

MAINE STATE LEGISLATURE

The following document is provided by the
LAW AND LEGISLATIVE DIGITAL LIBRARY
at the Maine State Law and Legislative Reference Library
<http://legislature.maine.gov/lawlib>



Reproduced from electronic originals
(may include minor formatting differences from printed original)

**STATE OF MAINE
PUBLIC DRINKING WATER COMMISSION**



**2021 ANNUAL REPORT
STATE FISCAL YEAR ENDING JUNE 30, 2021**

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

for the period ending
June 30, 2021

Table of Contents

Introduction.....	1
Enabling Legislation.....	1
Members of the Maine Public Drinking Water Commission.....	2
Drinking Water Program Organizational Chart.....	3
Performance Review of the Drinking Water Program.....	4
MPDWC Objectives for the Coming Year.....	4
Acknowledgements.....	4
Alternative Funding Mechanism.....	4
Fees by Public Water System Type.....	6
Fee Collection Performance Measures.....	8
AFM Fee Rate Changes for SFY 2022.....	10
Staff Merit Award.....	11
Annual Financial Report.....	12

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 2660-C (4)(H). Submit to the commissioner annually by August 1st a report that must include, but is not limited to, a performance evaluation of the program, including the implementation of administrative remedies, and commission 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 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 2019
- The 2020 Drinking Water Construction Project Report
- The Drinking Water Program's State Fiscal Year 2021 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).

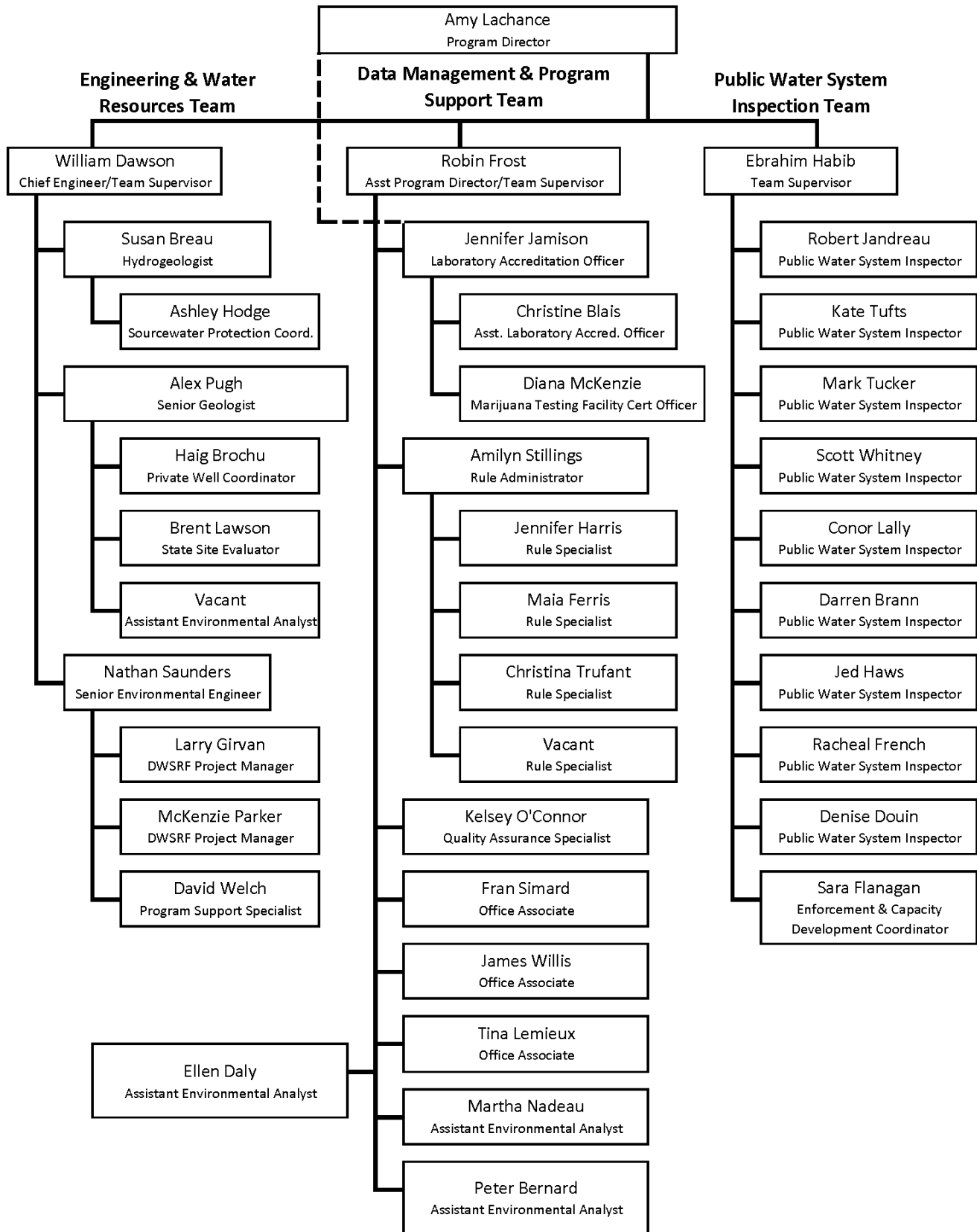
The legislation includes definitions, membership requirements, responsibilities, duties, compensation, annual report requirements, and authority to impose an annual public water system (PWS) operation fee.

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: jdillacasse@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



Aug-21

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 are performing extremely well, especially given the ongoing budget and staffing constraints. Regulations and reporting requirements for drinking water systems continue to evolve under the direction of the EPA and the DWP continues to handle the challenges of these increased responsibilities. In addition, the DWP has done an excellent job in continuing to work with the regulated community to creatively navigate through challenges in securing federal matching dollars for the State Revolving Fund. Continued process improvement efforts help to increase the effectiveness of field work and compliance decisions to ensure the safety of Maine's drinking water and reliability of our Maine water systems.

Two additional reports produced by the Drinking Water Program that highlight the work done by the Program in 2019 and 2020: 1) The Public Drinking Water in Maine Annual Report 2019 Report and 2) 2020 Drinking Water Construction Project Report. These reports demonstrate the effectiveness of the Drinking Water Program in assisting Maine public water systems to 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 2019 – www.medwp.com/consumers.shtml
- ◆ 2020 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
- ◆ 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 2021 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 2021 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

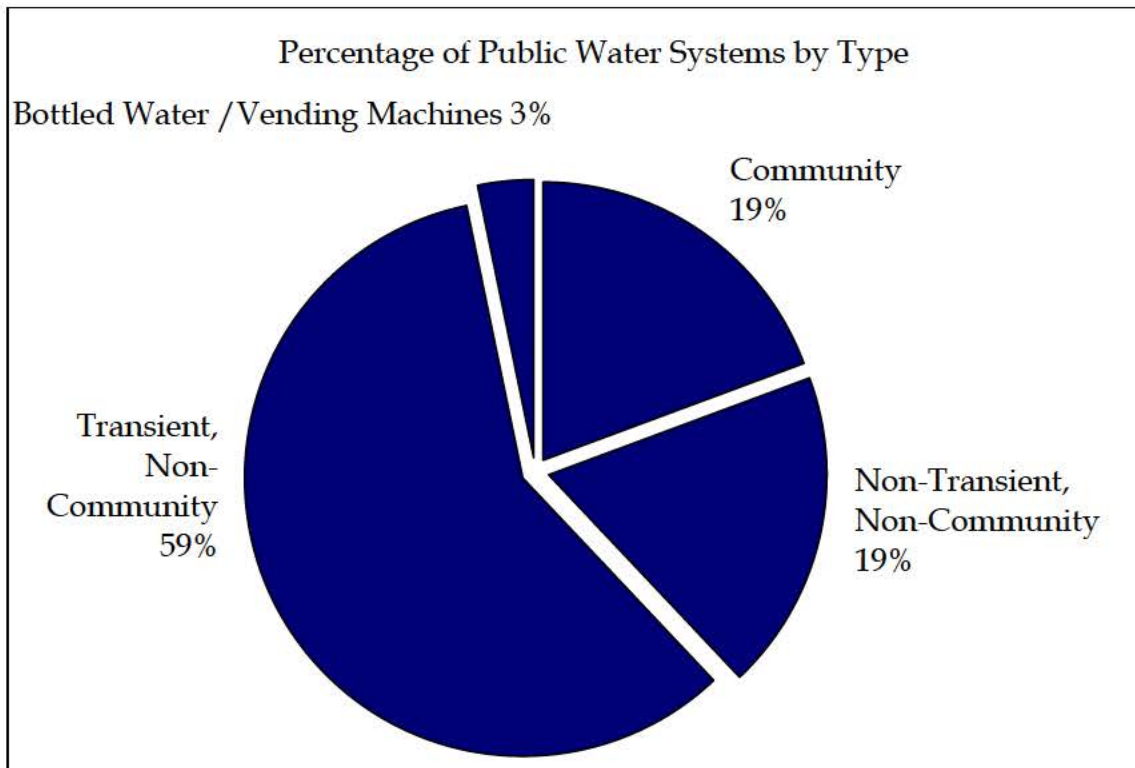
A separate formula and rate structure exists for bottled water facilities and water vending machines. A summary of the rates for these facilities can be found in Table 2 below.

Table 2 – SFY 2021 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

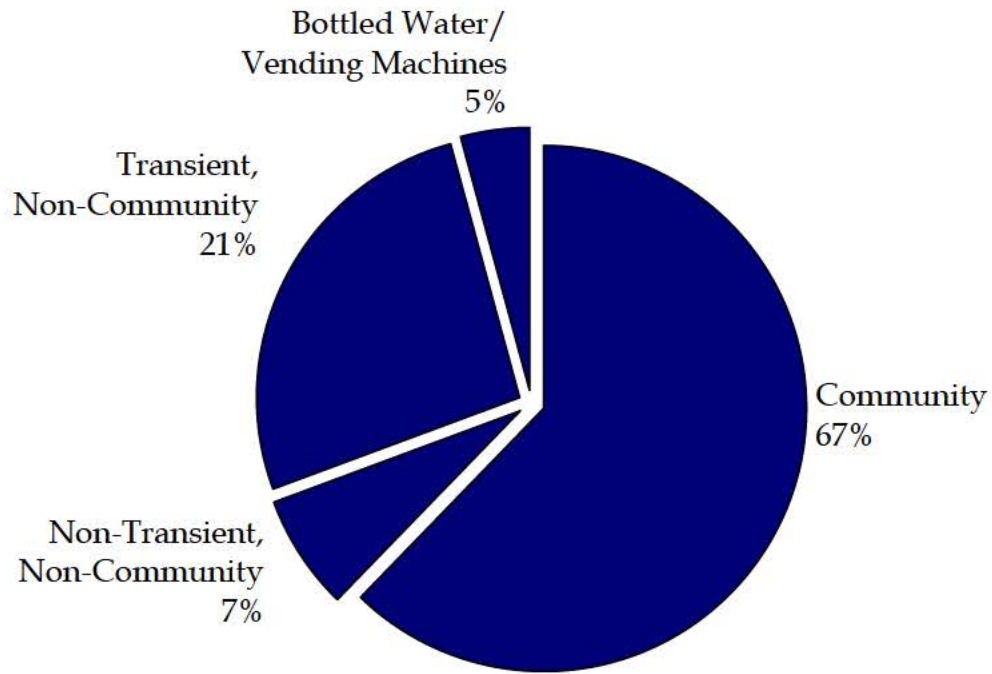
Fees by Public Water System Type

State Fiscal Year 2021
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	382	19%	680,149	\$414,746	67%
Non-Transient, Non-Community	377	19%	63,012	\$43,807	7%
Transient, Non-Community	1,148	59%	186,959	\$130,009	21%
Bottled Water / Vending Machines	58	3%	N/A	\$34,120	5%
Totals	1,965	100%	930,120	\$622,682	100%

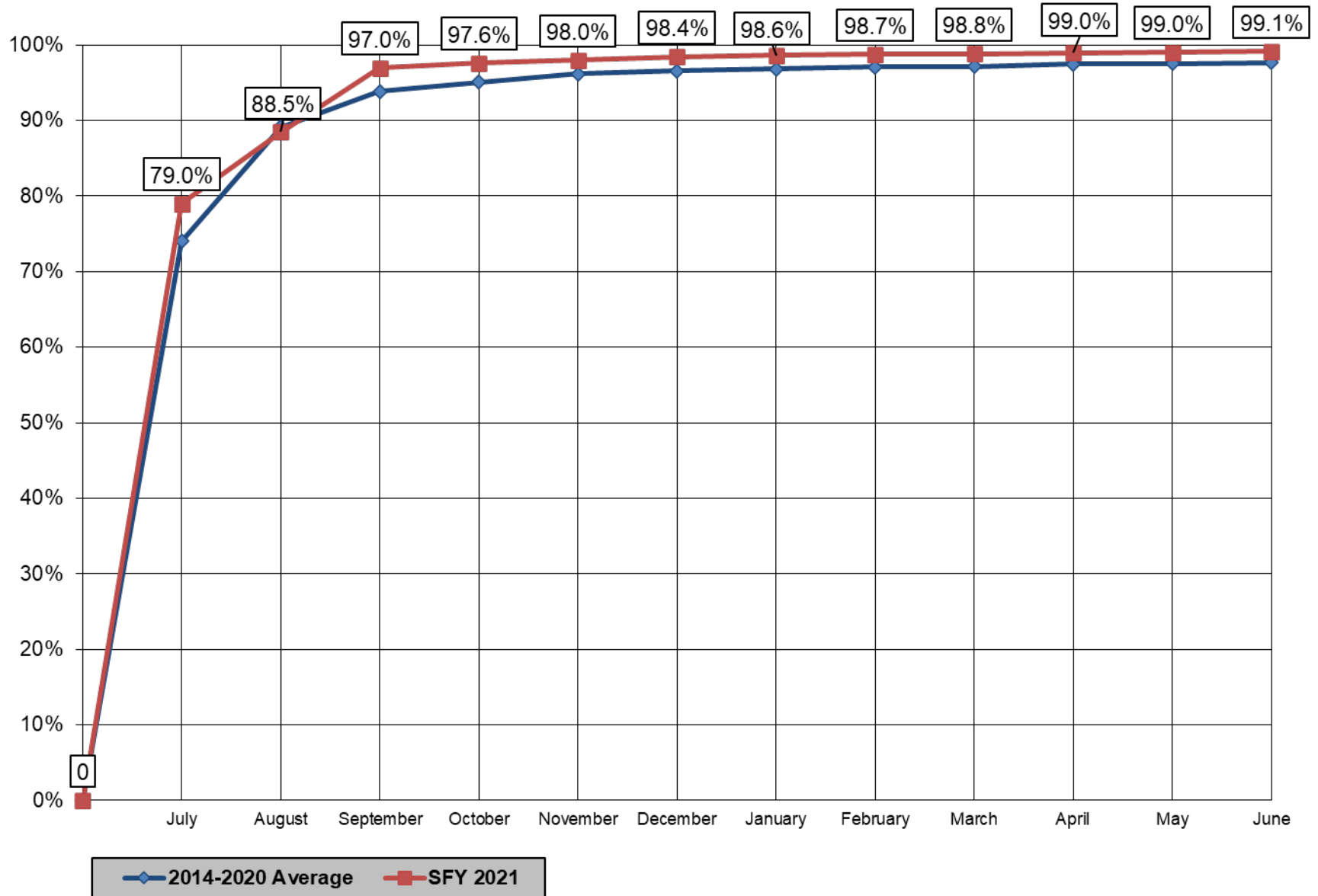


Percentage of Total Calculated AFM Revenue by Public Water Systems Type



Fee Collection Performance Measures

AFM Monthly Summary Percentage of Total Billed vs. Collected Updated June 30, 2021



AFM Payment Summary SFY 2021 as of June 30, 2021

Total Billed: \$634,287

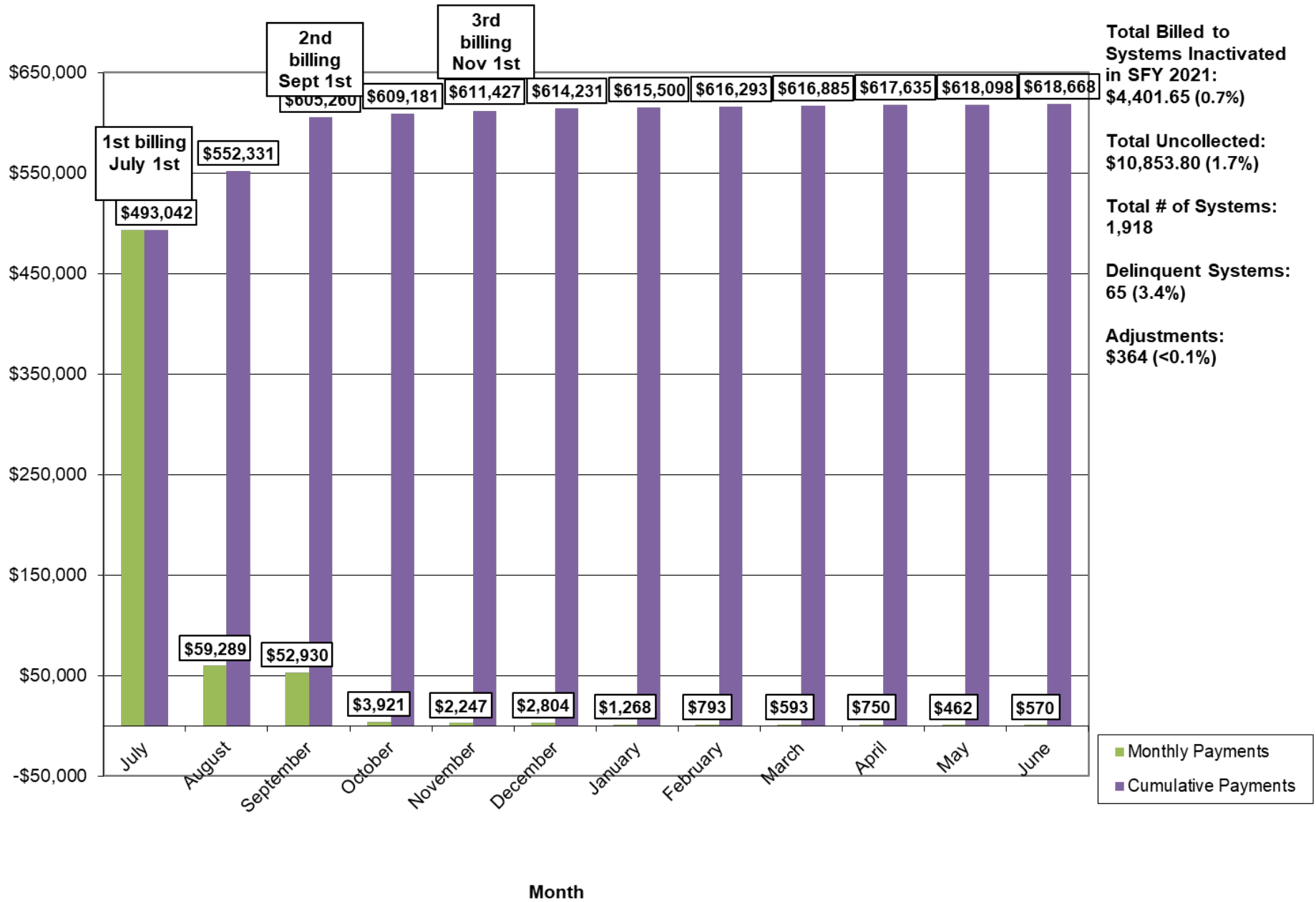
**Total Billed to
Systems Inactivated
in SFY 2021:
\$4,401.65 (0.7%)**

**Total Uncollected:
\$10,853.80 (1.7%)**

**Total # of Systems:
1,918**

**Delinquent Systems:
65 (3.4%)**

**Adjustments:
\$364 (<0.1%)**



AFM Fee Rate Changes for SFY 2022

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 2022 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 will be considered during SFY2022.

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						

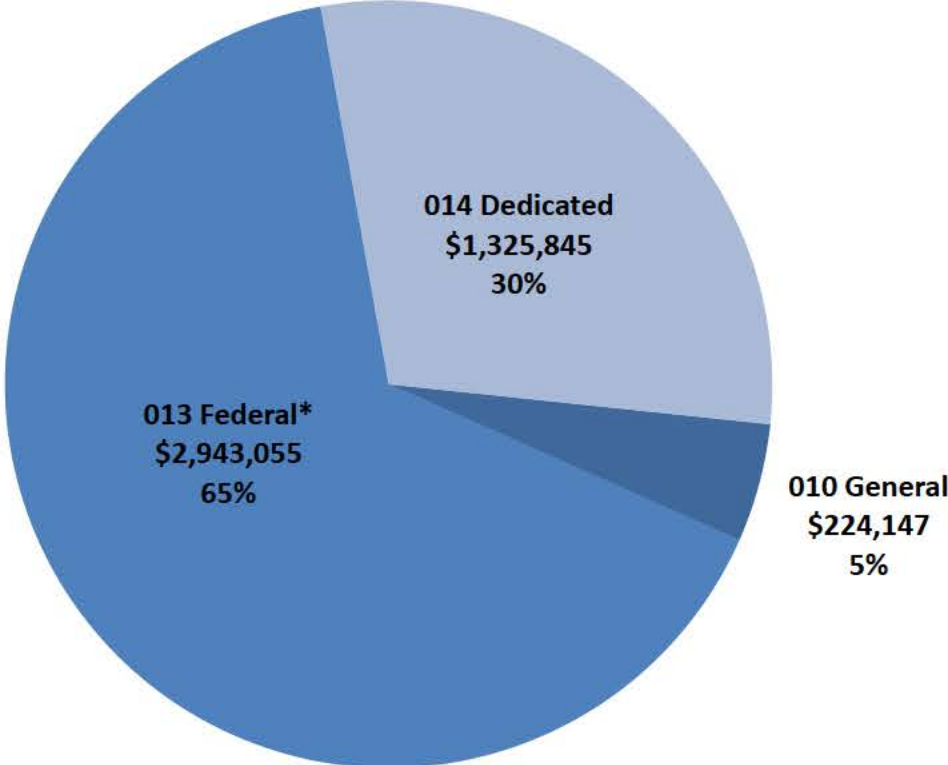
Table 3 - SFY 2022 Rate Structure for all Public Water Systems except Bottled Water and Water Vending Machines	
Description	Rate
Per capita rate (above base population)	\$0.60
Base fee	\$65
Base population	100

Table 4 - SFY 2022 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 2020, the Commission decided to recognize the entire Drinking Water Program for their response to and dedication during the COVID crisis. An awardee for 2021 will be announced in September 2021.

Drinking Water Program Expenses, SFY2021



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

State Fiscal Year 2021 Summary of Expenditures - Drinking Water Program

Drinking Water Program Staff Costs and Other Expenses

Expense	010	013 Federal					014 Other Special Revenue (Fees)							
	General	Drinking Water State Revolving Fund Grant (Set Asides)					Water	Laboratory	Well	Drinking	Drinking	Subsurface	Site	Total
	General	Public Water	4% Set Aside	10% Set Aside	15% Set Aside	15% Set Aside	Operator's	Certification	Driller's	Water	Water	Wastewater	Evaluator	
	Fund	System	SRF Admin.	Program	Wellhead	Capacity	Board		Commission	Act Fund	Enforcement	Licensing		
		Supervision		Management	Protection	Development			(AFM)					
Salary & Benefits	216,163	758,212	304,683	621,219	197,464	47,092	24,147	46,635	18,652	469,940	0	351,685	0	\$3,055,891
Travel	0	4,136	5,407	1,594	573	0	0	0	8,594	0	0	1,992	0	\$22,295
Operating Expenses	3,090	43,876	3,657	63,220	8,471	12,079	3,358	4,497	11,432	15,691	0	71,399	9,219	\$249,989
Technology	4,895	18,000	7,658	67,252	7,199	1,287	1,505	4,356	626	12,192	0	70,105	282	\$195,355
Contracts	0	0	0	459,045	1,366	175	0	0	0	0	0	0	0	\$460,586
Overhead (StaCAP & DiCAP)	0	116,097	42,355	111,333	30,735	8,872	9,229	13,045	946	91,691	112	84,298	219	\$508,931
Total	\$224,147	\$940,321	\$363,759	\$1,323,663	\$245,808	\$69,505	\$38,238	\$68,532	\$31,656	\$598,108	\$112	\$579,479	\$9,720	\$4,493,048
# Of FTE (Budgeted)	2.0	7.82	2.5	12.0*	2.0	0.5	0.4	1.00	0.4	5.0	0.0	4.38	0.0	38.0
				* Includes 5 contractors			\$34,940	\$123,450	\$30,549	\$612,387	\$8,465	\$775,081	\$19,025	\$809,791
Direct Assistance to Public Water Systems or Technical Assistance Providers							\$54,918	\$76,900	\$14,992	\$213,365	\$10,443	\$338,683	\$69,921	

Technical Assistance Provided to Public Water Systems \$227,935

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 \$128,026

Public Water Systems receiving Source Protection Grants:
WillowBrook Mobile Home Park, York Water District, Grandeur Mobile Home Park, South Slope Estates Mobile Home Park, Sunday River Ski Resort, WillowBrook Mobile Home Park, Fort Fairfield Utilities District, Camp Susan Curtis, Averill Mobile Home Park, MSU 69 Appleton Village School, Busy Bee Nursery, Buckfield Village Corporation, Portland Water District, Sunrise Hill Estates, Newport Water District, Island View Condo Association, Lawrence Family Community Fitness Center, Bristol Parks Department, Kennebec Water District, Hingham Heights, Homestead Estates, Limestone Water & Sewer District

Capacity Development and Consolidation Grants to Public Water Systems \$275,555

Public Water Systems receiving Capacity Development or Consolidation Grants:
RSU 4 Oak Hill High School, Kittery Water District, Southwest Harbor Water & Sewer District, Jay Village Water District, Lisbon Water Department, North Jay Water District, York Water District, Fort Kent Water Department, Howland Water Department, Old Town Water

Training and other Capacity Development Assistance Provided to Public Water System Operators and other Personnel \$553,273

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 \$27,309,368 (\$2,633,653.05 forgiven)

Public Water Systems receiving low interest construction loans:
Bangor Water District, Belfast Water District, Boothbay Region Water District, Brewer Water Department, Calais Water Department, Canton Point Park, Covered Bridge Apartments, Fryeburg Water Company, Kennebunk, Kennebunkport, & Wells Water District, Kennebec Water District, Limestone Water & Sewer District, Maine Water Company, Biddeford & Saco, Mars Hill Utility District, Milbridge Water District, Milo Water District, MSU #103 Beals Elementary, North Berwick Water District, Pine Village Mobile Home Park, Searsport Water District, Spinsfield Commons

\$28,494,157

Grand Total All Expenditures SFY 2021 \$32,987,205

8/17/2021