

**STATE OF MAINE
PUBLIC DRINKING WATER COMMISSION**



**2023 ANNUAL REPORT
STATE FISCAL YEAR ENDING JUNE 30, 2023**

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

for the period ending
June 30, 2023

Table of Contents

Introduction.....	1
Enabling Legislation.....	1
Commission Duties	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
Alternative Funding Mechanism.....	5
AFM Fee Rate Changes for SFY 2024.....	6
Staff Merit Award	6
Acknowledgements	6
Fees by Public Water System Type	7
Fee Collection Performance Measures.....	9
Annual Financial Report.....	11

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 (DHHS), 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 2023 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.

Commission Duties

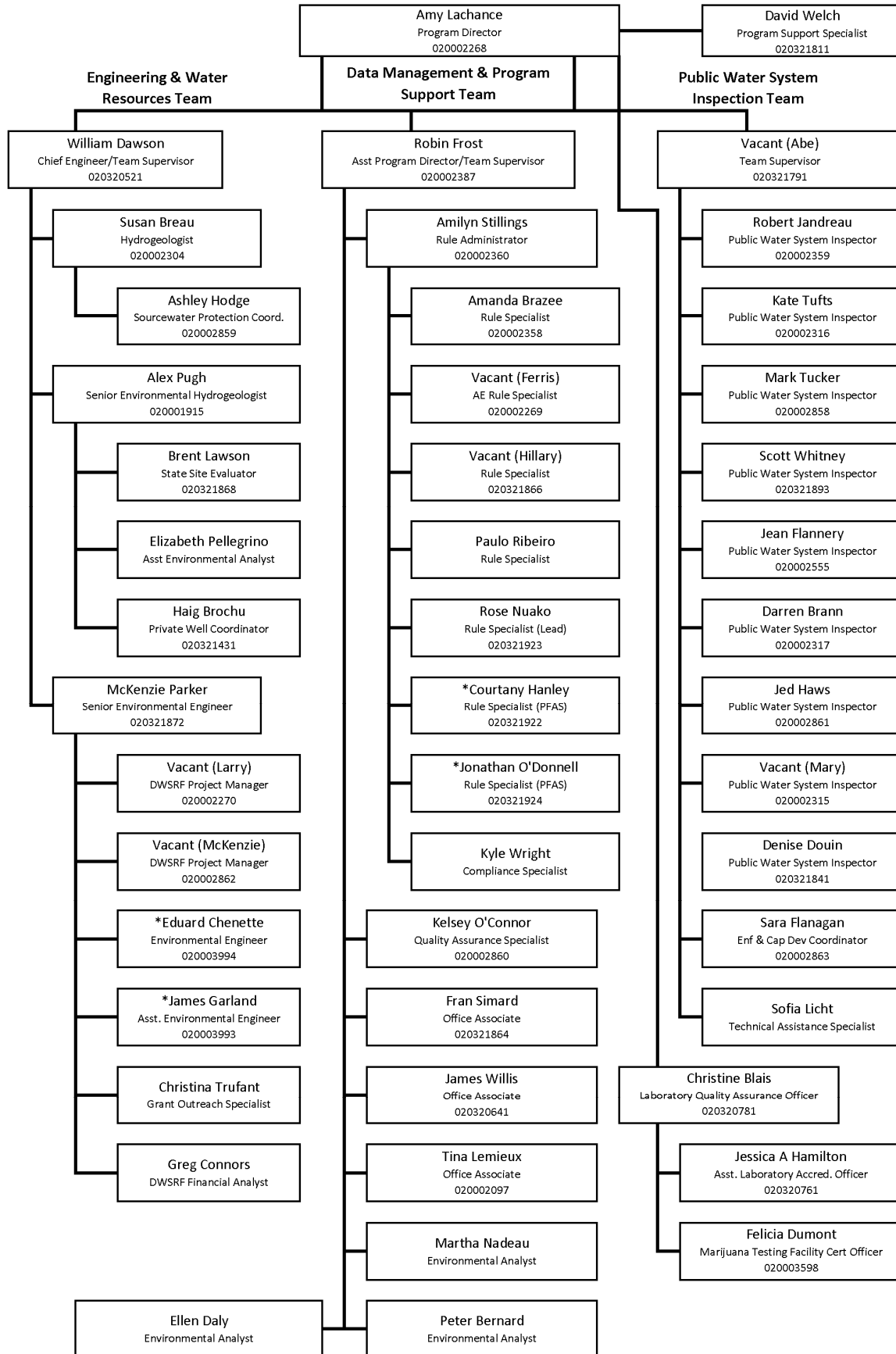
- A. Evaluate the proportion of program effort dedicated to each type of public water system served by the program; [PL 1995, c. 581, §2 (AMD).]
- B. Evaluate existing and projected program workloads; [PL 1993, c. 410, Pt. DD, §4 (NEW).]
- C. Evaluate existing program resources and project future staffing and resource requirements; [PL 1993, c. 410, Pt. DD, §4 (NEW).]
- D. Determine funding requirements necessary to meet projected workloads and staffing and resource requirements; [PL 1993, c. 410, Pt. DD, §4 (NEW).]
- E. Determine an equitable program funding share for each type of public water system that recognizes the level of program effort required for that public water system; [PL 1995, c. 581, §2 (AMD).]
- F. Determine fee formulas and collection and transfer schedules for each type of public water system; and [PL 1995, c. 581, §2 (AMD).]
- G. [PL 1995, c. 581, §3 (RP).]
- 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.

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
Vacant	<u>Seat 2</u>	Represent the water purveying community and be associated with a public water system serving a population of not more than 1,000.
Matthew D. Reynolds 74 South Rd Freeport, ME 04032	<u>Seat 3</u> August 31, 2027	Must represent the drinking water public
Vacant	<u>Seat 4</u>	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.
Brian Tarbuck Greater Augusta Utility District 12 Williams St Augusta, ME 04330 (207) 622-3701 Email: btarbuck@greataugustautilitydistrict.org	<u>Seat 5</u> August 31, 2027	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, 2027	Must be a user of a transient, non-community water system
Carol White, Chairperson 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, 2027	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, 2027	Must represent the drinking water public
Vacant	<u>Seat 9</u>	Must represent the drinking water public

Drinking Water Program Organizational Chart

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



*Limited 3-year period positions

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 DWP has been successful in adding eleven positions to address this additional workload; however, these are two- and three-year limited period positions. The MPDWC supports the DWP in their attempt to convert limited period positions to permanent status in order to handle the widening scope of drinking water regulations in future years. These positions can be sustainably supported using set-aside funding from the State Revolving Fund, combined with a proposal to increase the Alternative Funding Mechanism Fees to support one additional staff person. This proposal will be initiated via the rule-making process. Right-sizing the DWP on a permanent basis 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 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. The State Fiscal Year 2022 version of these reports will be available in September 2023. 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 convert limited period positions to permanent status.
- ◆ 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
- ◆ To fill the vacant seats on the Commission (Seats 2, 4, 9) by the end of FY24

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 2023 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. In order to provide sustainable funding for the DWP in future years, it is recommended that a rule-making process be proposed to fund one additional full-time employee through the AFM Fee.

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 2023 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 2023 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

AFM Fee Rate Changes for SFY 2024

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

At this time, the reserve account has an adequate level of funding. However, the MPDWC supports the DWP's proposal to increase fees in SFY 2025 and beyond in order to fund one additional full-time equivalent position. In order to accomplish this, the fee structure will need to be expanded to produce an additional \$135,000 per year. A specific proposal, including changes to the base fee and the per capita rate, will be drafted by the MPDWC in the fall of 2023 and carried through the rule-making process.

Staff Merit Award

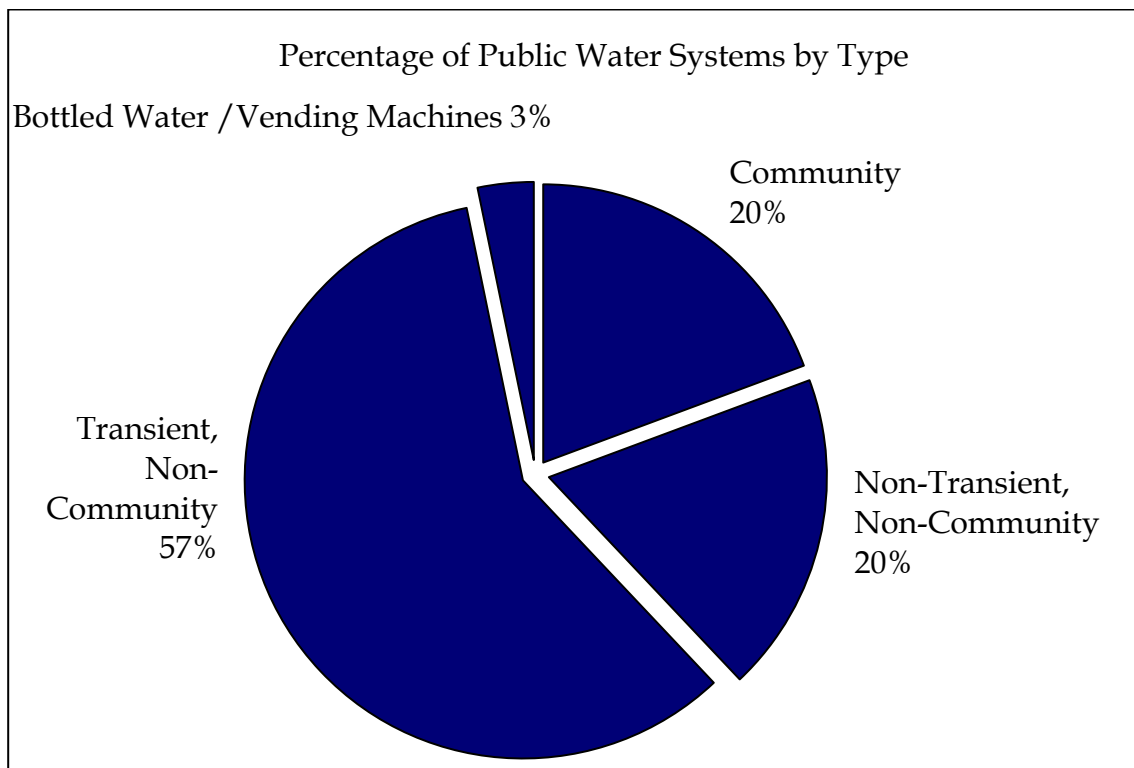
Annually, the MPDWC recognizes an employee of the Drinking Water Program who has made a significant contribution in the past year to the goals and mission of the program. Nominations are solicited and received from the drinking water "community" in Maine, including the DWP staff, other Maine water industry associations, and public water systems. In 2022, the Commission decided to recognize Nate Saunders, former Senior Environmental Engineer. In 2023, the Commission decided to recognize David Welch, Program Support Specialist.

Acknowledgements

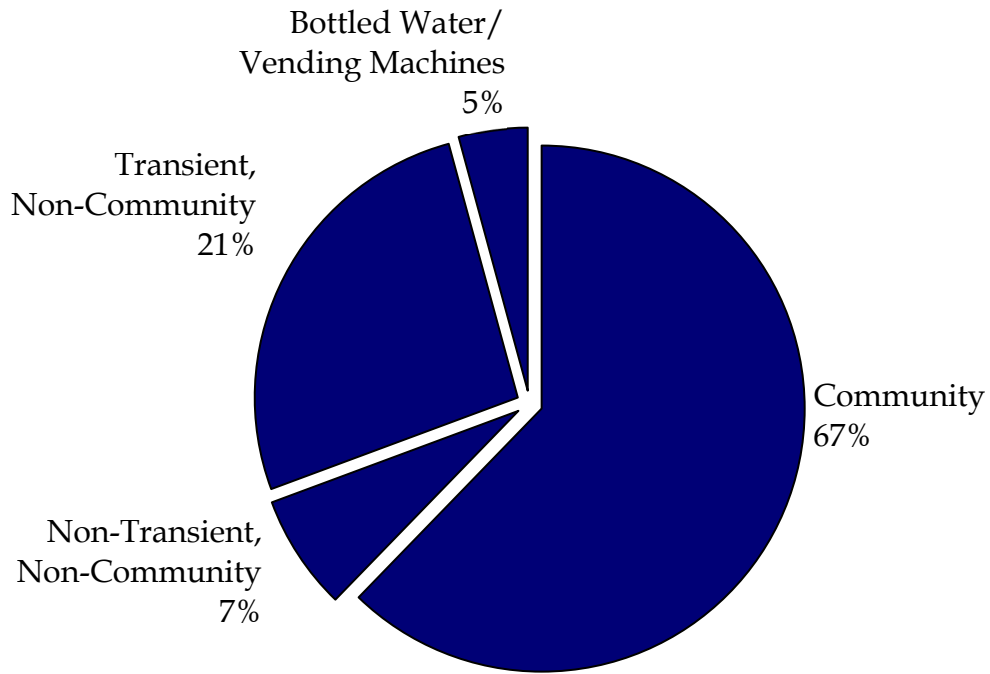
The Commission acknowledges the dedication and work ethic of all employees of the DWP. DWP staff continues to provide effective and valuable assistance to Maine's 1,900 public water systems as they seek to address ever-evolving water issues and new regulations. The MPDWC feels confident in the DWP as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

Fees by Public Water System Type

State Fiscal Year 2023 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%	689,452	\$414,552	67%
Non-Transient, Non-Community	375	20%	63,020	\$45,703	7%
Transient, Non-Community	1,094	57%	187,367	\$129,703	21%
Bottled Water /Vending Machines	47	3%	N/A	\$34,140	5%
Totals	1,900	100%	939,839	\$624,098	100%

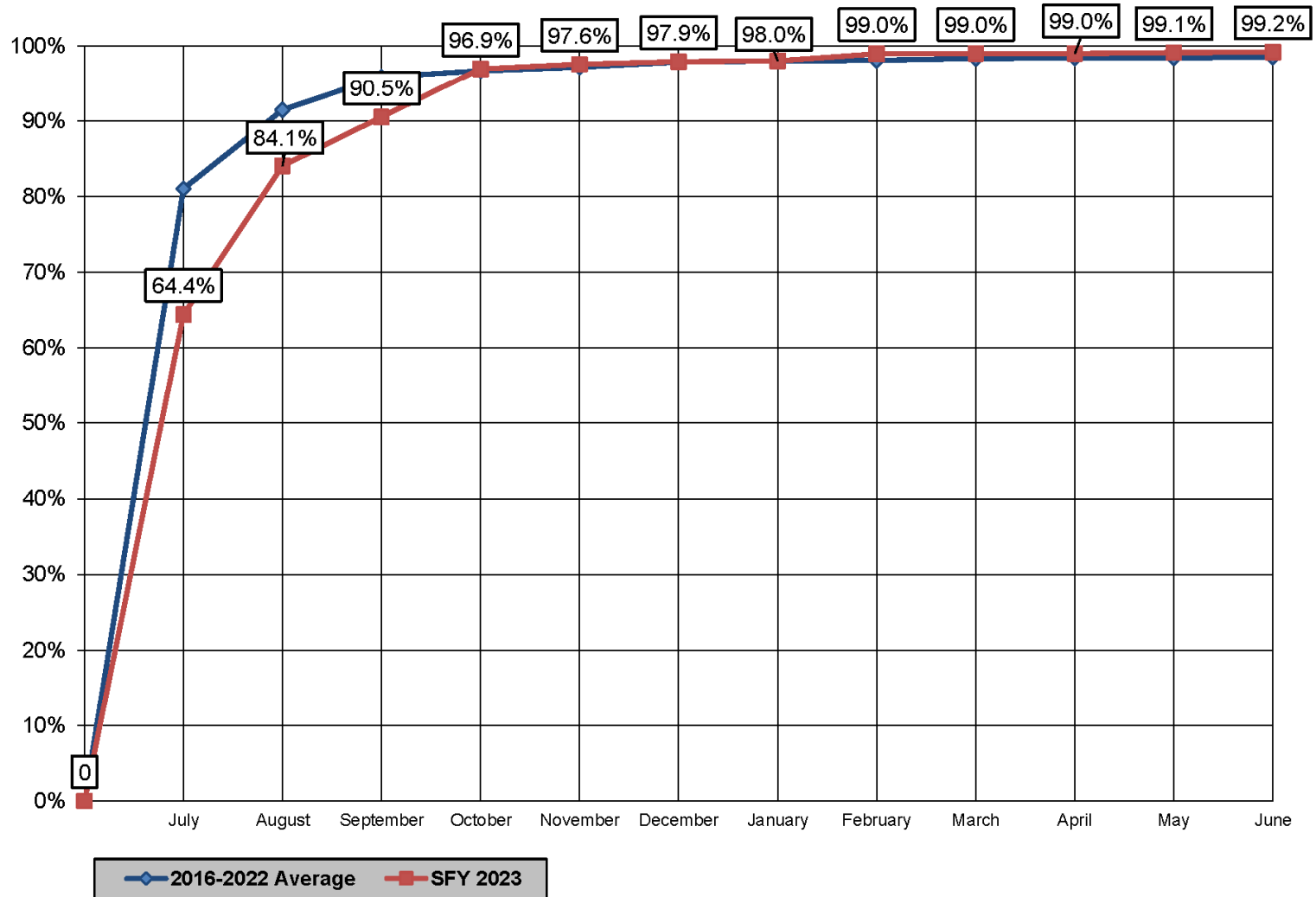


Percentage of Total Calculated AFM Revenue by Public Water Systems Type



Fee Collection Performance Measures

AFM Monthly Summary Percentage of Total Billed vs. Collected Updated June 30, 2023



8/4/2023

AFM Payment Summary SFY 2023 as of June 30, 2023

