water Fees		
Fee	Gallons per Year	# of Systems
\$50	Small (up to 250,000 gallons)	17
\$150	Medium (>250,000 to 20 Million gallons)	12
\$2000	Large (>20 Million gallons)	3
\$200	Out-of-State	100
\$10	Per Water Vending Machine, Minimum \$50 per vendor, Maximum \$150	44 machines

Types of Public Water Systems Regulated by the DWP

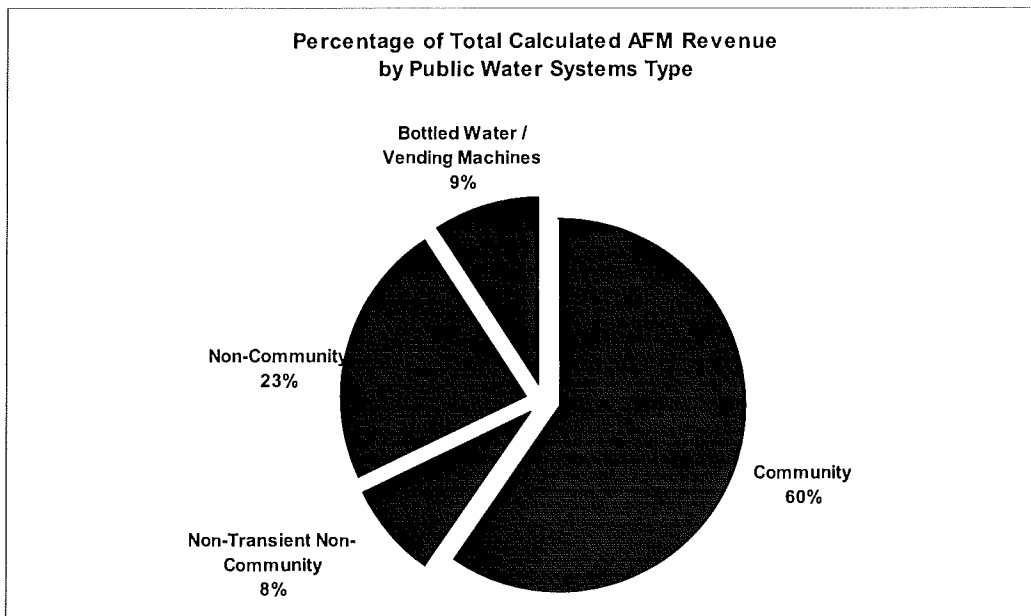


Fee Billings and Collections

State Fiscal Year 2006 Summary of AFM Fee Billings

Data as of April 12, 2006

Types of PWS	Number of Public Water Systems	% of total Public Water Systems	Population Served	Calculated Revenue	% of Total Calculated Revenue
Community	387	18%	618,598	\$ 185,641.30	60%
Non-Transient Non-Community	373	17%	71,217	\$ 25,441.40	8%
Non-Community	1,196	56%	191,427	\$ 71,518.30	23%
Bottled Water / Vending Machines	176	8%	N/A	\$ 28,970.00	9%
Totals	2,132	100%	881,242	\$ 311,571.00	100%



Summary of Overdue AFM Fees

As of June 30, 2006

Actual Revenue Received	Number of Systems with Overdue Bills	% of total Public Water Systems	Total Overdue Fees	% of Actual Revenue
\$288,293.60	112	5%	\$ 10,605.26	4%

Drinking Water State Revolving Loan Fund

The Drinking Water State Revolving Fund (DWSRF) provides financial assistance to public water systems in Maine for infrastructure improvements. In order to secure the annual DWSRF grant of approximately \$8.5 million from the U. S. Environmental Protection Agency, the State of Maine must contribute a 20 percent state match. Historically, the state match has come through general obligation bonds. In an August 2005 special legislative session, the Legislature approved the Drinking Water Program's bond request for \$3.5 million. In November 2005, the voters in the State of Maine agreed with the Legislature and approved the \$3.5 million bond. The \$3.5 million provided State Match for the 2005 and 2006 DWSRF grants totaling approximately \$17.0 million.

Due to the one year delay of getting the State Match for the 2005 DWSRF grant, the 2005 construction season was significantly curtailed. A similar scenario is now taking shape for the 2007 construction season, since no source of State Match was available in 2006.

In addition to funding construction projects, the DWSRF also funds many other activities approved by the U.S. Environmental Protection Agency including well head protection grants, technical assistance providers, operator training, land acquisition loans, source water protection resources and 17 staff positions at the Drinking Water Program.

DWP Program Accomplishments and Goals

Director's Report

Accomplishments 2005-2006

Secured (with profound and significant help from the water community) our Drinking Water State Revolving Loan Fund match for 2005 and 2006 projects. Proceeded with a full construction season in the summer of 2006

Restored Programs that were on hold due to having no state match for the Drinking Water State Revolving Fund in 2005. Affected programs included the Wellhead Protection Grant Program, the Capacity Development Grant Program, Land the Acquisition Loan Program, and Technical Assistance and Education funding for the Maine Rural Water Association and the Maine Water Utilities Association

Started implementing a new organizational and operational strategy that will provide staff ownership of public water systems, improved customer service, and a greater field presence

Maintained a strong, committed workforce

Continued to foster strong relationships with EPA, state agencies, water utilities, water associations and non profit agencies

Maintained full compliance with all primacy requirements

Staff participated on many state and national boards, commissions and workgroups

Our Drinking Water State Revolving Loan Fund Program received the U.S. Environmental Protection Agency's Award for Sustainable Public Health Protection

The Division of Health Engineering received the U.S. Environmental Protection Agency's Office of Ground Water and Drinking Water Award for Commitment to Excellence Award. This award was accepted on behalf of Bob Peterson and his work on the State and Federal Safe Drinking Water Information Systems

Rebecca Reynolds secured her Class 4 Treatment and Distribution water operator licenses

One imminent birth (Beth Pratte), one beagle pup (Matt Sica), one newfoundland pup (Beth Pratte), one golden retriever pup (Geri Poulin), one litter of Italian Spinone pups (David Braley)

Challenges 2005-2006

We do not have our required 20% state match in place for the Drinking Water State Revolving Loan Fund. We therefore cannot access approximately \$8.4 million in federal funding that has been appropriated to us for FY2007. No matching opportunities are available this year (2006). We are hoping to receive matching funds early in 2007 so that we can draw our federal funds and proceed with a construction season. This dire funding situation has caused great concern in the water community. Further, these federal funds pay for 17 program positions. Without these positions we risk losing our primacy authority to administer and enforce the Safe Drinking Water Act in Maine.

We are seeing an increase in systems that are violation of the newly implemented federal Stage 1 Disinfectants/Disinfection Byproducts Rule (DBPs) – a chronic health contaminant caused by the interaction of disinfectant and organic matter. These violations have caused our compliance rates to drop from the high 80% range to about 80%. There are no quick fixes for systems attempting to correct this problem. Most systems will need to install expensive filtration equipment or develop new water sources. Both of these remedies require available funding. At this point we will have no funding available in 2007 to assist them.

In an effort to address staff shortfalls and meet increasing federal demands we are transitioning to a new organizational structure that we hope we help us meet our regulatory obligations, provide greater staff satisfaction and ownership of public water systems, improve customer service and provide a greater staff presence in the field working directly with water systems. A comprehensive 50 state resources survey based on current and future federal workloads performed on our program in 2002 indicates that our staffing levels should be at about 63 positions in 2006. We currently have 33 positions. This year we lost our management analyst position. The position was relocated to DHHS accounting.

2006 -2007 Goals

Secure match for the Drinking Water State Revolving Loan Fund by adding the state match to the DHHS biennial budget

Work with the Drinking Water Commission to secure adequate funding for 5 positions in the Drinking Water Program

Maintain and promote good staff morale

Provide excellent customer service

Maintain and foster strong alliances and working relationships

Work to achieve a reasonable and fair Sustainable Water Use Rule

Work to achieve a reasonable and fair Groundwater Use Rule

Strive for Continuous Program Improvement

Continue working within new organizational and operational structure and redirect as needed

Improve the Drinking Water Program's visibility

Continue to shape state and national drinking water policy

Complete a strategic plan for the next 3-5 years

Compliance and Enforcement Section

Accomplishments

The compliance and enforcement sections were combined into one joint Compliance and Enforcement Team called "CET". A team member now acts as the sole source of compliance information in their assigned geographical area.

The team is made up of nine staff members. Two team members are working with just the 1200+ transient water systems. Four team members will be working with the 800 community (CWS) and non-transient non-community water systems (NTNC). The CET Team also includes an Enforcement and Rulemaking Coordinator, one support staff and a team leader. The team has undergone training on writing SOP's, (Standard Operating Procedures). Each member will be completing an SOP their area of rule expertise and then conduct a training session for other team members.

While the two team members handling the transient systems have already assumed those responsibilities, the rules and regulations affecting the CWS and NTNC are more complex and the rest of the team continues the education process. The CET staff continues to work with systems to insure compliance with all federal regulations.

Dawn Carpenter has recently assumed the duty as rule coordinator for the transient water systems in her area. Dawn also continues to assist Tera Pare with enforcement activities. Dawn conducts on-site visits for many of the small water systems facing enforcement actions. These face-to-face meetings appear to have a great impact towards returning systems to compliance.

Jennifer Hitchcock, SWTR coordinator, continues to work with systems utilizing surface water. The number of surface water systems exceeding the Disinfection By-Products (DBP) maximum contaminant level (MCL) continues to increase, requiring more enforcement action. Maine has gained several more small transient surface water systems. The trend had been for these systems to drill wells but because of the site issues, surface water has become their only alternative. These new systems require inspections and education on the rules as well as submittal of paperwork. Jennifer has conducted several trainings on the proposed Stage 2 and LT2 regulation. The rules were finalized early 2006 and Jennifer has attended an EPA sponsored Train the Trainer Program. Jennifer is in the process of training fellow team members in the process of conducting the annual water shed inspection required for all systems with filtration avoidance.

Lindy Moceus, Phase II/V Coordinator, has been working with 63 systems concerning arsenic levels exceeding the MCL. Lindy will be a speaker at a national EPA arsenic conference in early fall. Lindy arranged for a National Science Foundation representative to come to Maine and speak to staff and continues to work with EPA and the three pilot systems installed in Maine.

Tera Pare, Enforcement Coordinator, is in regular communication with the Attorney General's Office concerning enforcement strategies. Tera has appeared in court to testify against Wen's Diner as part of enforcement action. Tera is writing Notices of Non-Compliance for systems exceeding the DBP, and will continue working with those systems to achieve compliance deadlines. Tera communicates with EPA Region I concerning status of EPA's Significant Non-Compliers (SNC) list.

Linda Robinson, as Total Coliform Rule Coordinator, handles many phone calls each day. Frequently these calls concern unsatisfactory recheck samples and boil water notices and as can be imaged many of these calls are from unhappy water systems.

Amilyn Stillings continues to work with systems concerning the Lead and Copper Rule. Ami contacts systems via phone, mail, and on-site visits in an effort to explain the complexities of this rule. Even though the Lead and Copper Rule was finalized in 1991, many systems have to re-learn the rule because of turn over in water system staff. Ami helped to conduct numerous state wide training seminars on the Lead and Copper Rule in an effort to increase compliance.

Scott Whitney continues to administer the radionuclide portion the federal rules as well as Consumer Confidence Reports, Maine continues to be a leader in CCR compliance in the Nation. Scott also handles rule enforcement for; Bottle Water Companies, Water Vending Machines and Bulk Water Transportation Permits.

Goals

- Continue and complete staff rule education and regionalization efforts.
- Reduce the numbers of SNC's in the year 2006. EPA recently provided a list of SNCs, for the first time including transients systems serving populations less than 500.
- Improve compliance rates by more one on one interaction with the water systems. This will be accomplished by phone and on-site visits.
- To better understand and utilize the federal database system called SDWIS. This database can be a powerful information and enforcement tool. SDWIS has been under-utilized in the past.
- Improve communications with other state agencies that may have an interest in a regulated water system. Some of these agencies include; the DEP, the Heath Inspection Program for Eating and Lodging Establishments, Public Safety for those systems holding a liqueur license, Manufactured Housing Board, HETL, Day Care and Residential Care Licensing.
- Continue to educate and inform water system staff of present and future regulations.
- Work with private labs on submittal of water analysis reports by electronic format.

Rule Making

Accomplishments

In June 2006 a public hearing was held concerning changes to the Rules Relating to Drinking Water. No one from the public attended the hearing and only one person responded in writing to the changes.

Goals

- Up-date the Fluoridation Regulations.
- Set up a Stakeholders meeting to initiate the process to up-date the Cross-Connection Regulations

Field Inspection Team

Accomplishments

- Six Field Services staff and two New Well Approval staff restructured to form one new team of Field Inspectors, with each inspector completing both of these work activities.
- 337 Sanitary Surveys (with associated work to complete)
- 278 Rechecks
- 57 Construction meetings and inspections
- 36 Boil Water Orders issued
- 206 other site visits
- There were 10, 2005 SRF projects started during State Fiscal 2006 on the following community systems:
 - Lisbon
 - Passamaquoddy
 - Faith School of Theology
 - Waterboro
 - Aqua Maine, Camden & Rockland
 - Port Clyde
 - Washburn
 - Mars Hill
 - Eagle Lake
 - Biddeford & Saco
- These projects involve: new sources or source modification, new storage facilities, new treatment or treatment modifications, and major transmission and distribution main work.
- In addition to these projects, there are about 10 SRF projects from previous years that are still being worked on.

Goals

- Continuing to develop both New Well Approval and Sanitary Survey Skills in all eight Field Inspectors
- Working to maintain the necessary Sanitary Survey frequencies
- Balancing DWP district workloads, now considering Sanitary Survey and New Well Approval work.
- Continuing to work with EPA to implement PDAs for Sanitary Surveys, particularly for the new web based version of SDWIS.

Education and Technical Assistance Team

Security

Three major activities occurred in 2005: the development of an online training course with the Maine Chiefs of Police, the development of an Emergency Response Handbook, and DWP emergency response policy revision and training.

The DWP contracted with the Maine Chiefs of Police Association (MCOPA) to develop an online education course devoted to water system security. The one-hour online course is dedicated to introducing police, fire and first responder personnel to drinking water system operations and security concerns.

The Emergency Response Handbook (ERH) developed by the Security Committee has been distributed to approximately 400 systems in conjunction with Maine Rural Water Association training seminars. After a 2006 review and update there will be a second edition printed and further distributed to remaining systems.

The DWP contracted with Woodard & Curran Engineers to re-write and train staff on the DWP Emergency Response Plan (ERP). The revised ERP integrates into the Center of Disease Control and Prevention's plan. Through plan development, the DWP has strengthened and developed communication links with many other agencies. Woodard & Curran and the DWP will also offer drinking water tabletop exercises for water systems and emergency responders. The DWP has also begun collaboration with the Maine Association of Broadcasters to produce public information TV and radio spots to stress water system security.

Water Operators

As of December 31, 2005, 96% of 775 PWS were in compliance with the requirement to be operated by a licensed operator. Exam preparatory classes continue to be offered through the Operator Expense Reimbursement Grant (ERG). In 2006, these classes will be expanded to include all class levels, beyond the Very Small Water Systems and Class I preparation classes. The ERG also sponsored 10 continuing education classes in 2005 reaching approximately 700 operators with quality low cost training.

The Board of Licensure of Water System Operators held three exam sessions in 2005. Although the number of exams has tapered off there is still slow growth in the operator field. The pass rate increased slightly to 49% of the 440 exams given. A direct entry option has reduced the number of exams a person must take to achieve the desired level and has been appreciated by examinees. The operator license renewal rate in 2005 was 83%.

In August, Rebecca Reynolds started as the new Water Operator Specialists with the Program bringing experience in training wastewater operators. One of her tasks is to assist operators in finding appropriate training for their license renewal.

In 2006, Operator Certification will strive to continue excellent compliance rates for system operator requirements. Training will continue through the ERG as well as through other funding methods. Efforts will be made to increase the number of training providers receiving funding assistance. A new database system will assist in tracking operator training and licensing.

Capacity Development

During 2005, capacity development funds were used to bring technical, managerial and financial (TMF) training to operators, managers and trustees of water systems throughout Maine. The trustee training was especially well received. Sixty individuals attended Trustee Training sessions on TMF topics. Attendees included board members, operators, superintendents and administrative personnel.

Fourteen capacity reviews were performed on systems requesting DWSRF funding and systems that are showing deficiencies through compliance monitoring or loan repayment. These reviews assist the system in identifying areas or practices that need improvement. Most systems, after receiving recommendations on improvements, strive to work toward achieving or improving capacity.

Capacity grants are available on a 50% matching basis to a \$10,000 maximum. Grant match monies are awarded after the eligible system completes a planning or engineering study for emergency response plans, master planning and system design, capital improvement planning, or new source location and planning. Four systems applied for capacity grants in 2005. Thirteen systems were reimbursed for completed capacity development grant projects. Many of these capacity grant projects take months to complete and can span fiscal years.

Capacity reviews can be very beneficial to systems by providing an overview of a system's practices. Often this allows a system to look at other industry benchmarks and strive for improvements. Field Inspection Team members will perform capacity reviews during sanitary surveys and ownership transfers.

Environmental Review

The environmental review process is one step in the approval of a DWSRF loan or grant. The Federal government requests environmental reviews to assure that projects receiving Federal funding have undergone an examination to assure no substantial negative impact to natural, cultural or historical features. The review process is an interagency one that also allows for public input. Fourteen environmental reviews were completed in 2005.

Work will continue to balance the improvement of the human environment through safe and adequate water systems with the protection of natural, historical and cultural features.

Resolve 029: A legislative initiative to improve Public Water Supply Protection

The 122nd Legislature directed the DWP to conduct a review of public water supply protection. Water supply protection is the first line of defense in protecting public health. Protecting a water supply source has long been recognized as the cornerstone of providing safe drinking water. The most effective source protection method is to keep the area contributing water to the supply open and undeveloped. The Maine Drinking Water Program's (DWP) recently completed five-year assessment of source protection for public water supplies identified rapid residential and commercial development in source protection areas as the most significant threat to water quality and quantity, and few water suppliers are prepared to deal with these risks. Public Water Systems (PWS) have a very limited suite of tools for source protection: they can purchase land, inspect existing activities, and ask local government to enact (and enforce) protective ordinances.

Only one in five of Maine's community water systems have effective source protection plans in place after more than fifteen years of encouragement and incentives.

The effectiveness of water supply protection depends on numerous state and local government decisions and activities. Most of the programs that influence source protection exist for another purpose, and usually do not consider water supply protection in their decision-making. PWS operators have few resources to intervene in local and state decision making, so their concerns are often not heard. To protect Public Health, state and local authorities should include water supply protection as a required part of their decision-making criteria, and state agencies should adopt a consistent policy favoring source protection. Based on our review of existing statutes and practices, and in light of the current threat of development in source protection areas, we offer the following recommendations:

Recommendation 1: Establish consistent policies among all State agencies to enhance source protection in all state decision making, development, and practices.

Recommendation 2: Create an effective program to maintain agricultural and forestry land uses in source protection areas.

- 2.1 Existing programs to maintain environmentally responsible agricultural and forestry uses should be provided with resources and given a focus to work in source protection areas to encourage land conservation.
- 2.2 Provide resources and direction to Agricultural and Forestry programs including nutrient management, sustainable forestry, and right to farm to work with landowners in source protection areas to minimize the impact of their activities.

Recommendation 3: Mitigate the effects of existing and new development on drinking water quality through the use of education, incentives and enforcement.

- 3.1: Encourage active management (BMP's) of existing potentially threatening uses in source protection areas through municipal, PWS and state inspection of activities.
- 3.2 Develop a plan to target enforcement of existing environmental laws in source protection areas.
- 3.3 Add proximity to public water supplies as a review criterion for Environmental review programs, particularly NRPA and Site Location.
- 3.4 Set minimum standards for local source protection ordinances.
- 3.5 Amend PL 761 to require that a PWS's written response to notification of proposed changes in land use activities in source protection areas be required prior to approval of a local permit.

Our review shows that the second phase of Resolve 029, a public discussion of source protection options, refinement of these recommendations, and a report to the 123rd Legislature, is appropriate and necessary. The protection of water supply sources is a crucial part of Maine's economy, public health, and environment. We have the opportunity to build this understanding into existing state and local programs and make them more effective. As more land is developed in source protection areas, it becomes increasingly difficult and expensive to provide safe and adequate supplies of drinking water. Maine has been blessed with abundant, clean water. Unless we consider our actions carefully, we will lose that advantage.

The Governor has signed Resolve 140, which authorizes the second phase of the study. We have assembled a group of interested stakeholders who will develop and refine these recommendations this fall for presentation to the next legislative session.

Well Drillers and Pump Installers

The Well Driller's Board continues to be very active with consumer complaints, unlicensed practice, and examination of new well drillers. The Board conducted a rule revision this past year. They also continue to work closely with the DWP on the installation of proposed public water supply wells without prior approval.

Education and Outreach

The DWP continues to administer Wellhead Protection Grants and Land Acquisition Loans. Wellhead Protection Grant awards totaled \$35,000 for projects including relocating septic systems and oil storage facilities, wellhead protection area signage and fencing, establishing test wells and other valuable projects. Three Land Acquisition Loan applications were submitted and are pending.

Four editions of the quarterly newsletter, the Service Connection were distributed and the mailing list expanded to include all licensed well drillers. The newsletter and the DWP website continue to be an important channel for information on the DWP, rules and other timely subjects. New pages on the DWP website have highlighted Pandemic Flu preparation resources and emergency response recommendations after the May 2006 flooding in southern Maine.

The DWP has taken advantage of many outreach opportunities including the Maine Water Conference, Maine Municipal Association Annual Conference, New England Water Works Association Annual Conference and the Maine Water Utilities Association Annual Trade Show to promote safe drinking water and network with public and private stakeholder groups.

Information Management Team

With the reorganization of the Drinking Water Program in 2006, the Information Management Team (IMT) was created to provide better control and oversight of the large amounts of information that the DWP receives and generates. This includes electronic data in our central database as well as the paper files. Additionally, the IMT oversees the DWP's finances.

Goals

The following are some of the Information Management Team's goals:

- Develop a streamlined process for bringing new public water systems into the Drinking Water Program.
- Develop a quality control and quality assurance process for all data in the DWP's central database and filing system.
- Properly train staff on the use of the Safe Drinking Water Information System (SDWIS) database and other applications.
- Phase out and or replacement of obsolete software packages standardizing around SDWIS and MS Access.
- Improve the data transfer process between the DWP and the Health and Environmental Testing Laboratory.
- Establish a method of the electronic data transfer from all private laboratories.
- Replacement of the current paper filing storage with electronic file storage.
- Balance expenditure and income needs of the DWP. Seek out additional sources of funding.

Accomplishments

The following are some of the accomplishments of the Information Management Team in State Fiscal Year 2006.

- Robin Frost has filled in as our SDWIS Administrator due to the loss of Bob Peterson. Robin has done an exceptional job learning this position.
- Began a program of expanding the knowledge of SDWIS administration by having four people participate in “SDWIS Boot Camp”.
- Developed standardized reporting formats for private lab results.
- Corrected a long standing error on the AFM billing that will result in additional revenue to the DWP.
- Worked with the Field Inspection and Compliance and Enforcement Teams to develop a process for brining new systems into the DWP. Refinement of this process will continue for some time.

Annual Staff Retreat

The annual staff retreat was held in July 2006 at Bangs Beach on Messalonskee Lake in Sidney. At the morning session, Woodard and Curran engineers conducted a security training session.

Announcement was made of the selection of Robert Peterson for the 2006 annual Staff Merit Award. The Award will be presented posthumously to his wife, Gloria, at a gathering at the DWP office.

After lunch, exercises in skill, diplomacy and tolerance concluded the day’s program.

Annual Staff Merit Award

The purpose of the Annual Staff Merit Award given by the Maine Public Drinking Water Commission is to formally recognize that member of the Drinking Water Program who has, in the opinion of the Commission, made a significant contribution to the DWP. For 2006, the Commission takes great pleasure in selecting Robert Peterson for the award. Robert (Bob) Peterson, a highly regarded and valued staff member of the Drinking Water Program died in July 2006.

Bob Peterson dedicated his professional life to protecting the public health of Maine people and visitors. Bob began state service in 1974 in the childhood lead program. In March, 1975, Bob transferred to the Drinking Water Program as an Engineer Technician II, and for 10 years worked with most of the water utilities in those early years of the Safe Drinking Water Act. In 1985 Bob transferred to the Eating & Lodging Program and soon after took over as the head of that program. Bob held that position for 15 years when he came back to the Drinking Water Program in 2000 as the Database Administrator. Bob was a quiet, humble person who worked tirelessly to perfect our Safe Drinking Water Information System – a formidable task. Bob often took work home, came in on weekends and worked late to insure that our database was ready for all the staff that relied on him to keep things running smoothly. Nationally, Bob was well respected and regarded in his field. Only during his illness did we learn about the many instances when he

helped other states create or improve their data systems. Bob was always willing to listen and help with any problem, large or small.

Bob is missed by all of us here at the Drinking Water Program and in the Division of Environmental Health. We hope to honor his life by modeling his superior work ethic and kind, good heart.

MPDWC Objectives for the Coming Year

1. Continue to follow the developing issue of ownership and rights of Maine surface and ground water.
2. Determine and establish policies for MRDWC responsibilities and objectives.
3. Continue to work for State General Fund support of DWP operations.
4. Establish a line item in the State General Fund appropriation for MPDWC. This would provide financial support for the Maine Public Drinking Water Commission, thus relieving the DWP of such expenses.

Acknowledgements and Observations

Our director, Nancy Beardsley, is serving as President of the Association of Drinking Water Administrators that represents the 50 states, territories and the District of Columbia. She also serves as one of 15 members on the National Drinking Water Advisory Council which, by federal mandate, advises the Environmental Protection Agency on drinking water matters.

Our fellow MPDWC member, Judy Kelley, has just concluded a very successful year as President of the Maine Water Utilities Association. Each year seems to bring an increasing number of challenges to public water supply operations, and Judy has moved the MWUA well along the road to meeting these challenges.

Wayne Rogalski, General Manager of the Bangor Water District, announced his retirement effective in early 2007. The Commission presented him with a Resolution thanking him for his valued services to the Commission through the years.

Beth Pratte has provided invaluable assistance in compiling this 2006 Annual Report. In addition, she has published regularly the "Service Connection" with its many original, interesting, and instructive features, making it a valuable means for sending the Drinking Water Program message out to its public.

Tom Heiss left the DWP in mid-2005 to become Director, Internal Audit, Office of the Commissioner of the Department of Health and Human Services. Tom was Secretary to the MPDWC for many years, providing exceptional assistance to the Commission in its deliberations and decision making. He was also a pillar of support for the DWP staff in its operations.

Appendix A

Maine Drinking Water Program Alternative Funding Mechanism Five Year Budget Projection

MFASIS Account 014-10A-0728-01-2423 (Other Special Revenue, Drinking Water Act Fund)															
Position / Expense Category	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Estimate	Estimate	Estimate	Estimate	Estimate
	FY1997	FY1998	FY1999	FY2000	FY2001	FY2002	FY2003	FY2004	FY2005	FY2006	FY2007	FY2008	FY2009	FY2010	FY2011
Assistant Engineer											51,452	54,796	58,358	62,151	66,191
Environmental Specialist III											39,270	41,823	44,541	47,436	50,520
Environmental Specialist II											40,951	41,770	42,605	43,457	44,327
Data Control Specialist											32,876	35,013	37,289	39,712	42,294
Environmental Specialist II											30,643	31,256	31,881	32,518	33,169
Total Salaries	253,590	256,194	180,770	127,979	146,151	158,449	165,227	187,789	157,846	184,015	195,192	204,657	214,674	225,276	236,500
Fringe Benefits	102,795	107,573	72,527	49,910	66,346	70,384	83,172	96,685	86,644	106,748	111,259	116,655	122,364	128,407	134,805
Professional Fees	12,621	4,757	4,763	3,027	-	2,073	-	973	-	40	40	40	40	40	40
Travel (Hotel, Meals, etc.)	6,293	13,134	12,306	14,834	13,062	8,673	9,004	9,209	2,374	16,420	9,334	9,376	11,710	10,140	10,409
Office Space (Rent, Utilities, MIS)	22,194	23,084	22,888	18,059	21,383	11,297	15,896	21,640	21,235	12,591	14,000	15,000	13,864	14,288	14,384
Training		2,269	2,209	2,247	1,146	25	-	775	702	1,200	892	932	1,008	944	961
Supplies & Miscellaneous		1,648	1,412	1,746	1,346	50	424	5,160	4,911	3,498	4,523	4,311	4,111	4,315	4,245
Equipment & Technology	9,500	8,364	9,841	6,167	6,592	10,286	9,131	4,683	19,319	6,044	6,500	6,700	6,415	6,538	6,551
State Indirect Cost	976		2,978	-	2,020	2,033	2,607	2,138	2,306	2,350	2,265	2,307	2,307	2,293	2,303
Total Expenses	407,969	417,025	309,694	223,968	258,047	263,270	285,463	329,052	295,338	332,907	344,006	359,978	376,493	392,242	410,198
											(Estimated operating expenses = average of prior 3 years)				
Other Sources	20,000	55,502	206,380												
AFM Fees Collected	277,178	264,154	288,353	199,427	202,845	262,766	285,785	327,305	302,820	289,694	315,644	315,644	315,644	315,644	315,644
Total Revenues	297,178	319,655	494,733	199,427	202,845	262,766	285,785	327,305	302,820	289,694	315,644	315,644	315,644	315,644	315,644
	257,260	146,469	49,100	234,140	209,599	154,397	153,893	154,215	152,468	159,951	116,737	88,375	44,041	(16,808)	(93,405)
Annual Surplus / (Deficit)	(110,790)	(97,369)	185,040	(24,541)	(55,202)	(504)	322	(1,747)	7,483	(43,213)	(28,362)	(44,334)	(60,849)	(76,598)	(94,554)
AFM Carryover	146,469	49,100	234,140	209,599	154,397	153,893	154,215	152,468	159,951	116,737	88,375	44,041	(16,808)	(93,405)	(187,959)
AFM Fee History															
Per Capita Rate	0.25	0.28	0.30	0.20	0.20	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30	0.30
Minimum Fee	40.00	40.00	40.00	25.00	25.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00	35.00
Maximum Fee	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
Minimum Population	160	160	100	100	100	100	100	100	100	100	100	100	100	100	100
Bottled Water Fee	50	50	50	50	50	50	50	(see below)	(see below)	(see below)	(see below)	(see below)	(see below)	(see below)	(see below)
# of Systems	Estimated Revenue by Type														
396	Community										185,641	185,641	185,641	185,641	185,641
1200	Non-community										25,441	25,441	25,441	25,441	25,441
371	Non-Transient Non-community										71,518	71,518	71,518	71,518	71,518
	Bottled Water														
17	Small (up to 250,000 gallons)	\$ 50									850	850	850	850	850
12	Medium (250,000 to 20 million)	\$ 150									1,800	1,800	1,800	1,800	1,800
3	Large (over 20 million gallons)	\$ 2,000									6,000	6,000	6,000	6,000	6,000
100	Out-of-State	\$ 200									20,000	20,000	20,000	20,000	20,000
44	Water vendors (Min. \$50 Max. \$150)	\$ 10									440	440	440	440	440
2143	Total Estimated Revenue (AFM Fees Billed)										311,691	311,691	311,691	311,691	311,691

