

**JOURNAL of the
Maine Water Utilities Association**

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Technical articles and other subjects of lasting interest are solicited. Advertising is accepted from Associate members of the association.

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Maine Water Utilities Association

A Position Paper on Sustainable Water Use in Maine

Approved by MWUA Board of Directors
March 3, 2005

INTRODUCTION

Public water systems utilize "Waters of the State", as defined in state statute, as source of supply. Rights to use these sources are based in legislative grants, property ownership or a combination of both.

Over the last 150 or more years the legislature has enacted more than 250 charters for the development of public water systems. These charters, which are Private and Special Laws, share similarities and typically consist of water rights, a description of authority necessary to conduct business and the mandate to serve the referenced communities. The mandate to supply may be described in various ways, such as "with pure water for domestic and municipal purposes" or "with water for all domestic, sanitary, municipal and commercial purposes". These rights may consist of outright permission to use surface waters or underground sources and often include the authority to appropriate sources for use. Under the latter scenario, there is typically a specified process or remedy to compensate those who may be impacted by the legislative grant.

WATER SUPPLY DEVELOPMENT IN MAINE

These Private and Special Laws generally grant broad and significant powers to the recipients. For the most part, there have been no limits set by the Maine Legislature on the volume of water that can be withdrawn from these resources. Water systems have been designed, built and operated on the assumption that the safe yield of the source is the maximum amount of water that can be withdrawn during a period of drought. Inherent in the safe yield calculation is the fact that during the drier months of the year, it is necessary to utilize anywhere from 10's to 100's of millions of gallons of storage in order to supply water system demands.

The original sources for some of the larger water systems were the rivers or streams. The Kennebec and Penobscot Rivers and Messalonskee Stream were sources for the greater Augusta, Bangor and Waterville areas, respectively. The fact that human and industrial wastes were discharged to these waters created serious public health issues. Numerous individuals in these communities were stricken by waterborne diseases, and many died.

As far back as 100+ years ago, the Maine Legislature determined that it was in society's best interest to not use these contaminated rivers and streams as drinking water sources of supply. Water system charters that were granted at that time designated protected high quality lakes and ponds as sources to be used by developing water systems. Many are headwaters - comparatively small upland resources in what are (or were at the time) small, protected watersheds.

Unlike the rivers and streams that were abandoned, most of these lakes and ponds have a natural sill (or at most a low head dam). Historically, during the late summer and fall months, when there is little or no inflow to the basin, many of these outlet streams naturally dry up. When used as a water supply, this happens earlier and is of longer duration. This longstanding practice of using these upland supplies for drinking water has often resulted in greater than normal seasonal water level fluctuations than are experienced on other unregulated natural ponds. These annual fluctuations may range from a few feet to several feet.

From the earliest times of settlement in Maine, continuing until the middle part of the 20th Century, Maine's rivers and streams (and even some of its lakes and ponds) were used as convenient receptacles for untreated industrial wastes and domestic sewage. During that same time frame, many water systems have taken measures necessary to secure access to high quality sources of supply. They have also purchased watershed lands in order to control activities and protect water quality. These holdings, many of which are extensive, have been accumulated over many years. Systems continue to acquire critical properties as opportunities arise.

FEDERAL AND STATE INITIATIVES

The 1960's and 70's was a time of heightened environmental awareness in Maine and the rest of the country. Comprehensive legislation was enacted to protect ecological systems. During the same time frame national drinking water standards were enacted to ensure protection of public health.

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Federal Activities

In 1962 the U.S. Public Health Service Drinking Water Standards stated: “the water supply should be obtained from the most desirable source which is feasible, and effort should be made to prevent or control pollution of the source.” In 1974 the U.S. Public Health Service Drinking Water Standards became the Safe Drinking Water Act as the federal government enacted a more comprehensive process to regulate the operation - and resultant quality - of the nation’s public water supplies.

The Safe Drinking Water Act Amendments of 1986 introduced federal regulations through the Surface Water Treatment Rule, which sought to minimize the risk of drinking water exposure to pathogenic microorganisms. In doing so, watershed protection became recognized as an essential barrier to contamination. In Maine, exceptional water quality and watershed land use controls deemed fifteen (15) surface water bodies, which are utilized by twelve (12) public water systems, eligible for a filtration waiver to comply with regulations in the early 1990s.

Water utilities that had secured pristine lakes, ponds, and flowing waters and had invested in (and continue to invest) in source protection measures were able to comply with the filtration waiver requirements. As a result, the twelve (12) systems that met these standards without filtration collectively realized savings of well over \$100 million. It is estimated that the annual savings in avoided debt and operations, that accrue to the customers, exceeds \$25 million per year.

For those water systems with minimal control and/or poor water quality, major capital infrastructure was constructed for new or upgraded treatment plants, essentially committing a water system to one or multiple sources of supply for twenty plus years.

During the late 1990s and early part of this decade, federal regulations for the surface water supplies became even more stringent through the Interim Enhanced Surface Water Treatment Rule and Long Term 1 Enhanced Surface Water Treatment Rule. Specific filtered water performance and watershed control guidelines were established for utilities to implement for additional public health benefits.

State Activities

Maine, recognizing the value of its natural resources, was a leader in environmental protection efforts. Many of the statutes that have been enacted by the Maine Legislature over the last 30 – 40 years acknowledge the importance of drinking water supplies. A sample of legislative actions are listed below:

- The Legislature has classified the surface waters of the state, stating in each classification that the waters “are suitable for the designated uses of drinking water supply after disinfection (or treatment)” (Title 38, Chapter 3, § 465... 1985).
- The Legislature has found that “*an adequate supply of safe drinking water is the matter of the highest priority and that it is the policy of the State to protect, conserve, and maintain ground water supplies in the State*” (Title 38 § 401... 1979).
- The Legislature has classified all ground waters in the state to class GW-A, stating that they “be of such quality that it can be used for public water supplies”. (Title 38 Chapter 3, § 465-C & 470... 1985; 1985)
- In 1999 the Legislature also promulgated law in Title 22, including Chapter 601, § 2601-A: “This chapter establishes a system designed to help ensure public health; to allow the State, municipalities and public water systems to identify significant public water supplies and strive for a higher degree of protection around source water areas or areas that are used as public drinking water supplies; and to allow the State, municipalities and water systems to pursue watershed or wellhead protection activities around significant public water supplies.”

In January of 1996 the Maine Environmental Priorities Project Steering Committee issued a ranking of environmental risks facing Maine. The committee ranked issues based on current circumstances, assuming current control measures in place, and that issues would be compared with one another and ranked as “high risk,” “medium risk,” or “low risk.”

The Steering Committee concluded that, compared to the other issues ranked, the contamination of drinking water in Maine constitutes a high risk to both human health and quality of life. The primary reasons for the high ranking are: the high percentage of Maine people who derive their drinking water from private wells; the numerous and geographically dispersed instances of ground water contamination that have been documented; the ongoing threats of additional contamination; and the fact that individual, privately owned wells are not required to be tested. The fact that some public water supplies occasionally exceed health standards for certain contaminants also contributed to the high ranking.

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The ranking points out what can happen when inadequate attention is given to the prioritization and protection of drinking water sources. The waters of the state clearly have multiple uses, including ecosystem values, recreation, fisheries, agriculture, waste assimilation and transport. However, when the balance is tipped, and drinking water protection is not considered a priority, there is a resultant risk to both human health and quality of life.

DEVELOPING SUSTAINABLE WATER USE POLICY

In 2001 the Maine Legislature enacted, in Title 38, §470-E, water use standards legislation, which requires the Board of Environmental Protection to adopt rules that would “*establish water use standards for maintaining in-stream flows and GPA lake or pond water levels that are protective of aquatic life and other uses and that establish criteria for designating watersheds most at risk from cumulative water use*”. The standards adopted under this section “*must be based on the natural variation of flows and water levels, allowing variances if use will still be protective of water quality within that classification*”.

When implemented the rules will essentially rewrite the Standards for Classification of Fresh Surface Waters (Title 38, Chapter 3, § 465)

There are critical considerations that need to be taken into account as the State adopts water use standards and develops sustainable water use policy.

- Maine’s policy of designating high quality water resources as water supplies and the water system’s significant investment in their protection and improvement have produced lasting benefits. The granting of water rights by the Maine Legislature - through the Private and Special Laws – constitute special rights. The enactment of environmental protection legislation of a broader nature is reflective of the fact that society considers the designation of water resources for human use to be of the highest priority. Any balancing of the multiple uses of these resources needs to recognize that drinking water is and continues to be the highest priority use of these resources.
- There are shortcomings in the way Maine values and protects its drinking water resources. The level of protection from activities affecting sources of water supply often is no greater than that for activities impacting other resources. Regulatory agency staff often find themselves in a dilemma when confronted with activities which are adversely impacting water supplies as they may feel they do not have the ability to go the extra mile to safeguard drinking water resources.
- Approximately half the state’s population utilizes public water systems. For calendar year 2002, total water utilities usage has been calculated to be approximately 115 million gallons per day. Approximately three fourths of that comes from surface water. How these surface water supplies function, and are managed, depends on water system demand and the variability of precipitation. Water is drawn from them each and every day of the year. During the dry season there is a draw on storage. At some point the water level drops below the sill or the top of the dam, the flow through the outlet is diminished and the water level in the pond drops. When it rains, the pond level rises and, if it rains hard enough for long enough, flow in the outlet stream is restored.
- Approximately 55 of the 5,000 +/- Great Ponds in the state (1%) are currently used as water supplies. Many of the lakes and ponds that are used as water supplies experience seasonal water level fluctuations of several feet. The drawdown of these bodies of water may result in the dewatering of outlet streams. This has been happening for decades, the biota have adapted and the system has reached an equilibrium. There needs to be an acknowledgement and acceptance of the fact that this is how the supplies have been, currently are and will continue to be operated. If there is a desire to change the status quo, there will be economic and environmental prices to pay. Any change will require development of additional supplies. The economic costs will be significant and the environmental impacts will be shifted to the other resources.
- The implementation of water use standards is just one part of a comprehensive plan that is needed in order to meet Maine’s water requirements. In order to develop a sound state water policy one must first create a master plan that quantifies the resource and the uses and creates a framework and process that manages the resource while balancing the needs of the users, now and in the future.

CONCLUSIONS

Total water management revolves around three factors: Water quantity, water quality and establishing priorities to deal with limitations of quantity and quality.

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Water, by its very nature, is an integral part of every ecological system. Water is also a basic requirement for public health and welfare and prosperity. The government has an obligation to protect the health, safety and welfare of its citizens. Water utilities in Maine have been tasked with the responsibility of supplying Maine communities with adequate and safe potable water service. They have been fulfilling this mandate for decades, often with little assistance from state agencies. Because of the water quality standards that must be met at the consumer's tap, the public water systems will always be the best stewards of the resources they use to provide that service.

Not all water resources are of equal value for all uses. Any water use standards that are proposed should ensure that water is managed for the greatest good of the people. Water use standards should in no way limit a water system's ability to meet the obligations imposed upon them by the Maine Legislature. The best way to ensure that is to exempt water bodies for which public water systems have chartered rights, from any water use standards.

It has already been stated that water use standards are but one piece of what is needed in order to develop and implement a total water management framework that is effective in managing Maine's water resources. This process needs to be one that utilizes a problem solving approach. The data that are used to arrive at decisions must be comprehensive and accurate.

Development and implementation of sustainable water use policy is not a small task. It will require much in the way of resources and it will likely be necessary to go back and modify certain aspects of the program as the degree of success of this new regulatory program becomes evident.

This is not the first attempt to develop and implement sustainable water use policy. Previous efforts have failed, for various reasons. This effort could fail; worse yet, Maine could end up with a cumbersome and burdensome regulatory program, not unlike those in place in some of the Southern New England states.

It is possible that resources allocated to this new regulatory program will focus, initially at least, on compliance, as opposed to assembling and analyzing data for the purpose of molding a total water management plan appropriate for Maine. All who are involved in this process have an obligation to ensure that the necessary resources are allocated to this endeavor. It is imperative that decisions be data based and that the impact of decisions on the users be predictable.



November 2005

**FINAL STATUS REPORT
BILLS OF INTEREST TO THE WATER SUPPLY PROFESSION
FIRST SESSION OF 122ND MAINE LEGISLATURE**

Key To Final Disposition

**PL: Public Law
ONTP: Ought Not to Pass
RES.: Resolve
Carried Over: to be dealt with during
Second Session**

Editor's Note: The following is a listing of legislative documents that were actively monitored. For a listing of other bills, of general interest, view the full report at www.mwua.org.

<u>L.D.</u>	<u>TITLE</u>	<u>FINAL DISPOSITION</u>
216	An Act to Make Revisions to the Laws Governing Agriculture	PL 382
	This authorizes the investigation of any farm operation, method or practice that may have an adverse effect upon the waters of the state.	
244	An Act to Standardize Water Lien Provisions	PL 7

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This expands the lien provision for unpaid water rates to all consumer-owned water utilities.

315 An Act to Prohibit the Privatization of Drinking Water Supply Sources ONTP

This bill sought to make all water supplies in the State public resources and, therefore, they could not be privately owned.

331 An Act to Improve the Operation of Underground Damage Prevention Procedures PL 334

This allows the Public Utilities Commission by rule to extend drinking water well construction notification requirements to other types of excavation; establish rules to reduce the incidence of damage to underground facilities in an active excavation area and establish standards for when and at what level penalties must be assessed. These are major substantive rules.

421 An Act to Improve the Water Quality on Hall Pond in Paris ONTP

This bill would have prevented the operation of motorboats, snowmobiles, ATVs and personal watercraft on Hall Pond, the water supply for the Hebron Water Company.

483 An Act to Facilitate Real Estate Ownership ONTP

This bill proposed to allow a person who owned less than 100% of a parcel to gain title to it if they could prove the parcel is in fact, if not in law, owned by that person. That could have been accomplished by proving they were the only one to have paid property taxes on the property for 20 years.

515 An Act to Increase the Limit on the Right to Rejoin the Maine State Retirement System PL 76

This gives an employee two chances to rejoin the MSRS.

524 An Act to Facilitate Reimbursement of Public Utilities Relocation (Emergency) PL 282

The Department of Transportation can reimburse an overhead utility for payments are eligible for reimbursement to the department by the Federal government.

625 Resolve, Regarding Legislative Review of Chapter 500: Stormwater Management and Chapter 502: Direct Watershed of Lakes Most at Risk from New Development and Urban Impaired Streams, Major Substantive Rules of the Department of Environmental Protection (Emergency) RES. 87

This amends Chapter 500, section 4, subsection B, paragraph (2), sub-paragraph (a), division (ii) to provide that one acre or more of impervious area, or 5 acres or more of developed area, in any lake watershed, other than a watershed of a lake at risk to meet the phosphorous standards, except a project less than 3 acres of impervious area and less than 5 acres of developed area may choose to meet the BMP standards rather than the phosphorous standards, if the lake isn't severely blooming. Section 4, sub-section C, paragraph (1) limits the type of project modifications that need to meet the urban impaired stream standards to site location of development law modifications and section 4, subsection C paragraph (3), subparagraph (b) is amended to provide for a project requiring a storm water management permit, redevelopment of an existing impervious area is not required to meet the urban impaired stream standard as long as the department makes the determinations specified in the proposed rule.

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- 643 An Act to Authorize the Department of Environmental Protection to Issue Emergency Permits for the Application of Herbicides and Pesticides ONTP**
- This would have allowed DEP to issue emergency waste discharge licenses to respond quickly to an invasive aquatic plant infestation. During the hearing process, it was determined that the DEP already has the authority to accomplish what this bill would have done.
- 658 An Act to Protect Maine's Natural Resources for Maine Residents ONTP**
- This would have allowed the state to charge a severance fee on natural resources extracted from the state.
- 668 An Act to Amend the Land Use Regulation Laws ONTP**
- This would have allowed a landowner to seek compensation from the state or municipality for a land regulation that restricts the use of or reduces the value of their property. Exemptions from these regulations were: activities considered as a public nuisance, to protect the public health and safety; activities necessary to comply with federal law, restrict the selling of pornography or nude dancing or regulations enacted before the owner acquired the property.
- 737 An Act to Ensure the Success of Pine Tree Development Zones ONTP**
- This bill provided that any effect that a qualified business has on waters of the State is considered a qualified business activity. Qualified Business activity is defined as a business activity that is conducted within a Pine Tree Development Zone and is directly related to financial services, manufacturing or a targeted technology business for which the business received a certificate from the commissioner pursuant to section 5250-0. Water appeared to have a very low rating in the process.
- 775 An Act to Provide a Stable Source of Funding for the Safe Drinking Water Revolving Loan Fund Carried Over**
- This is the bill that MWUA submitted. It would place the 20 % SRF funding match in the general fund for fiscal years 2005-2006 and 2006-2007. If the bond issue passes this bill will probably be killed. However, the bond does not provide funding for year 2006-2007. This bill could be a vehicle to provide the SRF match, if there is no bond reported out during the Second Session. The association will continue to pursue having this annual match requirement funded by the general fund.
- 780 An Act to Allow a Landlord to Discover Whether Sewer and Water Bills Have Been Paid PL 306**
- If a tenant pays for the sewer or water service and the property is subject to a lien for payment, the landlord or landlord's representative is entitled to the current status of the tenant's account including any amount due or overdue.
- 781 Resolve, to Create Sebago Lake Village State Park ONTP**

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This resolve sought to require the Department of Conservation, Bureau of Parks and Lands to purchase the boat ramp on Sebago Lake in the Town of Standish and 20 acres of Portland Water District property surrounding the ramp for the park. The town was to be paid fair market value for their property, while the water district land was to be assessed under the Tree Growth Tax Law. The department was to improve the boat ramp, create a parking lot for 100 cars or boats and create a memorial in the park honoring the two British pilots whose planes crashed into Sebago Lake. And finally the boat ramp could not be removed without 2/3 majority vote of the residents of Standish.

848 An Act to Restore to Maine Citizens Responsible Access to Sebago Lake ONTP

This bill would have allowed a structure to be built on the shore of Sebago Lake as long as the owner had obtained approval from the municipal and state authorities. The need for approval from the Portland Water District, for the arrangements being made for the disposal of wastes for any cottage, stable or other structure to be occupied by man or beast within 200 feet of the high water mark of Sebago Lake, would have been repealed.

849 An Act to Require that Certain Water Districts Install Sand Filtration Systems to Ensure the Safety and Purity of the Water Supply ONTP

Another bill aimed at the Portland Water District, this would have required water districts serving more than 45,000 customers to install sand filtration systems, and not increase rates to customers as a result, but rather the water district would be required to sell land that isn't essential to the provision of water district services. The Public Utilities Commission was also directed to review whether districts of this size should be reorganized as separate entities performing the separate functions of water distribution and water treatment.

861 An Act to Amend Arborist Licensing Law ONTP

This would have prevented quasi-municipal or public utility employees from performing arborist work without being licensed, even in an emergency situation.

940 An Act to Amend the Law Pertaining to All-terrain Vehicle Violations ONTP

Passage of this bill would have removed the suspension of licenses, permits and registrations for operating on someone's land without their permission. It would also have allowed the Commissioner of IF & W to suspend licenses and permits of someone convicted of ATV violations, it would no longer be automatic.

1001 An Act to Authorize a General Fund Bond Issue to Construct and Upgrade Water Pollution Control Facilities and Public Water Systems, Clean Up Uncontrolled Hazardous Substance Sites, Remove Hazardous Materials from Schools, Comply with Federal Storm Water Regulations, Make Public Water System Improvements, Replace Air Quality Monitoring Equipment, Establish Hospice Services, Repair State-owned Dams and Remediate Lead Paint

This bill contained the SRF match for years 2004-2005 and 2005-2006. It was carried over from the regular session, but included in the Special Session of the legislature held July 29, 2005, at which time it passed as part of the Bond package to be voted on in November 2005.

1051 Resolve, Establishing a Study Commission to Examine Water District Fees Assessed for Fire Suppression ONTP

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This would have established a study commission consisting of municipal representatives from large and small municipalities, public safety officials, firefighters, water districts, water companies and the Public Utilities Commission. The commission was to examine whether the water fees assessed for fire protection are fair, the ramifications of altering them and whether the amount charged to municipalities should be limited by some means. In the end the Utilities and Energy Committee directed the PUC to conduct an education program throughout the state to explain how this fee was arrived at and functions. Representatives from MWUA, MRWA, MMA and the Maine Public Utilities Commission are working on the educational program

1162 An Act to Permit the Establishment of Regional Water Councils (Emergency) PL 209

This allows two or more water utilities to form regional water councils which would study issues common to the water utility members, such as water supply, watershed protection, water use policies, etc. The purpose is to save money and allow for joint planning.

1182 An Act to Encourage Small Water-bottling Companies ONTP

This would have exempted water-bottling operations that bottle less than 100,000 gallons of water a year from the laws governing nonalcoholic beverages and water for human consumption.

1218 Resolve, Directing the Department of Environmental Protection to Coordinate Regulation of Activities in Sand and Gravel Pits ONTP

1218 (cont.) This resolve would have required DEP to review the different review and permit requirements that apply to activities undertaken in connection with sand and gravel pits. It would have had one point of contact within the department regarding these requirements. They would also have had to submit a proposal to better coordinate the review, permitting and enforcement of these rules by November 2, 2005 to the Natural Resources Committee.

1255 An Act to Ensure Environmental Justice ONTP

This was a draft concept which said, "this bill would require the Commissioner of Environmental Protection to convene a working group on environmental justice, composed of various representatives, to assist the Department of Environmental Protection in developing an interagency environmental justice strategy. The bill would require the working group to take various actions relating to the development and implementation of environmental justice strategies."

1265 An Act to Protect Aquifers - Title Changed to: Resolve Regarding Source Water Protection RES. 29

The Drinking Water Program is required to submit a report that addresses whether additional requirements are needed for source water protection in the State and describe recommended options to address these needs. Options may include water supply source water protection approaches modeled after shoreland zoning, use of statutory performance standards and the use of specific land use prohibitions or controls. The report is to be submitted to the Natural Resources Committee by February 1, 2006 which may report out legislation based on the recommendations.

1282 An Act to Clarify the Process to Enforce Dig Safe Requirements ONTP

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This would have limited the PUC's ability to levy fines. They couldn't impose a fine if fewer than 2% of the locations marked by the violator in the previous 12 months resulted in violations; the current violation repair cost less than \$5,000 and there were no injuries as a result of the violation.

- | | | |
|-------------|--|---------------------|
| 1297 | An Act to Provide Just Compensation for Established Businesses During Eminent Domain Proceedings | Carried Over |
| | <p>This will provide for compensation for the loss of business profits and income as a result of certain eminent domain proceedings.</p> | |
| 1304 | An Act Concerning Invasive Species and Water Quality Standards | PL 182 |
| | <p>This allows the Departments of Environmental Protection, and Inland Fisheries and Wildlife, to authorize the discharge of chemicals and other pesticides into various water classifications to restore biological communities affected by an invasive aquatic or animal species.</p> | |
| 1328 | An Act to Amend the Maine Tree Growth Tax Law to Encourage Public Access | Carried Over |
| | <p>This bill would prohibit land to which public access for recreational purposes is restricted or prohibited from being under Tree Growth Tax Law. It also prohibits parcels of 100 acres or more from being under TGTL if the recreational uses of the land are being leased and the value of the lease exceeds the TGTL value of the property. A task force was studying TGTL issues during the time of the hearings, but had not completed their report/recommendations.</p> | |
| 1414 | An Act to Authorize Municipalities to Create Municipal Fire Districts | Carried Over |
| | <p>This would allow the creation of municipal fire districts with the ability to levy a service charge against all property owners, including non-profits.</p> | |
| 1437 | An Act to Broaden the Sales Tax Base and Lower the Sales and Use Tax and Service Provider Tax Rates | ONTP |
| | <p>This would have lowered the sales tax from 5% to 2% but broaden it to include all non-profits.</p> | |
| 1440 | An Act to Encourage the Implementation of High-speed Internet Access in Rural and Isolated Areas | Carried Over |
| | <p>Towns will have to accommodate internet providers by allowing them access to water towers or other towers or tall buildings at a greatly reduced fee or no cost at all.</p> | |
| 1489 | An Act to Establish Citizen Ownership of Maine's Groundwater | ONTP |
| | <p>This bill stated that groundwater is a public natural resource owned by all the people of the state and as such they have a right to regulate its extraction.</p> | |
| 1506 | An Act to Update the Laws Governing Borrow Pits and Quarries | PL 158 |

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This sets additional requirements for excavation of borrow pits and quarries. It includes spill prevention, a plan of control and countermeasures and sets a limit for dust that cannot exceed 20% opacity for more than 5 minutes in any one- hour period. A natural buffer strip at least 50 feet wide must be maintained between the working edge of an excavation and any public right-of-way that does not contain a road. This buffer strip may be reduced if there is a public entity or entities with authority to grant permission and the applicant receives permission from each authority in writing. A preblast survey must extend 1/2 mile from the blast site to conform to Federal requirements.

1558 **An Act Concerning Stormwater Management**

PL 219

This allows DEP to exempt or license by rule discharges of storm water to groundwater from surface wastewater disposal systems if the discharge won't have a significant adverse effect on the quality or classification of the waters, and subsurface discharges with the same stipulations. The rules to implement these provisions are routine rules unless the rules are amendments to existing rules that are major substantive rules.

1595 **An Act to Rebalance Maine's Tax Code**

Carried Over

This bill is the proposed revenue stream to off set the "tax relief" granted by the budget. As written the bill would tax just about everything; of particular concern to the water utilities is the provision to tax residential water. Since the July 29, 2005 Special Session there has been some talk among the democrats to have another Special Session to deal with this bill.

1643 **An Act to Clarify and Harmonize State Policy on Groundwater Management**

PL 452

Part A provides consistency in LURC, DHHS and DEP statues regarding review of ground-water extraction. This section provides the agencies with consistent, clear authority to consider the effects of water withdrawal on water of the state and other uses of water. Part B directs DEP, DHHS, DAFRR and DOC to develop consistent hydrogeological review procedures for water extraction proposals. These agencies will also review the cost of permit reviews and make any necessary fee adjustments. In Part C the Land and Water Resources Council will undertake a comprehensive study of ground-water withdrawal regulations. The study will 1) identify and review current provisions that trigger regulation of withdrawals; 2) review current information about ground-water resources to assess whether current law is adequately protective; 3) review criteria that should be assessed with regard to water withdrawal; 4) propose a threshold based on volume at which withdrawals are regulated; 5) report back to the Legislature. Part D included legislative intent language that promotes development and implementation of consistent, integrated and scientifically-sound policy on ground-water management. The council must report its findings to the legislature by November 1, 2007.

This bill was one of the most challenging of those dealt with during the session. It was submitted during the waning hours and there was no collaboration with those who would be affected. MWUA, MRWA and others who represent groundwater users were, fortunately, able to modify the bill significantly. The bill would have required that the DEP approve a new public water supply only if it could determine that use of the supply as proposed would not have an undue adverse effect on waters of the State, as defined by Title 38, section 361-A, subsection 7; water-related natural resources; and existing uses, including, but not limited to, public or private wells, within the anticipated zone of contribution to the withdrawal. Enactment of this provision would have added a significant level of complexity to the permitting process for a new public water supply well. This language was deleted for those wells subject to the established Drinking Water Program approval process.

The study of state regulation of groundwater withdrawal was originally proposed to be

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carried out solely by an interagency staff work group. That was modified to include representation from members of the public with expertise in relevant fields of interest, including, but not limited to, agriculture, public water utilities, groundwater law and water bottling and sale, plus a private homeowner representative and at least three (3) legislators.

This effort will commence in the fall of 2005.

Conference No. 481

October 13, 2005

Manchester



Welcome to Augusta

*David Smith
Co-Chair, Board of Trustees
Augusta Water & Sanitary Districts*

Good morning everyone. Welcome to the Augusta County Club located here in Manchester, Maine. The water is the Augusta Water District's; so you've got some good water to drink. I want to thank President Kelley for coming here and I want to thank Bruce for inviting me. I also want to say, "Hello" to my former fellow trustee Bruce Berger who apparently is working the entire room today.

I am a trustee of the Augusta Water District and I have been the President, by default, for a few years now. I'm also a trustee and co-chair of the consolidated, joint, Augusta Water and Augusta Sanitary District Board. It's a very unique situation; a piece of legalese that our attorneys have helped us create so that the two boards are able to work together. Members of each are able to vote on and affect changes in the other district's realm of operations. It's complicated but it's working out. Sometimes it's a little burdensome. Sometimes it's even a real problem, but it is working.

You're going to hear some of the details of what we're doing. You've been following it in the newspaper and by communications among yourselves. You know that there have been some real periods of tension, stress and outright conflict. Politics has gotten involved in it unfortunately but, throughout it all, the water district trustees and the sanitary district commissioners have maintained that the sole purpose of this is to benefit the consumers. We have done our best to keep the politics out of it. It's a struggle. Hopefully sometime in the spring of 2007, there will be one district in the area and then we can get on to the business of taking care of our rate payers and can start some expansion and continue the upgrades to our system. It's very, very important to us and we're committed to it. Now you're going to hear the details. So with that, I'll introduce Scott Minor and thank you again for coming.

The Evolution of the Capital City's Public Water System

Scott Minor, Augusta Water District

Good morning. It's a nice turn-out today. For those of you who don't appreciate history, I apologize for these next seven or eight minutes. I have to admit that I love history. What I'm going to do

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is give you a little bit of an evolution of the public water system and how it developed in Augusta. I also have some old black and white photographs that you will hopefully find interesting. I'm glad that Roger Guerette is here this morning. He'll enjoy part of this presentation.

This is the capital city's water system. Prior to 1870, Augusta had no public water supply of any kind. Most residents had dug wells in their back yards. Augusta is in a valley - the Kennebec Valley - so people basically tapped in to the natural springs on the hillsides and piped the water down to their homes. They basically piped the water into cisterns and either carried the water in buckets or used a hand pump to bring it up to their house.

Fire protection was a major problem. There was a big fire in Augusta, circa 1863, that pretty much burned the whole downtown area flat. After that they installed several large brick fire cisterns. We discovered some of these in 1997. The capacity - I'm going to guess - was maybe 10,000 - 15,000 gallons. The craftsmanship of the brick work on the inside walls was unbelievable. The fire department would pump water out to a bucket brigade.

In 1870, the Augusta Water Company (AWC) was incorporated and Kennedy Brook was dammed up (Johnson Dam) as a gravity supply source. There was 5,675 feet of "Wyckoff Patent" wooden pipe (asphalt coated, spiral steel wound Michigan Pine) that was laid from Johnson Dam at an elevation of 166 feet down along State Street and Water Street. There was no public water system on the east side.

By the late 1870's, water demand exceeded the Kennedy Brook supply, requiring that supplemental water be routinely pumped from the Kennebec River into a Water Street hydrant, using the city's new steam engine fire pump. Shortly thereafter, the Augusta Water Company installed two steam pumps of its own near the railroad bridge, for the purpose of back-filling the supply impoundment.

In 1886, a syndicate of local influential business owners acquired the Augusta Water Company franchise for \$25,000 and continued its name. The new Augusta Water Company proposed to build a completely new water works, including 21.38 miles of cast iron pipe, 80 fire hydrants, a 6.0 MG reservoir, and 419 service connections. In addition, Kennedy Brook was abandoned in favor of thoroughly screening and filtering the Kennebec River supply via two Warren mechanical filters. Remarkably, the work was completed by October 1887. The distribution system begun in 1886 was the basis of the present Augusta Water District.

This is a picture of the old six million gallon reservoir being built in 1886. You can see the horses being used. When I came to work for the district in 1988, this was still in service, along with an adjacent 12 million gallon reservoir. Those were both replaced in 1990/1991 with two 6 million gallon concrete tanks by the unfunded mandates of the Safe Drinking Water Act.

These pictures show you a trench that was basically hand dug back in 1886. It gives you a flavor of the times - basically a picture of the gang of guys in there. No offense to women, but I don't think there were too many women back then doing hand shoveling. The guys were shoveling. If they came across some ledge, they got the dynamite out, touched it off and at the end of the day went to the local pub. There weren't too many chiropractors around to take care of stiff backs. They must have been ripping out every street in Augusta on the west side. Also, at this time, they ran a line across the Kennebec River under what was called the Lower Bridge. It was an old steel bridge, a stress design structure. The Augusta Water District bought this bridge in 1948 from Central Railroad because they actually installed, a few years before that, a 16" water line underneath that bridge to give them a second feed to the east side of Augusta.

There were also a couple of little private water companies serving the Augusta area. The most prevalent among them was the Divine Water Company. In 1889, the new Augusta Water Company leased the Divine Water Company (Incorporated 1874) for ninety-nine years at \$1,000 per year. The Divine Water Company (DWC) system was comprised of 11 springs, 4 small reservoirs and 124 service connections. By 1903, the new AWC system had grown to 31.69 miles of main, 124 hydrants and 1,528 services. In addition, the leased DWC system had grown to 204 services.

During the winter of 1902-1903, typhoid fever was so prevalent in Augusta as to be almost epidemic, with over 300 cases and 30 deaths. The origin was eventually traced to the city water supply

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(Kennebec River) which had become badly polluted by sewerage from Waterville and villages above. The Warren mechanical filters were incapable of rendering safe drinking water.

The new AWC was reluctant to procure a new supply which led a local group of influential citizens, including Governor Hill, to present legislation to form the Augusta Water District. The legislative act was passed and approved by the Governor on March 26, 1903. The people of the District also approved the action at a special election in June by a vote of 1,416 to 209 to incorporate the Augusta Water District. So that's when the Augusta Water District was actually formed.

Upon organization of the Board of Trustees, negotiations for the purchase of the new AWC were begun, which eventually led to the Augusta Water District (AWD) purchasing said assets. Shortly after the Board of Trustees was organized, they started to negotiate with the Augusta Water Company and couldn't get anywhere. Eventually they had to bring in arbitrators and accountants and a settlement was reached. They settled on May 16, 1904 for \$427,135.20.

On a side note, at this point in time, the Augusta Water District did not want to take over the Divine Water system at this time. They continued on their own until 1914, at which time Divine only had 8 customers left. Slowly people were hooking up to the AWD system. Sometime in 1914, with only eight customers left, they pulled the service from the Divine Water Company and it did not exist anymore.

The Trustees also commissioned a source of supply study (by engineer Allen Hazen of NY), concluding that Carleton Pond, located 8.5 miles west of Augusta, although marginal from a quantity standpoint, provided ample quality while at a sufficient elevation (333.0 MSL) to reduce pumping costs. Although two miles closer to Augusta, Cobbossee Lake (165.0 MSL) was selected as the backup supply source, given the high pumping costs associated with using that supply source.

In May 1905, construction began on the new supply source which included a new dam at Carleton Pond, a gate house, intakes, a pump station at East Winthrop containing two centrifugal electric driven pumps for Carleton Pond and one piston driven steam pump from Cobbossee Lake, two miles of 20 inch cast iron pipe, 6.5 miles of 24 inch cast iron pipe, and appurtenances. The project was completed on January 18, 1906 at a cost of \$245,571.

1926 was a very big year for the District as the new Superintendent Sid Anthony was hired, at the age of 26. He was superintendent until 1972. He served 46 years as superintendent which is probably a record for the state. He was a founding member of the Maine Water Utilities Association, as well. He had a big hand in the water works business. In that same year, the office building and operations garage were built at its present day 12 Williams Street site. Actually in 1926, they were still using horses so there was a blacksmith shop for shoeing horses.

The water system grew dramatically through out the 1930's, 1940's, and 1950's with many miles of new main being installed, including a new 16" sub aqueous river crossing. In 1955, two 18" gravel packed wells were added as auxiliary supply sources good for ~ 2.5 mgd and a third 18" gravel packed well was added in 1965 for additional capacity of ~ 1.4 mgd. In 1969, the AWD begins metering its customers. Coincidentally, 1969 marked the peak average day usage at 4.04 MGD.

In 1991, construction begins on the \$12M G.F. Laurin 5.1 MGD IDI Superpulsator Treatment Plant, which went on-line in July 1993. In 1991 & 1992, twin 5.7 MG concrete reservoirs were constructed to replace the two open water reservoirs that had been in service since 1886 and 1926, respectively.

In 2004, following the addition of chemical treatment and other comprehensive upgrades, the three wells were successfully pilot tested for 12 months as the primary supply source.

So as you can see, we've had quite a storied history in this area of providing public water supply and public fire protection. There have been a lot of changes. And as you'll hear as Dale and I do the merger presentation, we are not done yet. Hopefully things are staring to wind down a little bit. Thank you.

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Business Meeting

Report of Nominating Committee

*David Parent
Sanford Water District*

Good morning. The committee presents the following nominations for the Directors of the Maine Water Utilities Association: William Alexander, Jr. of the Brunswick Topsham Water District, Gordon Johnson of the Portland Water District and A. Gregory Reed of the Bangor Water District.

At this point I would like to open the floor for nominations, for Directors from the floor. Seeing none, I would entertain a motion to close nominations. It is so moved, there is a second, and I note that all are in favor. Thank you.

Presentation of 2006 Budget

*Jeffrey McNelly
Executive Director*

Good Morning. The 2006 budget, as listed in the program, amounts to \$361,700. There is a budget component for education and we may or may not access all of that, depending on how many training programs we put on. If there are questions, you can see me, or you can see the Board members. We do not need to adopt this, as we did that at the Board meeting. Thank you.

Maine Drinking Water Program Update

*Nancy Beardsley, Director
Maine Drinking Water Program*

Good morning everybody. Let me give you a few quick program updates. Probably the most important item to remember is that November 8th is voting day and our Bond Question is question #3 on the ballot. Unfortunately the question is worded in kind of a strange way. It's quite confusing. Remember that it is Question #3 and please vote for it. We've worked two years to get to this point and it's important. I know that the association is doing some work to get some publicity in the papers. The next item is our priority project list for 2005 and 2006. 2005 is done and 2006 is still being worked on. If you have questions about the priority list you can direct them to Roger.



We have some ERP (Emergency Response Planning) handbooks that we've put together. Those are free. They're really geared towards small systems so there probably is not a lot of applicability for this crowd but they are available.

We've hired Woodard & Curran to help us with our security task in house. They started a couple of weeks ago. I think that is going to work out very well for us. Primarily they're going to be working on our own internal emergency response planning, i.e. how does the Drinking Water Program respond to an emergency?

Odd number operator licensing renewals are up this year and you do need to have your copies of training contact hour certificates. We're also purchasing some new software to help us with operator

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licensing. As you know, we had a big influx of new operators. It's quite a task to try to keep track of all of the operators and all of the contract training hours.

For rule update, the latest that we've heard from EPA is that the Stage 2 and Long Term 2 rules are going to be final in January 2006. As you know this has been a real moving target. This is the latest we've heard and the Groundwater Rule will follow sometime on the heels of those.

Andy Tolman is working with a group consisting of agriculture, DEP and others on a report that has to be presented to the Natural Resources Committee next February to identify gaps in our surface water and aquifer protection capabilities. This actually could be a very good thing for us. Once we make that initial presentation to the committee in February they may decide that this, in fact, is a problem and then they need to consider this a priority. Thank you.

Bringing Wells Back on Line, Status of the Water Treatment Plant *Brian Tarbuck, Assistant General Manger - Augusta Water & Sanitary Districts*

I am going to share the Augusta Water District's story of changing source water. The typhoid cases that Scott mentioned sent us off on this long journey. At the end of 1905 Carleton Pond was online and everyone was happy. Water quality for that source is very typical of northeast surface waters; with low pH and low turbidity. Occasionally we had algal problems; hence we would use copper sulfate. For treatment, we chlorinated and fed lime for corrosion control. There is a long 24" transmission main from Winthrop to Augusta.

There was a high demand for water in 1950's. Wells seemed like a good idea for backup so they installed two in that time period. Those wells worked out so they installed another one in the 60's. In the 70's the Safe Drinking Water Act was enacted and there was much more emphasis on what is actually in the water. In the 1986 Amendments represented a death knell for most unfiltered systems, including Augusta's. It required that those plants which would have to filter would have to do that by 1993, so Augusta had some big decisions to make.

Consultants were queried and Metcalf & Eddy were hired to design a filtration facility. IDI & Microfloc pilot plants were tested and, ultimately, an IDI filtration system was selected.

In making the decision to proceed with filtration, a number of factors were considered. Concerning the surface water option, we were dealing with a known quantity, there was plenty of it; hence there was predictability and that provided a level of comfort. In addition, Carleton Pond was well protected.

Relative to the groundwater option side of the equation, there was concern that there was not enough quantity to meet demand. Wellhead protection was a concern also (ever see a clean gravel pit?) and at that point in history we thought there was a pending Radon Rule that would be problematic.

The decision was made to go with a surface water treatment facility. The plant came online in 1993. It is an IDI SuperPulsator w/ GAC filters. The process is very chemically intensive. It involves lime and sometimes KMnO4 on the front end, coagulant, polymer, sludge-blanket clarification, carbon filtration, fluoridation, more lime, chlorine gas and a sequestering agent. It tastes great and is less filling.

Let's fast forward to the 2000's. The Y2K bug turns out to be scam to sell computers. In Augusta, the Lipman chicken processing plant is gone, the Edwards Mill is gone and the projected 2000 flows from late 80's never show up. Our demands continue to fall. AWD has very high rates compared to rest of the industry. We conducted a study to evaluate the feasibility of connecting with the Kennebec Water District and that showed that the costs were prohibitive. It was costing us lots of money to keep the plant going.

The plan to switch to the wells was initiated in 2003. The treatment plant needed upgrades; that was going to be expensive and there was not enough money to do what needed to be done. We did most of the work in-house (design, drawings, installation of equipment, etc.) and subbed out construction of the structure, well performance tests, high voltage services and other components. The total cost was about \$400,000.

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Our design priorities were to simplify, simplify, simplify. We use flexible, non-proprietary controls, use many vendors and buy products for quality, not cost. We also asked for help (i.e. the Kennebec and Brunswick / Topsham Districts).

We combined all three wells into one common treatment scenario. We expect that we will be able to meet 4 log viral inactivation, in the pipe, and be able to meet the anticipated requirements in the Ground Water Rule. The cost to operate the wells is approximately 40% less than operating the filtration plant. The actual time to operate is nearly 90% less. There is no waste stream.

All the wells are treated at a common building. We use sodium hypochlorite for disinfection, sodium fluoride for fluoridation and Calcquest liquid, which is a 75 / 25 poly / ortho blend of corrosion control product. The process is PLC controlled; we do have a High pressure pumping issues as we run at 110 psi.

We have seen some water quality changes. Our hardness went from 30 to 130 and that is not popular as it impacts boiler operators, dishwashers and tea drinkers. The 24" main from East Winthrop to Augusta doesn't work as well going from Augusta to East Winthrop. We have eliminated our TTHM and haloacetic acid exposure. We meet the Lead and Copper Rule requirements with minimal treatment.

Now what do we have for challenges? Wellhead contamination/protection is an issue. We are thinking about buying more land for some additional wells? We also need to consider partnering with local utilities for water supply.

What do we plan to do with the existing plant? Right now it is being mothballed and we need to determine what state of readiness to keep it at; whether that be 15 or 30 or 90 days. We have given some thought as to how we would restart the plant. We think about security and fire issues and are not sure if or when the plant will be needed again.

There are public concerns about not using the plant, as we are paying for a plant we don't use.

The take home message is: simplify, simplify, simplify. If there's an opportunity to easily modify your system, it may make it easier to run.

If you have a surface water plant and you decide to go to ground water, the location of the source and the demand for water are, no doubt, critical factors to consider. Pipe size and travel time are extremely important for water quality. When you make a change and then go out and test for chlorine residual and other parameters, you appreciate those factors. It's important to think about those things ahead of time.

This is very key: get help from other utilities & vendors. I talked to a lot of different vendors. I talked to a lot of utilities during this and it was really one of the most helpful things that I could have done. I asked them: "If you were to ever do it all over again, how would you do it?"

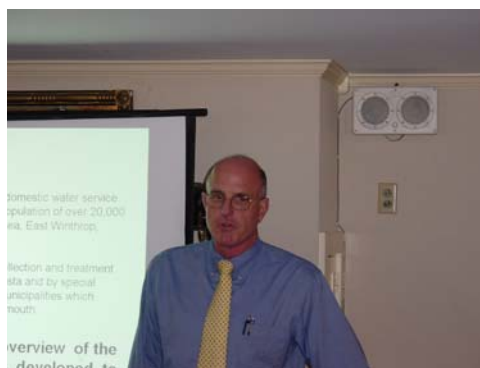
Vendors are extremely helpful, in providing us different ideas and options. Try to design as much as you can yourself. You may not be able to design the fittings and sizes and finalize all those details but if you know the process, you know what needs to work and you know what hasn't worked before, you can do much of this yourself. Thank you.

Utility Merger Case Study "Logistics of Merging Operations"

*Scott Minor, Augusta Water District
Dale Glidden, Augusta Sanitary District*

Minor: Dale and I want to keep this informal. We've got some information that we want to share with everybody. We've been through quite an experience over the last few years. Feel free to ask questions during the presentation at any point in time.

Glidden: As an introduction, merger can be a scary word for people who don't believe in it. Merging the two utilities was the best thing that could have



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happened for our customers. When you go from 4 million gallons a day to 1.5 MGD that affects both utilities; unfortunately just because usage drops off, that doesn't mean the costs go down. Both districts had very high user fees.

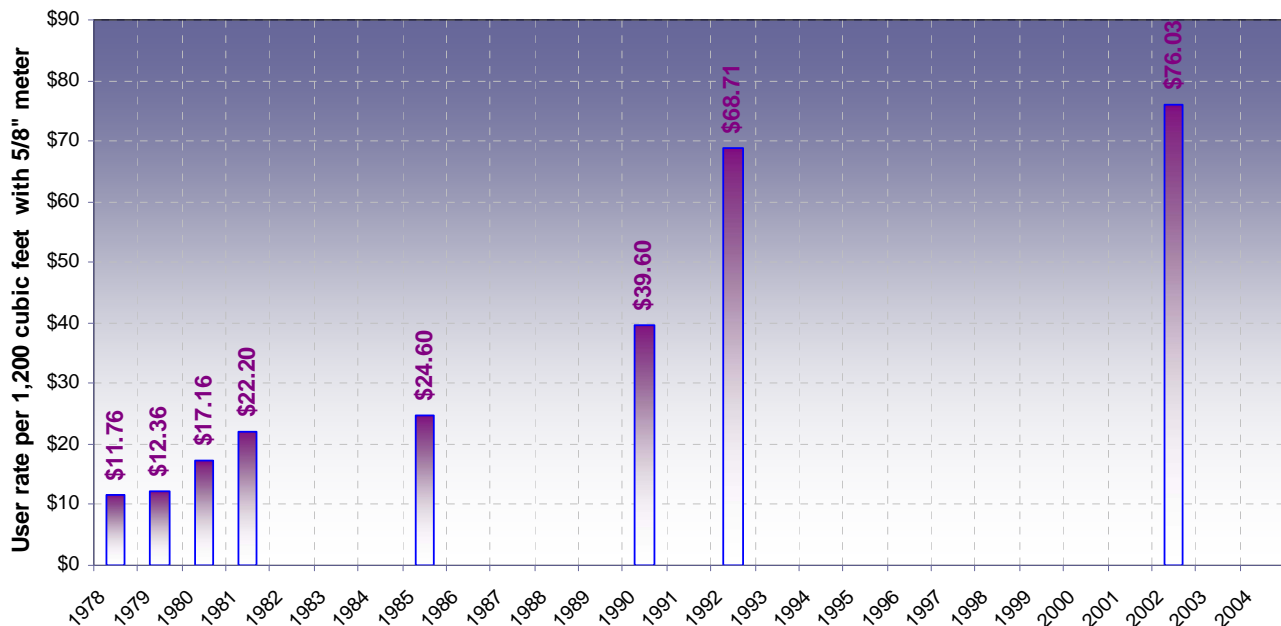
Minor: We're going to do a quick overview and some background. On the water side, we provide water to 5 communities; serving a population of over 20,000 people within the municipalities of Augusta, Chelsea, East Winthrop, Hallowell, Manchester and Vassalboro.

Glidden: On the sanitary side, we're a fully new facility. The sanitary district never came into being until 1962. We're a pretty unique district, not only do we have a waste water treatment plant (which was one of the first things we built because we were polluting the Kennebec River) but we also own our own wastewater collection system; all the pipes within in the City of Augusta belong to the sanitary district. We're responsible for sanitary collection and treatment and storm water management for the City of Augusta and, by special agreement, sanitary treatment to the "trunkline" municipalities which include Hallowell, Manchester, Winthrop and Monmouth. We own the main sewer line that connects all of those facilities to us.

Minor: The AWD is governed by a three member Board of Trustees appointed by the Mayor of Augusta to guide operations and set policy. The board expanded to 6 members in April 2005 via an Interlocal Agreement with the Augusta Sanitary District. AWD owns and maintains 128 miles of watermains ranging from 1" to 24" diameter, along with five booster pump stations and ten reservoirs capable of storing over 17 million gallons. AWD has 5,791 metered customers comprised of residential (84%), commercial (13%), governmental (2%), and industrial (<1%) classes. Since 1992 we have reducing the amount of non-lined watermain from 41% to 28%.

The AWD's 2004 total revenue was \$4,845,662 of which approximately 74% was derived from metered revenue, 16% from public fire protection hydrant rentals, 5% from private fire protection assessments, and 5% from miscellaneous sources. The quarterly water charges for a 5/8" meter using 1200 and 2000 cubic are \$76.03 and \$104.03 respectively. 2004 water sales averaged 1.58 MGD (an all time historic low), down from 1.96 MGD in 1994 – a 24% decline. In April 2004, the AWD switched to its ground water supply (3 wells) to save \$300,000 in annual operating expenses, effectively mothballing its \$12M surface water treatment plant. The AWD complies with all water quality regulations set forth in the Safe Drinking Water Act.

This graph provides a history of user rates since 1978.



There are only a handful of systems that have rates higher than ours.

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Glidden: I will provide a few highlights on the sanitary side. The ASD was created by an Act of the Maine Legislature in 1955. It is governed by a 3 member Board of Trustees appointed by the Mayor of Augusta to guide operations and set policy. The board expanded to 6 members in April 2005 via the Interlocal Agreement with the Augusta Water District. ASD owns and maintains 105 miles of sewer main, 15 pumping stations, 35 miles of storm water mains, a secondary waste water treatment plant and a regional trunkline sewer system. ASD has approx. 4500 customers comprised of residential, commercial and governmental. ASD's 2004 total revenue was \$5,027,849. The ASD's annual charge for a family using 2800 cubic feet per quarter is approximately \$400, which is on the high side for a lot of communities in Maine.

The biggest issue facing us is our Combined Sewer Overflow (CSO) problem. The Augusta system has a combination of storm water and sewage that discharge to the Kennebec River and many of its tributaries during storm events. Obviously those discharges violate water quality standards. We are required to clean those up; at today's dollars it's about a \$40 million price tag.

We've spent \$20 million to date on 2 major projects, a treatment plant upgrade and a 1.5 MG storage and transportation conduit. A third major project underway is estimated to cost \$10 - \$15 million.

The CSO project has impacted us hard. We're spending about 33% of our budget to pay off debt.

In 1986 and 1987 we implemented a new storm water fee. Every single piece of property in the City of Augusta that is either connected to city sewer or that has property abutting a city street that has a city approved storm water system on it, pays a storm water fee. There's only 1 other community in New England that has this fee. It is very, very unpopular. We implemented this fee to offset some of the cost of the CSO program. The good thing about this fee is that it applies to the state and the federal government properties. They pay for all their parking lots and the square footage of all of their buildings; it's a pretty good sum of money on storm water fees.

Minor: At the beginning of 2003, the Augusta City Council set as one its goals an examination of the organizational structure, workings and finances of the two districts. The purpose of the examination was to determine if cost savings could be realized through consolidation of services or a merger of the districts, including the option to bring district services into the operations of city government. A Utilities Committee was appointed by the City and made its recommendations a year later, in January 2004, to bring the AWD and ASD into city government as bureaus in order to save an estimated \$600,000 annually.

The recommendation to disband the districts became very controversial, particularly among district employees, district board members and municipalities outside of Augusta served by one or both districts. This recommendation was ultimately abandoned in favor of the Utilities Committee's second recommendation to consider merging the AWD and ASD into one "Augusta Utilities District". A letter dated April 5, 2004 from the Mayor of Augusta to the respective chairs of the boards of each district contained the following:

"We felt that if a plan can be developed jointly by the two boards that accomplishes in a reasonable time the merger of the two districts into one and also effectuates cooperative agreement between that one entity and the City for additional operational efficiencies that we would be satisfied. The Council and I feel, at this time, that pursuing the absorption of the districts into city government is too much of an undertaking and likely too controversial (if the former can be accomplished)."

On April 16, 2004 the chairs of both boards responded by letter to the Mayor stating that "We are in the process of beginning strategic planning sessions and anticipate submitting within the next ninety days an outline and timeline for effectuating a merger in the accordance with your request."

Glidden: A philosophy was adopted for the merger. At that time morale was as bad as you could ever expect it to be at a workplace. Employees had seen their names, not just their positions, posted on white boards and publicized at public meetings. There was an expectation, based on a public record, that there was an opportunity to reduce rates by saving \$600,000. When the boards finally committed to the Mayor that they were willing to aggressively consider the merger, we asked ourselves: How can we best do this?

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There are many models that you can use for a merger. You can create an organizational chart, redefine everybody's job descriptions, create a whole new organization, and then try to fill it and make it work. Scott and I both believed and convinced our boards that we didn't feel that was the right way to go. We felt that we had been through enough, emotionally. What we really wanted to do, instead of creating a time line and a deadline, was to create a sequencing of events - things that we wanted to accomplish over a period of time with the goal of having everything done within a 2 year timeframe. We established some benchmarks for which we could be measured in order to report back to the City Council and the Mayor. We wanted to do this very deliberately and get it done right. We wanted to try and do it as right as we could, knowing that we had never done it before; we really didn't have any idea of what we were getting into, but we really didn't want to make it any worse than it already was.

After several months the two Boards decided to pursue an Interlocal Agreement (under Title 30-A, Chapter 115) to establish a Consolidated Board. This law allows one public agency to exercise its powers, privileges and authorities jointly with another public agency. They felt they would only seek legislation after the merger was effectively complete. This was determined the best approach to address the controversial atmosphere that remained charged with lingering concerns and skepticism about hidden agendas and ulterior motives.

The plan was to implement the consolidation in phases over time, but we were really forced early on to merge the accounting and billing departments. The water side had lost a couple of key people. They had a couple of more that were going out on maternity leave at the same time which would have left only 1 person in the office. Obviously, that would not have worked. So the first departments that we considered bringing together were financial and billing. Then we developed an organizational plan, based on how we felt the rest of the organization should fall in to place and, quite honestly, we adjusted that every single step of the way.

It is important to develop a proactive communication strategy with stakeholders, employees and the media to alleviate confusion, concerns and potential misinformation. Try to keep them involved in the decisions that are being made. I use the analogy: if you're standing in front of a horse, the view is a whole lot different than if you're standing behind it. Scott and I stood in front of that horse and we had a pretty nice view of where we wanted to go. We did try to communicate as much as possible to the employees. All they saw was the back of us. They didn't know what was coming. So we tried really, really hard to keep people involved as we went forward. We needed to make sure that we kept the stakeholders informed every step along the way. We sought their input where appropriate.

One of the biggest things that helped was that, early on in the process, we established a merger committee meeting comprised of Scott and I, the Board Co-Chairs, the City Managers and the City's Human Resources Director. We also hired a facilitator. I think those actions paid dividends many times over. This subcommittee proved to be vital in deliberating what were often controversial and divergent perspectives of water and sanitary operations, before recommendations were brought to the Consolidated Board. The Merger Committee never took a recommendation to the Consolidated Board that didn't reflect a consensus position. Trying to make all of those minor decisions in a public process at a board level wouldn't have worked, so this was really key.

Like I said, a high value was placed on employee morale and employee retention. As a result, the managers routinely addressed employee concerns and made themselves available to answer questions at any time. When significant events occurred, the employees of both districts were called together for a joint briefing, many of which were also attended by the board co-chairs. Accessibility to employees throughout the merger process is the key communications strategy - there should be no barriers for upward communication.

This merger has been like peeling an onion. You take one layer off and you think you're almost done, yet you find what seems like a thousand more below it. That's exactly what we've been going through, taking one layer off at a time and evaluating, seeing where we are, seeing if it fits. If not, we back up and take a different direction. Some day we'll get down to the core, but we are not there yet.

Minor: Let me add a little more on the Merger Committee. That just wasn't a committee in name. That was probably the real working group before this merger took place. The board chairs, when they

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signed on to be trustee or commissioner had no idea how much time that it was going to involve. I think at some point in that process, for about 6 months or so, the merger was probably taking up at least half of my day, and I'm sure it was the same thing for Dale. It was just a very, very busy time and you just have to communicate and iron out these issues at every stage of the game.

The next thing that we did early on was to draft an organization chart on how we thought the new merged entity would look like. This chart is still in process. Basically we felt that we had to have three departments. We had Engineering and Systems Services over on one side; meaning distribution services and collections systems and all the engineering functions as one department. We had Financing and Billing, and we had the Water Quality piece which includes the sanitary district treatment plants, the wells, the water tanks, the pump stations and all the related pieces.

The union personnel have not yet been placed under any sort of a working structure. We need to go through union negotiations and that's the next big bite of the merger project apple. We have not yet attempted to do any merging, other than some cross training, with the union personnel. The organization chart really doesn't reflect how the Union membership will stack up when we go forward.

You really try to keep a fairly flat organization structural meeting. You have the general manager, three main department heads below that position. One of those department heads is the Assistant General Manager which is the role that Brian serves. Brian is not only the Assistant General Manager, involved in as much of the administration as he can be, but he also responsible for all stages of the Water Quality Department. We try to break the team into three distinct groups that have their own individual tasks. We created job descriptions that fit that structure and those tasks.

Minor: I want to give you an idea, logistically, of the time frame of merging and consolidating different parts of the operations. As Dale mentioned, the first real crisis piece in the consolidation was in April of 2004. At that time, two AWD customer billing staff and one AWD accounting staff moved to the ASD's Hospital Street office location to begin cross training and consolidating with the five ASD staff. The AWD lost its Finance Director (due to retirement) and the Assistant Finance Director (due to resignation) prior to the move.

We didn't have the chance to map out a well structured, well organized, smooth merger process. We basically had to just jump in and force people together. As a result, the three remaining water staff moved up to the sanitary office in an office that wasn't big enough for all of them. It was very noisy and very chaotic. They really did their very best and they really set the example for the organization.

Two of the combined staff went on maternity leave that summer and one person went out on jury duty. So every time we thought we were making progress, we would lose another person.

Glidden: We didn't really merge those people early on, we combined them. There's a difference. With the nature of the people leaving, we really had no choice. We just threw them all together and said this is your work flow and we'll work out a structure and process flow as we proceed. That office staff set the bar for the rest of the organization. Scott and I use them numerous times as a model. Slowly but surely they went from being a combined status to a merged status and they're functioning very, very well.

Minor: We would actually meet with them, every other Friday morning, to have an informal chat session to find out where they were, what their concerns were and to get some feedback from them so we could help them improve and modify the process. That worked pretty well.

In June 2004, we combined both of our Safety Committees and Accident Investigation Teams. In July 2004, the AWD Fleet Mechanic assumed the responsibility of maintaining all ASD rolling fleet and equipment and an Office Manager was hired to oversee the consolidated financial and accounting staffs. This position ultimately replaced a staff person who did not return from maternity leave.

In October 2005, we began cross training the laboratory personnel. We had one on the water side and they had two on the sanitary side. The one we had, when the plant got shut down, was there all by herself. As a manager you know that's not a good situation; it's a safety issue and it's the island mentality issue. We knew that we had to get her out of the plant and someplace else. What we did was to begin thinking about a new water lab and that lab actually ended up being at the sanitary treatment plant.

In December 2004, the maintenance and controls personnel began cross training on respective operations (i.e. ASD treatment plant, AWD wells, pump stations, storage tanks, etc.).

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In January 2005, following months of development, a common personnel policy manual was implemented for all AWD and ASD non-union personnel, excluding a universal pay scale. We had very different systems. The water side tends to be a very rigid structured system. The sanitary side had more of an informal system and it tended to be more merit based. After a lot of discussion, we actually came up with a merit based pay scale which, I believe, the employees are going to appreciate. It did involve some "orange line" positions because of the various pay scales. We'll get to that in a minute, but as far as what is being established here, hopefully it will work out quite well. Then we began talking with the union's, bargaining units (Teamsters for the AWD and AFSME for the ASD), in an informal session in February of 2005. We wanted to sit down and let them know what the deal looks like and they were very receptive. At that meeting, they informally stated that they didn't need to have two unions. They felt that one could best serve the different entity.

As I mentioned before, in December of 2004 the maintenance and control people started to get to know each and do some cross training. The manager on the water side actually took the initiative to come to Dale and me and say: "You know it's actually crazy for me to be running back and forth to the plant to cross train these guys. Let me just take our three person unit and see if we can move in, so we are living and breathing with these folks everyday." That showed me that Dale's camp had bought into the project and that was a big step forward. In February 2005, the AWD Maintenance & Controls Department was relocated to the ASD Treatment Plant.

In March 2005, construction of a new water lab commenced at the ASD treatment plant. The new lab was occupied in July 2005, allowing the AWD treatment plant to be mothballed. In May 2005 we made another big step, the ASD Engineering and Operations personnel (the road crews) were consolidated at AWD at the 12 Williams Street site. Also, a decision was made to move all customer billing and accounting personnel, along with the ASD Manager, to the AWD's 12 Williams Street site. This move was crucial to managerial oversight as all personnel were now either located at 12 Williams Street or the ASD treatment plant.

In July 2005, the Consolidated Board decided that the future manager for the consolidated utility would be hired via an "open search" process and encouraged both current managers to be candidates for that position. It wasn't going to be an appointment process, as is typical in the utility business, and I expressed interest in not being a candidate for that position. In August 2005, upon the recommendation of both managers, the Consolidated Board agreed to appoint the ASD Manager as interim General Manager for the remainder of the merger process.

Glidden: That was a big step and I don't want to make light of that. The original sequencing of events included a last step of management being reorganized. Both Scott and I stayed involved through the entire process to the bitter end. He and I realized here this past summer that, with as much stuff as we had merged, we were really getting in each other's way. We had two different management styles. There were no hostilities at all, nothing but complete respect for each other. We both recognized that from an employee's standpoint that we needed to get to a one manager system. I had told the Merging Committee that I'm ready to go and I'll take my retirement this summer. But they had decided that they wanted to make this an open process. Neither Scott nor I wanted to apply for that. We both felt that we were qualified for the job but that we did not need to go through that process. I'm getting very near the end of my working career. Scott felt, for whatever reasons, that it wasn't something that he wanted. So, we were able to broker some deals to help Scott get what he wanted and I'm staying around until after the merger process, through sometime in 2007. The board will go through some kind of a process to get a new general manager.

Minor: So at this point, I'm kind of a consultant to the District. I'm working through the end of this year and then after January, I'll be doing something else.

Glidden: Scott mentioned that we had met with both unions. In September 2005, collective bargaining talks started. The unions (Teamsters and AFSME) agree in principle that only one unit should represent the new merged utility. Unfortunately, no standard or precedent exists within the public sector to accomplish the blending of collective bargaining units. There is precedent in the private sector because it's been done many times. There is none in public sector, but there will be and we are the test case.

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So we had a meeting with both union business agents, their attorneys and the district hired a labor attorney. We met with the Maine Labor Relations Board and came up with a procedure that the Maine Labor Board said that they could sanction in order to allow the process to take place. Basically what happened is that the AWD and ASD filed a petition with the Maine Labor Board that we are now a new employer. Even though we're two separate utilities we are, in fact, operating as one utility so we can call ourselves a new employer and, as such, we want to have the right to negotiate and bargain with one single bargaining unit. The Unions had an opportunity to contest that. They agreed, early on, not to contest the petition which means that the Maine Labor Board then asked me to send them a certified list of all sanitary and water employees, their seniority, addresses, job titles, etc. which I have done. The long and short of it is that the all the union employees will have the opportunity to vote for AFSME, Teamsters or none of the above. Once that's done, then we'll start opening up the negotiation process.

Minor: The space or lack thereof presented a major problem as neither the AWD or ASD sites were large enough to house all the operations of the combined utility. An architectural firm was hired to conduct a space utilization assessment and develop a facilities master plan. Their conclusion, to no one's surprise, was that neither site was adequate and that a new location should be sought. A "perfect" new location was identified, comprised of a 60,000 square feet open concept building on seven acres, with easy access to I-95 and other major arterial routes throughout the city. Preliminary negotiations with the owner included the option of a \$1.8M purchase price (down from the original \$2.2M asking price) or several lease-purchase options with terms up to ten years. In the end, the Consolidated Board could not agree to pursue this option.

Therefore, realizing the increasing difficulty of managing staff working from two different office locations, a decision was made to renovate and consolidate all billing, accounting, engineering, operations, administrative and related support staff to the AWD's 12 Williams Street location. Under this scenario, all "second line" vehicles and equipment and the majority of inventory was relocated to the ASD 170 Hospital Street location approximately 1 1/2 mile away. The cost of the renovations were around \$45,000. There are no meeting rooms. There's no board room anymore so we're making other accommodations. We're hoping that it will be suitable for maybe 5-7 years of operation.

Glidden: We have had some interest, and negotiations are currently underway, with a credit union to lease the former ASD office building to generate an additional revenue stream and develop further cost savings.

I want to touch on a couple of the logistical situations that came up. Concerning two-way radio communications, once we had both the ASD and AWD working together they could not communicate. They were on different frequencies, prior to the merger, that could not be tied together. The districts allowed a third party to install radio communications equipment on an existing ASD tower (located on AWD property) in exchange for free use of the new system. New mobile radios were installed in trucks and equipment and new desk units were installed for personnel as required.

In regard to after-hours coverage, both the water and sanitary sides had less than adequate duty coverage after hours. Early on Scott and I both recognized that one of the things that we needed was to have appropriate duty coverage for all the water and sanitary needs after-hours. We have adopted a plan that will be implemented over time. The districts will remain independent through December 31, 2005, after which a common emergency coverage policy will be implemented for both utilities.

Concerning telephones, when we moved the water district's business office over to the sanitary district office, we needed to transfer their phone calls up there. How do you do that? How do you make sure that when the customer calls in you can tell whether it's a water or sanitary customer? We combined telephones using voice-over-IP and set up different rings in the billing office to distinguish between ASD and AWD customer calls.

Computer needs had to be addressed. We combined network servers to allow sharing of files, interoffice emails, etc. Thanks to Brian and all of his hard work, he was able to jury rig a computer system for us. As general manager, if you want to email all of your employees, how do you do that? Brian was able to help us out and network all of our systems so we were all on a level playing field. That was really huge.

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As far as bookkeeping was concerned, not only did we need to maintain two sets of books but we were using two different sets of software. Trying to blend all of those packages together and trying to cross train so everybody in the office could use them was a challenge.

Relative to the sharing of resources – who gets to use what, and when? Scheduling and prioritizing becomes even more important. Company communications is being addressed. The Water District, every year, had put out a very nicely done newsletter. The Sanitary District had done something less glamorous and less adequate than that. Actually it was pretty pathetic. The problem is that they would send one and then we would send one, pretty much to the same customer. That doesn't sit well with your customers when you're trying to merge. We're trying to figure out how to get joint information out to our customers.

It wasn't bad enough that we actually moved the office once, we did it twice. We moved them up the road and then we actually moved them back down the road. How do you do that without disrupting customer service and emergency calls, transferring telephones and computers back over again? Just trying to overcome all of these little logistical issues, that you don't even think about in a merger, is very interesting. There are numerous, numerous issues and we're not done yet.

The human element is critical. There are many, many issues when you are talking about the human element side. The problem is that, early on, we all recognized that some of the biggest savings that could occur were by a reduction in staff. You don't need two general managers. You don't need two financial managers. You don't need two maintenance supervisors. And those people all knew that so we had to try and work through that process.

Fear was a factor. What's going to happen to my job? Who am I going to work for? Who is my boss going to be? Do I have to work for them, if I don't like them? Change is difficult. Is the glass half full or half empty? People were learning different routines, new job duties, perceived demotions and in a new culture.

We touched on some salary and benefit disparity. That was really significant. Just getting to a common benefit personnel policy took hours. AWD had higher wages while the ASD had better benefits. Trying to blend those together and trying to communicate that to the employees so they didn't feel that they were losing was a significant issue. Many of the water district employees had a better pay rate than some of the sanitary employees and there was no way that the sanitary employees could get large raises to bring them up to the water district scale. We spent hours trying to refine job descriptions and trying to put people at appropriate pay rates. In some cases, there were people who received moderate rate increases. Many people, especially those in management, did not get any salary increases.

In some cases there were people who were out of scale, in that they were above the scale. We decided very early on that we really didn't want to take money away from people and reduce their salary but we also didn't want to freeze their salary for a number of years. We established a system called "orange line." Those people who find themselves above scale will get half the COLA increase every year until the pay range that they are in catches up to them. So, trying to resolve all of those issues was very challenging and required constant communication.

The rumor mill was also something we had to deal with. I don't know how many times I heard: "Is my job going to be eliminated? So and so said you're going to get rid of my job." The source of that was negative speculation and creative imaginations. We were constantly, constantly trying to overcome the rumors.

We also recognized that one way to try to reduce staff was to establish an exit incentive program (an early retirement offer). Unfortunately, when you do that you can't target certain positions; you have to craft a plan that is eligible for certain people (based on either age and/or years of service). Four or five people would have been eligible to take advantage of that offer and three of them decided to do that. That will take place at the end of this year.

Losing co-workers and friends was tough. I have to tell you – as there are a lot of water district employees in this room - that when Scott made the announcement that he would no longer be the general manager, those people didn't feel very good. They didn't know me. My reputation, for whatever reason, was a little scary on that side of the house. Those people had some real concerns. That's difficult for

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those people to go through and you have to be sensitive. Many issues need to be blended together. Chain of command is much more formal than ever due to the larger organization.

I can tell you that there were huge issues with the six volunteer members of both boards. You wouldn't think that would be the case but I can tell you that we often brought the board kicking and screaming along with us. There was a significant lack of trust between the sanitary district commissioners and the water district trustees. It has taken a long, long time to overcome some of that and we are still working on issues such as split votes, end results not fully accepted by all members, accepting change and management recommendations and other things.

Downsizing to one general manager was as difficult on the Boards as it was on staff. The water district trustees put their faith and trust in Scott and the sanitary district commissioners favored me because of my years of service. So having Scott and I get to where we were made it easier for them.

The time commitment required to properly oversee the merger was phenomenal. The trustees put in numerous hours at some of those meetings. There was concern with public perception, media inquiries and political accountability. This adhoc utilities committee developed unrealistic expectations – pressure to realize immediate savings. We are going to save some money in operational costs, but we are not going to reduce rates. For example, the power bill next year is going to be about \$200,000 more than it was this year. How do you communicate that to the public?

Hiring a very qualified, strong facilitator to come in and keep bringing things back to neutral was really important. I think that helped the board as much as anything.

Minor: under “lessons learned” I would like to recap some of the things we've already talked about this morning.

- Avoid “Turf” protection – you need to do what's best for the ratepayers.
- Hire a strong and experienced Facilitator. For those of you who don't know, our Facilitator was Kay Rand. She came with a price tag but she knew who the players were and she knew what was going on. I'm convinced that, without her, we probably would not be at this stage of the game.
- Keep employees continuously informed. You almost have to meet at nauseam sometimes but that will hopefully keep the rumor mill down to a bubble - or a simmer - instead of a boil.
- Address all issues, fears and concerns in a direct fashion early on.
- Be willing to compromise – A LOT! You have to be willing to give up a lot of things that you don't really think about. Compromising is really important.
- Be willing to change course – a good idea today may not be so great tomorrow.
- Be flexible – mergers are a complex, dynamic and fluid process.
- Be patient – invest in time. Progress is not always uniform and consistent. There are several meetings a week and these are usually during the day. If you don't have the right people who are going to commit to that time frame, you're going to be lost. I want to give Dave and Diane (who was the sanitary co-chair) a huge pat on the back. It just takes hours and hours of time.
- Be prepared for the unexpected, such as maternity leaves, jury duty, political jabs, etc.
- Remain positive, lead by example – the glass is always half full. Some days it's easier to do that than others, as we all know. When you have 15 different things going on and the boat seems like its sinking, it's important to have a cheerful attitude. It's important to do that because your staff is going to feed on that.
- Communication, communication, communication – that's the key.

It's been a long journey; very different than I thought it would be. But I think that this is going to be an effective utility going down the road. It's always tough when you have to break trail. And we've done this here.

Kay Rand, who I mentioned earlier, is in the process right now of working with the State Planning Office (and I'm working with her) to write the “Merger Bible.” Every case will be unique and different because no case fits a model but, hopefully, it will allow people to have some kind of direction and guidelines if you're considering some kind of a merger in the future.

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We're here right now because we have a lot of good, valuable information to share with this association. We gave a similar presentation in September to the Maine Wastewater Control Association. We saw a lot of interest there. We're probably not done yet, because with money being tight these days, people are looking at mergers in your communities.



Minor Receives Nixon Award

Scott J. Minor, General Manager of the Augusta Water District received the Jeff Nixon Distinguished Service Award at the October bimonthly meeting. The award was presented to him by President Judy Kelley.

The Jeff Nixon Award may be bestowed upon an eligible member of the Maine Water Utilities Association who has demonstrated, in the opinion of the Selection Review Committee, that he or she has provided two or more of the following:

- A career of service to a Maine Water Utility.
- A demonstrated dedication and commitment to the Maine Water Utilities Association over a period of ten years or more.
- Outstanding contributions to the water works profession in Maine.

Congratulations, Scott, for this well deserved accolade from your peers!

Conference No. 482

December 8, 2005

York Harbor

Welcome to York

Carrie Eisner, Vice President of Operations, Greater York Region Chamber of Commerce

Hello, welcome all. It is our hope that you'll have a pleasurable experience in York. We at the Greater Region of York Chamber of Commerce are certainly glad to have you here, hosting an event like this in our beautiful community. We cover four towns: Kittery, Elliot, South Berwick and York and we call that the Keys region. We are the fourth largest chamber in the State of Maine and with the power of those four communities combined, we certainly are planning for the future. We look forward to doing all sorts of things that will involve people like you in how to develop this growing area and plan for our future. We have great programs that we're doing. Our Future By Design program is a conglomerate of many communities and organizations that's planning on how to structure our future.

We're glad to have you all here. We hope you enjoy your stay and come back often. Thank you.

Overview of York Water District

Don Neumann, Superintendent, York Water District

Good morning. Thank you all for coming today. Before we get started I want to congratulate Mike Nadeau of the South Berwick Water District for, supposedly, the tastiest water in the state of Maine.

I will provide a quick little history of the York Water District. Josiah Chase was the founder of the York Shore Water Company. In 1895, it was organized for the



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purpose of supplying the Town of York and Wells with pure water for domestic and municipal purposes, including fire protection.

In 1896 service was turned on to York Beach, York Harbor and York Village. In 1929 the York Water District took over the York Shore Water Company. We have a 5 Member Board of Trustees and 18 full time employees.

We have 3694 annual customers, 331 commercial, 47 governmental and 968 seasonal customers. Basically those seasonal customers are a lot of work to maintain but I think it's well worth it in the long run. Our meter system is basically all Sensus equipment. We have a complete hand held touch read system now and in the next four or five years we're going all over to radio read. That will make a big difference. As it stands now, it takes two people a week's time every month to read and we're hoping with the radio read we can knock that down to one person a half a day per month. It's going to be a real time savings. We have a strong commercial and residential cross-connection control program.

This slide is of our watershed and various areas surrounding Chase's Pond. Basically there's 2090 acres within the black line that's within our watershed. Of that the district owns 1651 acres (78%). There are about 200 acres in this upper area that's being developed for about 40 homes. There's really only about 200 acres that we could possibly get our hands on; we try to negotiate to acquire those lands whenever possible. The district owns or maintains control of the complete shoreline around Chase's Pond, which is about 3.5 miles long. Chase's Pond has a volume of about 650 million gallons.

We get a lot of calls and people ask: "Why can't I put my boat in the pond? We can do it in Sebago." They always use that as a comparison. Chase's Pond is really kind of like a bathtub and with our watershed management program, we do a really good job of trying to protect it and to keep it well maintained. The other thing about our watershed is that, for over the last 30 years, we've maintained an active timber harvesting program that has been very successful.

This next slide of our watershed at Chase's Pond, is what we call Santa Claus Rock. You can only see that from a boat. So chances are, if you've seen that, you might find Gary on your tail pretty quickly.

This slide is on top of Mount Agamenticus. We have a telephone communications tower up there. Many years ago, the phone company actually built the tower. At the end of the 20 year lease period we had the option of either letting them tear it down or taking it over and we opted to take it over. As it stands now we have 10 tenants and the revenues generated are put into our watershed mainly for land purchases. With so little land left out there, the price of that land is going up a little bit. We also use the funds for road and trail maintenance and watershed protection.

This is a photo of Josiah Chase Water Filtration Plant. Our treatment plan was put online in 1990 and was designed to produce a maximum of 4 MGD. One of our latest projects is that we eliminated the use of gas chlorine and we went to sodium hypochlorite. We use chloramines as a secondary disinfectant in our distribution system. This time of the year we put about $\frac{3}{4}$ quarter of a million gallons per day. Over the year our daily average is about 1.1 MG. our summer maximum day is about 2.5 MG. We have had days in the past that have been 3.2 – 3.3 MGD and in 2004 we produced 396 MG for the year.

Over the last seven to ten years we've had a very active leak detection program. The first year we actually reduced what was going out of the plant by 30%. We had a company come in to find the leaks; our crews got on their heels and repaired several leaks that season. It was very impressive at the end of the year, to find out what we were actually losing due to those leaks.

We have about 80 miles of distribution mains. They range from 6" to 16"; with a lot of it being cast iron, but for the most part we have a lot of ductile cement lined pipe. We have about 14 miles of seasonal mains that get turned on the end of April and they get shut off the fourth Monday in October. We have two service tanks in our systems - a 2 MG tank on York Heights and a 3 MG tank on Simpson's Hill. Both have an overflow elevation of 190'.

This is a quick shot of our distribution system. For the most part most of our customers lie between the Cape Neddick River, the York River and the turnpike. You've probably heard that over the last couple of years, we've been working on interconnections. In 2003, we completed a three mile interconnection with Kennebunk Water and in time we're working on building a pump station to push about one million gallons to Kennebunk if necessary. This past spring we completed the project with

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Kittery Water and we tied in with Kittery’s system, to the south. Basically with the Kittery agreement we can take up to two million gallons daily, either way, during emergency situations. We supply about 62% of the town of York and the rest of that is served by either Kittery to the south (where they serve a few customers) and then Kennebunk serves a few on the northern end.

In 2003, we had ISO come down. We had an excellent rating with them. We have a very active program working with our fire departments. If they ever come across a hydrant that’s in bad shape, we have a standard rule - if they find something that they don’t like, then we go and change it out. We try to take pride in our hydrants. We have 361 public hydrants, 64 private hydrants and a 100 plus fire services ranging in size from 1” to 10”. Basically we’re not accruing any down time. Our staff are either painting hydrants or conducting some other maintenance. One of the fire chiefs asked us recently to color code them. We’ve always done the operating nuts: orange, red or green. They finally said, “Why don’t you tape them?” So if you drive through here at night, the green ones look like little green martians but they’ll put out over 1000 gallons per minute. Our system is in very good shape.

For the most part we have an excellent distribution system. We have a few gaps out on Route 1 that we’re working on filling. We’re hoping that some generous developer may do that for us over some time. Thank you.

Maine Drinking Water Program Update

*Beth Pratte, Maine Drinking Water Program
Education & Outreach Coordinator*

Good morning. First I have to extend, on behalf of the Drinking Water Program, a huge thanks. As you know, the bonds have passed and we appreciate all of your support and assistance throughout the process in securing that. We have the match for 2006, but we don’t yet have that actual grant. That’s the status report. And of course, now we will begin the process for 2007.

There are a number of rule updates. LT II Stage II should be out by the end of this month. That basically means that Portland is going to be the first that will be affected by this. Other systems that will be affected are encouraged not to wait but to go ahead and make appropriate plans to deal with that. The Ground Water Rule is supposed to come out by August of next year.

As you know our Compliance Manager’s position has been vacant for some time. We’re actually doing interviews next week and hoping to have within a month somebody in that seat. So that should help with having contacts with our office; we’ll keep you posted on that.

The fluoride rule making is set to start in January. There’s a working group that has provided us with input already and hopefully that will be completed by late spring. The other fluoride issue, is the fact that the SPADNS reagent, which is used s used in the analysis, is actually considered hazardous waste. The waste needs to be disposed in according to hazardous waste rules. I have a phone number and contact if you have questions about that. Anyone who is actually using fluoride will be getting a note from our office with that information. Thank you.

Business Meeting



*Judy Kelley
President, Aqua Maine, Inc.*

For those of you who haven’t heard, Jack Nicholas who was Commissioner of the Department of Human Services, has resigned. I haven’t heard an affective date, but here we go again. We should also say thanks to Mary Jane Dillingham who is ending her

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term as Director of Maine Water Utilities Association. Thank you very much Mary Jane for your dedication.

Report of the Nominating Committee

*David Parent, Chair
Sanford Water District*

We have two new directors and one that was reelected and if you're here could you just stand up. We have Gordie Johnson from the Portland Water District. We have Greg Reed from Bangor Water District. And reelected, we have Bill Alexander from Brunswick-Topsham. I want to thank everybody for voting and sending their votes in. We always get great returns on the ballots and we appreciate that.



New England Waterworks Association State of Maine Directors Report

James W. West

Good morning. My discussion today will cover two key points: First, what has NEWWA been doing for the past year to better the services it provides its members; and, secondly, what is NEWWA planning for the future.

Before I begin let me express my sincere thanks to MWUA and its members for allowing me to serve as its State Director for the past three years. It has been both educational and rewarding to meet so

many of my peers from across New England who deal with similar issues as we do here in Maine. To that end I would ask that you consider volunteering on a NEWWA Committee for that is where the real work of gets done. I would also like to congratulate first to Norm Lamie who is the Past President of NEWWA. Norm did a great job as President last year. His organizational skills and fiscal acumen righted the financial ship and put us on solid footing for years to come. Also, I will extend kudos to Bruce Berger on his election as Maine's new State Director.

This past year the Association ended its fiscal year in the black. Over and above the sale of land in Milford, we ended the year in positive numbers for the first time in a few years. NEWWA offered 281 courses in the areas of operator training, safety, management development, cross connection control, and regulatory compliance. A total of more than 5,100 waterworks professional participated in those sessions. NEWWA was recognized by AWWA with its 16th Section Education Award, as well as our first Educational Achievement Award by the New England Society of Association Executives.

The Association completed its distribution and safety classroom addition to its Holliston headquarters. This addition has allowed us to expand our curriculum to include hands-on confined space training, as well as meter and backflow device training. In addition, three volunteer driven symposia were conducted in the area of water quality, water resources, and laboratory operation and were well attended.

The Board approved funding for the upgrading of the Association's Web site. The goals of that effort were developed as the result of input from members who had requested a more user friendly system. This new site will allow a variety of features.

The future of NEWWA was addressed by President Tony Zuena in his inaugural address at the Samoset. Tony outlined his goals for the future of NEWWA and entitled them, "Defining our Future Legacy". The key points are:

1. Develop action plans to recruit and engage 1,500 new members over the next ten years in order to sustain our current membership levels. Non-traditional backgrounds and professions will be critical to achieve this goal.
2. Critically evaluating our training curriculum to reflect the changing workforce and the changing face of the water utility industry. That curriculum must take into account the following themes:

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- a. There will be fewer waterworks utilities employees,
 - b. There will be a greater emphasis on technology and automation of systems,
 - c. There will be higher levels of scrutiny by politicians and the public to operate water systems as a sustainable business including the reinvestment of seriously undercapitalized infrastructure,
 - d. Training must be provided with the appreciation of the fact that water is a finite and integrated resource that must be managed holistically as just one element of water, wastewater, and stormwater infrastructure,
 - e. Acknowledgement that in the new world security of our water systems will continue to require trained employees who understand that a terrorist attack may simply be a matter of when, where, and how.
3. We must define our future legacy by developing and delivering new services that will be unquestioned in terms of value and necessity to our broad-based membership.
 4. We must continue our on-going efforts to become a major political force in shaping sustainable water policy throughout New England by partnering with state waterworks associations, state and federal government agencies, environmental constituencies, and the public to assume our rightful position as the organization of individual utilities, and businesses that are the steward of our water resources.

As I begin my term as Vice President I will focus on better defining the value that NEWWA can provide you and your utilities. I have defined value as that product or service that is of superior quality at a fair price. To that end I will be contacting many of you to better define your needs as a member of NEWWA. Your input, as always, is welcome. Thank you again for your support.

Judy Kelley

Thank you, Jim. New England Water Works is certainly a great partner and we thank you for everything that you have done. I want to acknowledge NEWWA's scholarship program. I'm on that committee. I'm always dismayed by how few Maine students are applicants. I think there were only 36 applications in total; only one or two of those were from Maine students. If you have kids in college who are in a water, biology, chemistry, or engineering program, I urge you to fill out the application.

Education & Operations Committee

Jeff McNelly

For a quick update on our Education Committee, we did not have set-aside monies available for a portion of 2005. That has been resolved and we're in the process of developing programs for 2006. I would ask that if you have ideas of what you would like to see for training, please let us know. Dan Wells of Winthrop Utilities District is a co-chair as is Craig Douglas of Wright-Pierce.

We have started on a list of 2006 topics. We want the topics to be timely and we want them to be developed and presented in an excellent fashion. One thing that the committee will be doing, as we move forward, is planning more sessions on the operations side.

The other thing I will mention is that we are looking for members for the committee. If you or someone in your organization is interested in joining, please let us know. Thank you.

Public Awareness Committee

Gary Stevens, Chair
York Water District

The mission of the PAC is to communicate to the public on issues important to the drinking water profession and assist the membership in enhancing public awareness in their local communities. The

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committee presently has six members: Julia Coes, Mary Jane Dillingham, Paul Hunt, Brian Tarbuck, Madeleine Storer and me. PAC meets every other month.

We began this year by organizing two contests at the February Trade Show: the Rigs & Gigs Contest and the Photo Contest. When I say we organized it, I mean that loosely. We promise to bring back these contests and make them better next year. As a little note in reference to the Rigs & Gigs Contest, York Water District's Joe Bracey won the Rigs & Gigs this year with his Bracey Nut Extractor. Joe went on to win first place at the American Water Works Association's national Widgets and Gadgets Contest.

In April, for the first time, we had a booth at the Maine Sportsman's Show in Augusta. We feel that it was a big success. I want to thank Lynne Richard, the Environmental Education Coordinator at Portland Water, as she was instrumental in putting a booth together for us. The booth was an interactive game about Maine's public water systems. We had give-a-ways and prizes. If anybody is interested in helping us again next year, we could really use the help. We could use some other people to help us.

PAC members had the usual, "Stump Your Water Utility Chump" event at the Southern Maine Children's Water Festival in May. You get 800 high energy fifth graders thrown at you, one after the other. They spend the day learning about water from various organizations throughout the state. The festival is held every year and the Northern Maine Children's Water Festival is held every other year. Thank you.



Water Resources Committee

*Jon Van Bourg, Chair
Kennebec Water District*

Good morning. I am here to report that there's still no Long Term II Surface Water Treatment Rule or Stage 2 Disinfectant by Product Rule. We're waiting. It was supposed to be promulgated this year, now it may be in January or April.

We worked with Dave Robbins, trying to deal with some problems that the Drinking Water Program had with lead and copper. We also worked with the

George Mitchell Center on various projects. We reviewed and participated on the development of the storm water rules. They finally got promulgated this year and the erosion and sedimentation control rules were reviewed this year. We're following the updating of the shoreline zoning rules.

Sustainable water use has been the main issue that we have been focusing on in this committee through the course of this year. There's a sub committee chaired by Jon Ziegler that put together a position paper. That group has been working on the new DEP instream flow rules, which is the same as the sustainable water use rules; depending on which side you're looking on. We worked with the Farm Bureau, the potato and blueberry growers, the hydropower group, Maine Rural Water and even Maine Rivers to try and build some sort of consensus on sustainable water use and instream flows.

We also reviewed the new CCLII proposed testing requirements that are coming. They should, I hope, have minimal impact on Maine water utilities. We also reviewed the proposed new fluoride rules. Personally I think we can look forward to a real improvement on the way the fluoride rule is handled.

We've discussed several issues that mostly have an impact on unfiltered water systems. They seem to be coming under much greater scrutiny and that's just going to grow as the LT II and Stage 2 DBP rules get promulgated. We are preparing for some training needs to specifically address those. Also we're working on another source water protection session with Katherine Webster who teaches at UMO. We expect to see (or watch and see) if the groundwater withdrawal issues also get drawn into the sustainable water use discussion. Lastly, we hope to see a few new members this year. Thank you.

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Committee on Sustainable Water Use

*Jon Ziegler, Chair
Boothbay Region Water District*

During the fall of 2004 an ad-hoc committee for sustainable water use was formed comprising of members from the MWUA Legislative and Water Resources Committees. The charge given to this committee was to examine rules proposed by the Maine DEP for sustainable water use and minimum in stream flows for rivers and streams and to develop a position paper. We met many times and we did that. If you want to read it, it's on the MWUA website.

During the spring and summer of 2005, the committee met several times not only as a group but with officials of the DEP, the Wild Blueberry Commission, the Maine Department of Agriculture and with various individuals representing the Maine skiing and hydroelectric industries. After careful consideration, our committee recommended that water utilities drawing from surface waters be exempt from the rule. This position was adopted by the Board of Directors and sent to DEP during the first comment period.

Since then the DEP has met much opposition to the proposed rules from a diverse cross section of interests in the state. In November, realizing the proposed rule was flawed, the DEP withdrew it. The DEP is now beginning the process anew; the original promulgation date of early 2006 is very unlikely to be achieved. The Board of Directors has asked our committee to stay intact and assess any proposed rules when they become available. Thank you.

Program Committee

*Jefferson Longfellow, Chair
Kennebec Water District*

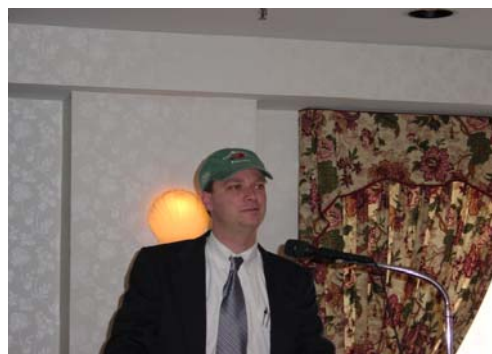
First of all, I would like to thank all of the Program Committee members who have taken time to put on programs such as this: Greg Cataldo, Scott Clukey, Steve Cox, Chris Curtis, Bruce Goucher, Stepahni Morancie, Ben Mosher, Keith Pomerleau and Bruce Stevens who are current active members.

A year ago we were just up the street in December in Biddeford talking about the Southern Maine Regional Water Council. For the February Meeting in 2005, we tried some things differently at the show including having some classes with the Maine Waste Water Control Association. We tried to open the trade show and all the classes to other entities to try and increase attendance. We also moved the awards presentation to the luncheon on Monday so that the recipients received recognition in front of their peers.

In April, we were in Old Town. A lot of the discussion involved bridge crossing in Old Town. In June, we went to Rangeley and talked about contract operations.

In August, we had the clambake and golf tournament. We actually increased numbers at both of those. We had wonderful hats that were very popular. I think everybody who attended had a great time and I want to thank everybody who worked to put those together. That was one of our high points.

In October we were in the Augusta region. We heard about all of the interesting reorganization efforts that had gone on in Augusta and are still continuing to go on. We initiated an early registration fee for attending our meetings, beginning with this conference.



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On to the February 2006 conference. Maine Water Utilities is putting on two sessions on Monday. One is focusing on a safe and productive workplace. The second is on working within the MDOT right of ways. Both of these things are very much in the forefront. New England Water Works is going to be presenting on SCADA and also rescuing and rehabbing water mains.

There will be a change to the layout to the floor of the tradeshow to add new flavor to it. We're also working with vendors to put on product demonstrations.

In April we're looking at the Camden-Rockland region. In June we're hoping to be somewhere in the County, but we haven't nailed down a location as of yet. In August we will be back to the clambake, In October we get to go to Bingham and in December, we're going to the Lewiston/Auburn area.

We have a busy year ahead and hopefully everything will go smoothly. Thank you very much.

Legislative and Regulatory Affairs Committee

*David Parent, Chair
Sanford Water District*

We have a very nice legislative report that I think some of you picked up here on your way in. Every system should have gotten one in the mail. It's going to be posted on the website. It reviews every bill that we dealt with seriously, or even cared about. I encourage everyone to look it over. I would like to extend a big thank you to Shirley Churchill of Augusta who put most of it together. I think it was Becky Martins' idea. Thanks to her as well.

I would like to thank everyone who made calls to legislators and regulators when we asked. That is the strength of this organization; it is what makes us effective in the legislative arena. Legislators listen to their constituents and genuinely enjoy helping when asked.

The reason that I wanted to go last was because I wanted to follow the people who could technically talk about sustainable water use. Very recently this issue has shifted back to the domain of our committee. Through the efforts of many of the brightest and most qualified water supply people in the state, we came very close to having a rule that would have worked for both us and the DEP. Unfortunately, at the 11th hour, the DEP chucked most of the agreed upon language and came back with a draft rule that would require at least a dozen (or maybe 2 dozen) water systems to conduct a Use Attainability Analysis. This UAA has been described to me by those who deal with them as a process that makes the FERC dam re-licensing process look straightforward and predictable.

The committee is working to try to change the way the statute is being interpreted by the DEP and the Attorney General. If this fails, we are in the preliminary stages of submitting legislation that will ensure that the original intent of the Natural Resources Committee is reflected in the final rule. This is a rule that has the potential to cost Maine water suppliers millions of dollars, as well as forcing some supplies to turn to lesser quality sources of supply. We need to win this one.

Concerning SRF funding, the Environmental bond passed, with full funding for the SRF match. The association submitted a bill to fund the SRF match through the General Fund (LD 775). It was carried over with funding for \$1million a year for each year of the biennium, for a total of \$2million. We may be able to use as a vehicle to fund the match for 2007, as neither the Governor nor the Legislature seem to have the will to send a bond to the voters this year. We are continuing to push to have it included in the DHHS budget, and are having some success in that effort.

For bills that are environmental in nature and are heard before the Natural Resources Committee, we generally do very well. Bills that are framed as recreational, such as the use of snowmobiles or vehicles on lakes, go before the Inland Fisheries and Wildlife Committee and we generally do not do as well. This is a relationship that we either need to fix with IF&W, or we need to have these issues decided in a different forum that will give more weight to the issue of public health.

Anti Portland Water District Bills - all three of them - were summarily killed by committee. The committee sent the message that they don't want to see that stuff anymore. They don't have the time for it and they're not going to make the time for it so that was very good.

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Several bills were proposed to reduce, study, or eliminate public fire protection fees. The first to be printed and go to committee was LD 1051 which was to establish a study commission. It was initiated by the Selectmen of the Town of Alfred. We aggressively opposed this bill, hoping to squelch the chances of the other bills that were still in the hopper. We were very successful in doing that, as none of the others were even printed. This is an issue, however, that will probably not go away. Also on this subject, LD 1414 An Act to Authorize Municipal Fire District has been carried over. The Association has not taken a position on this bill, but is monitoring it very closely.

We once again managed to dodge the bullet on property taxes, two bills were carried over. LD 1328 An Act to Amend Tree Growth Tax Law to Encourage Public Access was carried over. It was voted ONTP with a split report very recently. LD 1595 An Act to Rebalance Maine's Tax Code would repeal all tax exemptions and tax everything, including water.

That's all I have. I can answer any questions or you can just read the report. Thank you.

A Proposal for Inflation-Based Water Utility Rates Increases

Carla Robinson, Utilities Financial Officers Group

Good Morning. Why are we here today, i.e. UFOs, do we really exist? We are a group of financial people. We're always the ones who say no when you engineers come in with requests and we don't have any money. We normally meet in Portland because they have that great Jeff Nixon Center and we meet three or four times a year to discuss financial issues. One of the major ones that Dave Kane and Tom Clark helped us with was the GASB 34. They had to be compliant before the rest of us. I know that Wayne Brockway and I have often said that we probably wouldn't have gotten it done if it hadn't been for their help. Any of you superintendents who don't currently send your financial people to these meetings should seriously consider doing so.



The American Water Works Association conducted a survey in 2004. They found that 50% of the systems surveyed adjusted their rates about 1.25 years ago. In Maine, 50% of the systems adjusted their rates 4 years ago. So, we lag behind when it comes to keeping our rates as current as we should. The other 50% haven't had rates prior to four years ago and, for some, who knows how long it's been.

The national average for an increase, as determined by the survey, was 7%. In Maine, the average is 28%. Of those surveyed 15% of the systems had an increase of more than 20% increase, and in Maine, 62% had over a 20% increase.

The national average for an increase, as determined by the survey, was 7%. In Maine, the average is 28%. Of those surveyed 15% of the systems had an increase of more than 20% increase, and in Maine, 62% had over a 20% increase.

Why is change needed? October of 2003 is when the York Water District looked at our last rate case. At our public hearing, we heard from several people that we weren't fiscally responsible. They wondered why we were not coming in every year for small increases, instead of waiting 8, 9 or 10 years and then coming in for a 28 – 30% increase.

More frequent and smaller increases will lead to greater predictability and stability; you can do a better job in planning capitol budgets. If you have any experience with your town governments, you always hear about the public fire protection service charges – this is a better way for them to be able to accommodate these types of increases.

This would help avoid managing by crisis. In talking with the PUC and different rate consultants, most of the districts wait until they're way behind the eight ball before they go forward with a rate case.

The original alternative rate plan had a number of components. Since developing it, we've met with the PUC and our own group and we've had some comments. We're hoping that, after today's meeting, you will have some comments and questions to give us feedback. But this was the original plan:

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- Allow Rates to be adjusted based on Consumer Price Index (O & M Expenses)
- Restrict increase to the lower of CPI increase or prior year's net income to revenue percent
- Restrict accumulated surplus to 10%
- Budget supporting revenue requested, approved by Board at public meeting
- Conduct a cost of service study at least every 10 yrs

One of the problems with the current rate process is that you pick your test year, and then wait for your final year audit before you start the process. By the time you finish, you're already two years behind your test year. We all know that expenses are only going up – not down.

These are some of the comments that we have received so far on this proposal:

- Should we include all water utilities, investor owned and consumer owned?
- Is a cumulative cap necessary? Why 10% of unappropriated retained earnings?
- We would have to clarify that CPI is only for O&M expenses. You wouldn't be able to have it for any depreciation of any debt that you currently have
- Refer to a specific CPI
- Small increases reduce fire protection sticker shock. Does this address significant cost changes? One of the things that hit us big this year was the cost of fuel. The other one was the cost of chemicals.
- Why doesn't current rate adjustment process work?
- Water utilities already collect 5% contingency and depreciation

I think we can all agree that utilities need frequent and smaller rate increases as opposed to infrequent, larger ones. We started this proposal to generate discussions. Hopefully, it will.

Our next steps are to review the comments from industry members, associations, PUC staff and the Public Advocate. We will revise this proposal accordingly and then decide which way to go. Are we going to need legislation? Do we need to look at the two ways of doing rate increases currently, whether it's a section 6104 or section 307? Can we streamline that process a little better? We will review what alternative rate plans may be in place for other utilities. I believe electric and gas already have this in place. If you have questions or comments, we would like to entertain those now. Thank you.



Watershed Patrolling

Gary Stevens

*Source Water Protection Operator
Town of York Reserve Police Officer*

I wanted to give you a brief history on the area around Chase's Pond, Mt Agamenticus and Kittery Water District's ponds. It's kind of a special area. It's a bigger deal than just the watersheds in the two water districts.

Chase's Pond receives much of its water from the south facing slope of Mt Agamenticus. This triple mountain rises 692 ft above sea level. It's been a guide for mariners at sea for hundreds of years. During WWII the mountain top was used as a radar base. From 1966 thru 1974 The Big A Ski Area was in operation, with a double chair lift, tee bar and rope tow.

Conservation efforts first began here in 1896 with Josiah Chase. He was a devoted environmentalist and founder of the York Shore Water Company. At that time it was the policy of the company to purchase land bordering Chase's Pond at every reasonable opportunity, in order to protect the

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water quality. That policy continues to this day with 78% of the Chase's Pond Watershed owned by the York Water District.

The greater Mt. Agamenticus area encompasses approximately 30,000 acres and provides the widest diversity of plants and animals in the State. That includes Maine's largest concentration of rare and endangered species. This area also has the highest concentration of vernal pools in the State and one of the highest in New England. Currently over 10,000 acres of land in this area has been put aside as conservation land by seven public and private agencies and organizations.

According to the 2000 U.S. Census, York County has a growth rate four times the state average and the highest for all Maine Counties. In the Decade from 1990 to 2000, the Town of York experienced a 30.9% increase in growth, giving York the largest growth rate in York County. Much of the land in York and on the seacoast has been purchased in recent years and lost to development. These developments leave less and less open space for people to enjoy - forcing them onto conservation lands such as the Kittery and York Water District watershed lands and the Mt. Agamenticus conservation lands.

Down here, growth is happening all over the place. So we're getting more people, there are fewer places for them to go and recreation is a pretty popular thing right now.

These are some facts on the York Watershed:

- Chase's Pond watershed is 2090 acres. YWD owns over 1700 acres.
- YWD owns or controls the entire perimeter of the pond.
- 1 public road runs along the lower end of the pond and Mountain road passes through the watershed in 2 short sections.
- There are only 34 private homes in our watershed and 1 business yet I will come into contact with 500 to 800 visitors each year while on patrol in the Chase's Pond watershed.
- The watershed is bordered by KWD, the Young Land Trust, and a few private land and home owners. To the N and NW are the other conservation lands surrounding Mt Agamenticus.
- 10 acre house lots required in the Watershed Protection Overlay District.
- The YWD watershed has been a certified Tree Farm for almost 30 years.
- YWD is a member of the Small Woodlot Owners Association of Maine and the watershed recently became a Certified Forest Management Area.

The York Water District has long recognized the importance of watershed protection. Due to a noticeable increase in unwanted activities, we began patrolling on a 6-wheel Gator during normal working hours. It wasn't ideal; a lot of time was spent picking up trash from the weekend warriors.

In 2000 I began patrolling on mountain bike, blending-in, monitoring, recording, and reporting activities within the watershed during random times and during the weekends. In 2001 we began ATV patrols; used mostly for winter patrols. I could cover a larger area but still prefer the bike over the ATV. It's quiet so they don't hear you, and you do hear them. I seem to notice the trash more. I seem to be able to smell things better, like the camp fires. In 2002; we began identifying ourselves as a YWD employee with intention to directly interact and educate people in the watershed.

Education is key and clear notification is important. How do we attain clear and persistent notification? We sign them to death out there. We have signs out on the public roads and our gates have the rules posted on them. We close it off during duck season. We have a lot of different laminated signs that we use. Our land is not only blazed in yellow, but it also has property line signs when you cross into the property. We have a little yellow tag that is a courtesy notice. The rules are also on the back of that.

We have a watershed brochure which explains what a watershed is. The three logos are the York Water District, the Kittery Water District and the York Police Department. There's a map inside that shows you the way in and the way out and all the rules are there.

These are the rules today. We don't allow 4-Wheeled vehicles (such as trucks, jeeps). No motorcycles or dirt bikes. ATV's by permit only. No gas powered engines allowed on the ponds at any time. Stay on the trails and stay out of closed areas. No building of new trails. No boating. No fishing.

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No camping. No fires. No swimming. No tree cutting. No tree stands. No littering. No organized group activities. Pets must be on a leash. Hunting is allowed. Obey all signs. The possession or consumption of alcohol is prohibited. No rock climbing or rappelling. The maximum trail speed is 15 MPH.

In 2003 the YWD began talks with the York Police Department to see whether I could patrol the watershed with full police authority. Chief Bracy of York PD was instrumental in helping this to happen. I firmly believe that if he wasn't there, it wouldn't have happened. I've known him for a long time. You have no idea how ironic it is that I work with him.

In early 2004, after completing police training, I began patrolling the watershed with full police authority. YWD has since joined in important partnerships with Kittery Water District and Mount Agamenticus Association, whereby I patrol these adjacent properties. Our watersheds are back to back. We have the same problems. This was the whole idea of doing this, to try and take back control.

The information on the Watershed Patrol Report includes the date, what we were patrolling on, miles, hours, temperatures, weather conditions and the section log and activity logs. At the end there would be a narrative and pictures. York, Kittery and Mount Agamenticus each get their own report.

I've only patrolled for the Kittery Water District for two years. From April through September 2004, I patrolled 61 hours. In that time I found 178 swimmers, 86 people running, walking or hiking, 104 mountain bikers, 50 ATVs, ignored the partying, 3 dirt bikes, 3 rappellers, 2 fishermen, and nobody on horseback. I found two people with bags of weed, 18 fires and I brought back 238 pieces of trash. There were no summonses or arrests last year.

This year in 2005, there's 63 hours in those months of patrol time. It's only a difference of 2.5 hours, but if you look at the swimmers, there were only 36 this year – down 80%. Runners, walkers and hikers were down 39%. The mountain bikers are down 31%. ATVs went up; I have no idea why. The fires are down 61%. I found seven this year. The trash is pretty close to the same amount. There were two summonses and one arrest. The total number of people I came in contact with out there is down 43%.

All patrols are done on days and at times and with weather conditions most likely to produce results. The highest percentage of trash is alcohol related. Of the top 4 activities in 2004, swimmers were #1; in 2005 they were #4. Eight-two warnings (as YPD officer) were issued in the KWD watersheds in 2004, mostly for swimming. In 2005, ninety plus were given in KWD and YWD combined. Of those, two-thirds of perpetrators live elsewhere, not York.

We don't have much of a swimming problem. Our problem is mostly camping fires and that type of stuff. We had a significant increase in mountain bikers and in walk/run/hikers. We had a significant decrease in unwanted activities and a decrease in ATV's. Overall, it's been a positive influence. Permitted access ATV's have declined. More passive recreation has increased. The most hated rule so far ever is the "No Alcohol" rule which we just started half way through the summer. They tear those signs down all of the time.

There's been a lot of positive feedback from compliant users. They're glad to see that we're doing it. There's limited negative feedback - at least up front. There's been very positive feedback from the York Police Department. Chief Bracy considers this effort an important presence role more than an enforcement one. Chief Bracy is quoted as saying; "This program partners the Water District with the Police Department to prevent and/or reduce the issues we were experiencing. Stevens has become crucial because my department was unable to efficiently patrol the watershed area due to the limited access. The Department has responded to drownings, drug overdoses, assaults, criminal trespassing, illegal underage parties with drugs and alcohol issues, vandalism, dumping of trash and other hazardous materials. Gary has the authority to act immediately from a Law Enforcement perspective which gives him immediate credibility, especially with the locals".

Where do we go from here? We plan to continue to educate the public about the importance of watershed and source water protection. In 2006, we plan to get the Source Water Protection Brochure mailed out to all residents within the watershed.

We want to work on more ways to reach the thousands of visitors we have each year. We know that Mt. Agamenticus receives 30,000 visitors a year and we're right across the street. We're going to continue source water monitoring and investigate contributing stream sampling. It's been a priority to re-

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route trail traffic from tributaries of Chases Pond. The biggest threat to me is all of the fires out there. People continue to leave them, walk away, and let them burn themselves out. We will continue to foster a positive relationship with York Police Department.

We continue to strengthen our current program. We're working on strengthening the source water protection district ordinance with the town. We're working on protecting Chases Pond from road contaminants. We're putting up a guardrail, within the next week or two, down at the lower end. We plan to put in a couple of swales. We continue to foster mutually beneficial relationships with the Kittery Water District. Thank you.



Protection of Watershed Lands Through Real Estate Transactions

Norm Lamie, Auburn Water District

Lake Auburn is the water supply for both Lewiston and Auburn. Lake Auburn has 3.6 square mile surface area. The lake is, fortunately, all within City of Auburn. The entire watershed in is 15.3 square miles and straddles five communities. The maximum lake depth is 120 feet, and the mean depth is 40 feet. Our safe yield is estimated at 17 MGD and the average daily usage is approximately 8 MGD. The lake retention time equals 3.8 years.

We currently own 1,778 acres of the watershed and have rights on an additional 118 acres under conservation easements. We currently control, own, about 75% of the shoreline lake frontage. There are eleven private properties remaining on the shoreline.

In 1993 in order to accommodate the Safe Drinking Water Act and the waiver from filtration (separate waivers for each community) we created the Lake Auburn Watershed Commission - an entity for Lewiston and Auburn. That's our funding source for our watershed protection program and, specifically, our land acquisition program. We have been averaging about \$143,000 in expenses for land acquisitions per year over the last 10 years. Our upcoming 2006 budget is \$275,000. We've had to increase it; obviously, because of the cost of real estate. Timber harvesting contributes a little to the effort. We do a minimum of timber harvesting; on an annual basis it generates about \$15,000. We were also fortunate in 1998 to acquire one of the early state revolving fund loans. One of our largest transactions was a purchase of 435 acres for \$550,000.

There are other funding opportunities. There are donations of property - we've actually had two donations made to the watershed commission. We are tax exempt so there are some tax benefits. The city of Auburn has acquired property for the nonpayment of taxes. Granted, these are not the most valuable of properties, but we have been able to take those over for paying off the unpaid taxes. We haven't been successful yet in acquiring property under the Land for Maine's Future program. We have applied and certainly are hopeful in the future. There is a local land trust that we have a good relationship with. We were able to work with The New England Forestry Foundation on a conservation easement.

What are we doing to buy? Some of the factors that influence our efforts, obviously, are zoning and land use. Much of the watershed is zoned agriculture resource protection. Other portions along the roadside are in the rural residential zone. Those rural residential zones have depth limits, in that you cannot build anything more than 300' back from the road. This has been tremendous in limiting development in the back area. We haven't had any subdivision issues because of that zone.

We also have some pretty good environmental rules and regulations. Two that stand out in terms of limiting development are the phosphorus control ordinance and the subsurface wastewater disposal rules. If you want to build a septic system in the Lake Water Auburn watershed our rules require that you

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have 36" to the impervious layer - and you can't build up the soil. It's a very difficult standard to meet. The City of Auburn has been very cooperative in maintaining public water supply protection.

We have a pre-established priority parcel list we developed that considers buildability potential, proximity to water sources or streams and compatibility of current and future land use. The priority factor for us is cost, or our ability to afford it.

We've done a variety of things in purchasing property in the last twenty years. We've had straight "arms length" transactions; a willing buyer, a willing seller. We've executed a half a dozen conservation easements. We've done some life estates. We've received some donations - for tax reasons or non-tax reasons. We have tax acquired properties, partial acquisitions, negotiated trades and options to purchase. We've only done one eminent domain and that was to clear a title.

The very large parcel of 435 acres was agricultural land and had been in the same family for years. It had 11,900 feet of water frontage and 2 miles of public road frontage. The two owners (brothers) were carving off lots every year; two lots at a time. They owned a tremendous amount of road frontage; the property is located in three towns. After years of discussions and negotiations, we acquired the property for \$550,000 or \$1200 per acre, paid over 10 years. At that time, it was more than we had ever paid - but what a bargain that was. They didn't want all the money up front, for tax reasons. They wanted one particular person to deliver the check at Christmas time. This was a life estate for both individuals. They both have the right to continue using the land for the rest of their lives. They were in their mid-fifties and still farming.

We wanted to make sure that they were farming appropriately so we did include in the language that they would use best management practices. We coordinated that with our conservation service and we granted them a property with a conservation easement for the rest of their lives. They did want some recognition on the property of their family. That goes a long ways. I think that was one of the last items we negotiated. It is the Holbrook Family Parcel. We have an agreement with them for the sign and we'll do that shortly.

The George Martin property is 92 acres in Hebron and Buckfield, at the headwaters of the Lake Auburn watershed. A gentleman from Massachusetts deeded it over to the New England Forestry Foundation, with the conservation easement held jointly in perpetuity by the Androscoggin Land Trust and the Lake Auburn Watershed Protection Commission. He wanted somebody else to ensure that the land would always be in conservation. We do an annual walk through the property and document that the Forestry Foundation is doing what they said they would do. That's a minimal effort for us and the property is being left in the fashion that he intended, forever.

The Brackett donation is a 7 acre parcel with a home with value in excess of \$150,000. Mary Jane and I worked on this for quite a while. We would visit with her and she would ask questions of Mary Jane. They talked about animals and they talked about flowers. Mrs. Brackett died and we found out, after the fact that, she donated her land and home to the District. She had two conditions. She never wanted it to be used as a residence by anybody in the future and that she preferred that it be used for environmental education. So our choice was - do we knock it down or do we use the property for ourselves for a laboratory on the lake? We ended up with a working agreement with the Volunteer Lake Monitoring Program in exchange for normal home maintenance and watershed services as available. It's a win - win situation all the way around and I'm sure Mrs. Brackett would be very pleased with that.

We've bid at auctions and have been successful. In 1995, on Route 4, right by the lake, there was a 1/2 acre lot with small cape. We had to be prepared to move fast. We had to bring a check, ready to buy. We had to get pre-approval from our Board of Trustees. Our treasurer came with us. We bid on the piece of property and we acquired it for \$20,500 and then knocked it down. No one, I think, took us seriously; that we would be at the auction bidding. I think that was to our advantage.

Central Maine Community College is located right on the shores of Lake Auburn. On the back side there is a large parking lot with open grass going right down to the lake. We worked with the college president for a number of years. We desired to control activities on the watershed portion of the property. He wanted additional land for his ball fields and other recreational activities. We came up with an exchange. We transferred 20 of acres of land adjacent to the college to the State of Maine. Then we had

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to go to the Legislature to receive approval for them to grant us a conservation easement on 20 acres along the shores of Lake Auburn (with 1,200' of lake frontage.)

We bought a gravel pit. We were in the process of implementing new ordinances dealing with gravel mining. The State regulations control larger gravel pit operations but they don't address smaller gravel pits. We developed new rules and regulations. Then we met with the existing gravel pit owners to get their feedback on the proposed rules. Some of them were quite receptive and provided feedback - sometimes more feedback than we wanted. A particular individual said: "Why don't you just buy it?" We never thought we could afford a gravel pit, but we discussed it and came to an agreement for a 60 acre gravel pit along a major tributary. We negotiated a \$230,000 acquisition, paid over ten years. Now we own the gravel pit and have to do the restoration of it, as part of the deal. We're trying to find a developer that could help us in doing this through some wetland compensation project they could use for credit.

The North Auburn Cash Market was one of the original structures in Auburn, and the only commercial building very close to the lake that actually owned land on the shore of the lake. It's a 1.7 acre lot with 75' feet of lake frontage with a boat ramp. I actually stopped in and bought donuts. I'd stop in and say, "Hey are you ready to sell? I would love to talk to you." He finally decided that he would sell us everything. We negotiated a \$130,000 acquisition paid over three years. There was a lot of contact on that one; about five years worth of donuts.

Arthur Whitman was a nice gentleman. His ancestors made one of the very first donations of land to the water district, on Spring Road. He still owned the property on Lake Shore Drive. We acquired his property (house and land) back in 1997, for \$49,000. It was 0.3 acres, with 150' feet of lake frontage, with a boat ramp. All he wanted was a life estate so he could sit on the property and look at the lake. I told him that I would go out there and set up his lawn chair every single time he wanted to do that.

The Morrill Farm Subdivision is one of those things that some of you may have on your watersheds. Back in the 1920s it was common to carve out a whole bunch of little lots, 40 feet wide by 75 feet deep, for someone to put a little cottage on the lake. This was one of those subdivisions. The water district has acquired a number of the lots over the years. There are still 9 or 10 of them on the lake. These were year round homes with septic systems - some of them were drawing water directly from the lake. It is just not the thing to have so close to the lake. We pursued acquisition of these properties over time. From 1987 to 2000, we acquired all of them, with the exception of one, and that last one is going to be difficult. Now that we've cleared everything around him, he thinks that he owns everything else around him even though he only has a 40 foot by 75 foot lot.

We negotiated these acquisitions with life estates. These were people who had typically lived there for years and who wanted to continue living there. So we came up with a life estate option. We purchased the house. They could live there the rest of their lives. They maintained their property. All they had to do was make sure they had some liability insurance to protect us. We agreed to pay property taxes, which was a big deal for them.

What we attempted to do was discount the purchase price. We tried to estimate how long they were going to live and come back to what fair market value would be and deduct that. Of all of these people, all of them are dead with the exception of one; the one that I negotiated with in 1989, Mrs. Higgins. She was 84 years old. OK, we're going to purchase her estate. We're going to pay taxes on it. How long is she going to live? This was one of the earlier life estates. She turned 100 this year. She had her niece call me up. She does go out there in the summer. Two or three years ago I went out there, and she didn't turn up. The summer after, I go out there and there was Mrs. Higgins sitting on the porch. She said: "Norm, I bet you thought I died. Last year I had a heart attack. But I'm fully recovered now." Her niece contacted us this summer and said, "Norm, Mrs. Higgins has now turned 100 years old and she said that you can now take down the cottage." So we're in the process of doing that.

Lastly, if you can't buy it all, buy what you can. There was a cottage on Whitman Spring Road owned for years by the Desjardin-Giguere family. When the father passed away, we went to the two brothers to try to buy the property. Eventually, it got down to the cousins and apparently the cousins didn't get along with each other. So, one set of cousins said we're ready to sell and the other set of cousins didn't want to sell. The set of the cousins that wanted to sell contacted us, because who else

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would buy half of the building? We did an appraisal and we bought 50% of the property for \$6,500 in 2001. It's a seasonal cottage on 3/4 acres with 150' of prime lake frontage. I keep telling the crew that we'll take dibs on weekend passes for our 26 weeks. Buying half is better than not having anything at all. It gives us some control of what happens on the property.

In an effort to quantify the public savings and benefits, let me just say that, for us with a waiver from filtration, we have, so far, avoided a \$40 million capital investment plus \$1.5 million in annual O&M expense. We certainly have enhanced passive recreational activities around Lake Auburn and the watershed for all citizens. I think that, from everything we've seen, we've increased property valuations of the abutting commission protected lands. It makes your property more valuable if you're surrounded by publicly owned watershed conservation land.

For us, the requirements for success include the need to be able to respond quickly. Fortunately, we have a Board of Directors that allows us that flexibility. We consider any non-traditional approaches. We keep making contacts, over and over again. And you need to have money in a land reserve account.

Thank you very much.

Conference No. 483

February 6-7, 2006

Portland

80th Annual February Meeting and Trade Show Business Meeting



Welcoming Remarks

Jim Cohen

Mayor, City of Portland

This certainly is an honor to address this group, although this is the first time I've had the chance to address the group with my new hat as Mayor of Portland. I want to welcome everybody here. I want to congratulate Judy Kelley on a terrific year of service for the association and wish Mr. Tarbuck well as he takes the reigns for this coming year.

Throughout the years, this association has done a lot for the people of Maine. My colleagues Bill Harwood and Nora Healy are here today. I think we all agree that the work water utilities do in Maine, while often unnoticed, is very important and provides for both an important public health function and the economic health for the state. If we didn't have safe drinking water in Maine, we wouldn't have business growth in Maine. Steadily, confidently and often - but not always - quietly you go about your business of providing Maine people with safe drinking water. You provide that service economically and across municipal boundaries. You are regional forms of government; many may take your service for granted. But I want to say that here in Portland, we don't take the service of public water systems for granted. So it is my great pleasure on behalf of the City Council, the people of Portland and myself to welcome this association. We appreciate the fact that you hold your annual meeting here in Portland and that you do a good job to protect the health of public.

Bangor Receives Excellence in Operations Award

The Bangor Water District was the recipient of the 2005 Excellence in Operations Award. In presenting the award, President Brian Tarbuck noted the following accomplishments.

Since 1993 the District has purchased 3,669 acres of land in its watershed. In addition another 802 acres of land is under landowner agreement or mutual protective easements. This accounts for protection of 98% of the watershed.

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The District has developed a three month training qualification system for all ozone water treatment plant operators. The process culminates with an oral board to ensure operator proficiency.

Quarterly the District opens Thomas Hill Standpipe for tours. Thomas Hill Standpipe, built in 1897, is listed as a National Historic Landmark by the National Historic Association and the American Waterworks Association, and is still in use today.

In September of 2000, the District received the Governor's Award for Environmental Excellence for its stewardship of Floods Pond.

Prescott Receives Jim Doherty Excellence in Volunteerism Award

Jeff LaCasse

General Manager, Kennebec Water District

The Jim Doherty Excellence in Volunteerism Award is given to a past or present employee of an Associate Member of the Maine Water Utilities Association who has demonstrated, in the opinion of the Selection Review Committee, that he or she has provided the following: While volunteering time, materials, labor, equipment or expertise, this person provided an outstanding service, contribution or assistance to a Maine water utility, the utility's employees or staff or to the water works profession, going above and beyond their normal job requirements to simply provide a helping hand.

In presenting the award to recipient Peter Prescott, Chief Executive Officer of Everett J. Prescott, Inc. Jeff LaCasse provided a brief background.

"This year's award winner was a legend long before I started in this business. Many years ago he was pounding the highways of Maine from water utility to water utility selling the materials necessary to construct and maintain the great systems we have today. He was always available to solve a problem: working tirelessly to locate that hard-to-find part necessary to get a system back up and running.

He has since expanded his early role, spreading his territory across the Northeast. He no longer pounds the highways door-to-door, but under his direction has a contingent of employees in whom he has instilled with the same sense of purpose.

That part of his life is his business. Do a good job and success will follow. That professional and responsive approach to the water business in itself is impressive, but that is only part of why he is receiving this award. His long time dedication to and support of the Maine Water Utilities Association is one of the main reasons we continue to exist as a vibrant organization today. This organization is based on volunteerism and we have many volunteers from many segments of the water industry doing the grunt work required to present quality programs, education, public outreach, and regulatory and legislative oversight. It calls for many very skilled and dedicated people. But even with that strong base, there needs to be financial backing to make events like this conference happen. This man and his company have been at the forefront of almost every effort of the MWUA with tremendous support of bimonthly meetings, education programs, publication of the journal and newsletters, committee activities, and special events like this trade show and conference. That financial and organizational support helps provide those other volunteers with the morale boost necessary to keep them dedicated. Without the presence of his company, I am not sure we would always have success.

His generosity doesn't end with the Maine Water Utilities Association either, as our friends from NEWWA can attest. His presence and support have helped make the New England Water Works Association a more successful organization as well and NEWWA has been able to offer more to us in Maine because of that success.

That sense of purpose and dedication embodies this year's Jim Doherty Award recipient. He does go above and beyond normal job requirements to simply provide a helping hand."

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Parent Receives Sid Anthony Award of Merit

2005 President Judy Kelley presented David Parent, Assistant Superintendent of the Sanford Water District, with the 2005 Sid Anthony Award of Merit.

This award of is bestowed upon a Maine Water Utilities Association member who has demonstrated an outstanding contribution to the waterworks profession. Dave received the award based on his dedication to the association and to Maine water utilities; primarily as chair of the Legislative and Regulatory Affairs Committee and the long hours that he's put in, holding committee meetings, working with the Maine Legislature and administration's staff. He worked at getting the state match for the state revolving loan fund. He has heightened the awareness of key issues facing Maine water utilities. Parent has spent many hours on the proposed streamflow and water allocation regulations; members will all benefit from his hard work in the future.

Kelley stated: "As someone told me, Dave is a smart kid. He was a good student. He was a standout in high school. He attended the Naval Nuclear Power School in Orlando, Florida where he studied propulsion, heat transfer and fluid flow and pumps. He was a Machinist Mate. David was seen working at a 7 - 11 and was encouraged to go apply to the Sanford Water District. He started out in the crew and was promoted through the ranks until reaching his current position. He loves hunting, mountain biking, computers and his wife and two children. I personally have been very impressed by Dave, his dedication to his work for the association and how he represents the profession in general. He puts in countless hours with his legislative hat on. I know his association with MWUA will benefit us in the future."

Berry Receives President's Award

2005 President Judy Kelley also presented Richard Berry with the President's Award. This award is bestowed to an individual that has demonstrated extraordinary dedication and commitment to the waterworks profession.

"There is no substitute for the experience and loyalty that Dick has given the water profession over the many years. Let me tell you a little bit about Dick Berry's ninety years. He was born in November 1915 in Massachusetts. He has an engineering degree from the University of Maine. He served in World War II in both Europe and the South Pacific. He retired from the Army as a Colonel in 1975 and is married with two sons."

"He owned and operated water and electrical systems through out Maine. A couple of these I had to look up. The systems are South Berwick (we know where that is), Winter Harbor, Coburn Gore (anyone know where that is?) Stratten, Rangeley, Woodland, North Bridgton, Richmond, Harrison. There is quite a long list here. He also owned the Bristol Shellfish Company and Roberts Office Supplies. He served in the Maine Legislature from 1960-1976 and was the majority floor leader in the Senate for four years. He is a registered geologist."

"Dick is one of the founding commissioners of the Maine Drinking Water Commission. He's been in the waterworks profession for many years. He's been a strong supporter of our profession including small rural systems. He advocates for our cause and he still continues to do that with our legislators, administrators and regulators – anyone who will listen. He has helped with funding and primacy issues. He advocates for water utilities in many ways, promotes the professionalism of our industry in the Maine Drinking Water Program and he cares about people. There's no substitute for his experience, expertise and loyalties. It's my pleasure to present the Presidents Award to Dick Berry."

Judy Kelley

I think next on the program is remarks from the outgoing President, but I'm not going to do the lame duck outgoing President routine. All I will say is that the awards recipients today really represent what the profession of MWUA is all about - its volunteers, dedication, time and energy for the benefit of all of us for what we do every day. It's been my pleasure to serve the association for the past year and to

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work with one of my bosses, Jeff McNelly. I'm going to pass the gavel on to our new president. This gavel is quite a gavel, designed and engineered by Aqua Maine's engineer Steve Cox. Brian, it is my pleasure to hand this gavel to you. Good luck.



Welcoming Remarks from the 2006 MWUA President, *Brian Tarbuck* Assistant General Manager Augusta Water & Sanitary Districts

I want to thank all of the vendors and everybody that showed up because that made the association happy. Without you guys, we would be stuck. I also want to make sure that we in the water and wastewater business support them as well. When you're over at the tradeshow, stop by and meet a few people you don't know and shake hands. It's

important to these guys. They put a lot of time and effort into this and we need to let them know we appreciate it.

I want to thank New England Water Works and Maine Waste Water Control Association for showing up and sending some folks our way. I want to thank Jeff and Becky. I've never really seen the list that Jeff does every year for this. Its three pages long, so it's crazy and we can't thank Jeff and Becky enough. Kudos to the Program Committee, obviously for putting this on. I'm not sure I'm going to thank the Board, because without them I wouldn't be here. Without Scott Minor, I probably wouldn't be here either. Of course I want to thank the Augusta Water District for allowing me the time to do this.

One of the big issues that we're going to face this year - a current hot topic - is the regulation that DEP is proposing concerning water withdrawal. You're going to be reading a lot about this. We're going to ask you to call your legislators. We're going to need your help on this one.

There's the Bond issue. This is something that we're just tired of because every couple of years we've got to go back to the legislature to get the match money. It's a five to one match. Every year we have to go the state and ask for the Bond. We end up spending lots of money and other resources to secure that match. We need to get that into the DHHS annual budget.

Finally - we have a need for increased public awareness. We want people thinking about what they're drinking. Where is your water coming from? What does it cost? How does it get there? How many tanks do you have? This stuff is really important. If we do a better job at public awareness, we can accomplish some of this. Thank you very much.

2006 February Meeting and Trade Show Sponsors

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Congratulations to the MWUA Award Recipients



Sid Anthony Award of Merit Recipient David Parent with 2005 President Judy Kelley



President's Award Recipient Dick Berry with 2005 President Judy Kelley



Kathy Moriarty, Wayne Rogalski, Greg Reed accepting the Excellence in Operations Award



President's Award Recipient Dick Berry and Jim Doherty Excellence in Volunteerism Recipient Peter Prescott with Adam Yanulis

In Memory

Donald K. Brawn died on October 27, 2005. He was born August 27, 1928 in Newport. Don worked for the Town of Newport Highway Department for several years and for the Dexter Shoe Company. He then was hired by Maine Water Company in Newport. Don worked to get his required certifications and became the superintendent of the Newport Water District when it was purchased by the district and retired in 1997, after 20 years of service. He was a member of the Newport Fire Department for more than 30 years and served as fire chief for 25 years, retiring as honorary chief. He was an avid outdoorsman enjoying hunting, fishing and camping. He spent many days fishing on Wilson Pond with his wife and partner, Dody, who predeceased him June 29, 2001.

2006 Trade Show Exhibitors

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Camp, Dresser & McKee, Inc.
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Coyne Environmental
Cummins Northeast Inc.
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Dig Safe System, Inc.
Dirigo Engineering
Doering Equipment Co.
Drinking Water Program
E.H. Wachs Company
E.J. Prescott Co.
Efficiency Maine Business Program
Emery & Garrett Groundwater, Inc.
Enterprise Trenchless Technologies, Inc.(ETTI)
F.R. Mahony & Associates
Ferguson Waterworks
Fluid Conservation Systems
Ford Meter Box Co.
G.L. Lyons Associates
GAC Chemical
GE Sensing
HACH Company
Harris Computer Systems
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80th Annual Trade Show



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Deceased*

1926-50 DAVID E. MOULTON*
1951 SIDNEY S. ANTHONY*
1952 ROMIE K. NEWCOMB*
1953 ALLAN F. McALARY*
1954 LEANDER G. SMITH*
1955 FRANCIS L. HATCH*
1956 EARL A. TARR*
1957 WM. G. HARTWELL*
1958 HERMAN BURGI, JR.*
1959 DONALD P. JOHNSTON*
1960 J. ELLIOT HALE*
1961 LYNDALL K. PARKER*
1962 MAURICE H. BURR*
1963 JAMES W. BATES
1964 J. PORTER HENNINGS*
1965 CECIL W. MANN
1966 E. S. LITTLEFIELD*
1967 PAUL G. BUTLER*
1968 M. A. PACKARD, JR.
1969 W.D. MONIE*
1970 ROBERT VARNEY*
1971 JOSEPH TAYLOR
1972 SHERMAN SMITH*
1973 HARRY WOOSTER
1974 GERARD F. LAUREN*
1975 PELEG BRADFORD*
1976 LYBRAND GOLDSMITH
1977 STANLEY MELIN*
1978 ALTON JOHNSON*
1979 EARLE A. TARR, JR.
1980 JOHN E. LOMBARD
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1990 JEFFREY L. McNELLY
1991 JEFFREY P. NIXON*
1992 GEORGE PETERS
1993 NORMAND R. LABBE
1994 NORMAND R. LAMIE
1995 DONALD L. WARE
1995 DAVID MICHNIEWICZ
1996 WAYNE ROGALSKI
1997 NORMAN J. CYR
1998 STEPHEN L. FREEMAN
1999 JAMES W. WEST
2000 RICHARD L. KNOWLTON
2001 SCOTT MINOR
2002 DAVID PARENT
2003 JEFFREY LACASSE
2004 MICHAEL NADEAU
2005 JUDY KELLEY

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Board of Directors Meeting October 7, 2005

The October meeting of the Board of Directors of the Maine Water Utilities Association was held on Friday, October 7, 2005 at the University of Maine, Augusta, Maine. President Kelley called the meeting to order. Directors present were Dillingham, LaCasse, Nadeau, Alexander and Tarbuck. Also present were Executive Director McNelly, Rebecca Martins, Jon Van Bourg, Nancy Beardsley and Dan Wells.

Communications

McNelly reminded the Board of Directors of the upcoming all day symposium for water managers at the Hilton Garden in Freeport on November 3, sponsored by Verrill Dana, LLP and Wright-Pierce Engineers. The MWUA Board of Directors meeting for November is rescheduled for November 2nd at the Kennebec Water District in Waterville.

McNelly shared a thank you note from the Children's Water Festival Planning Committee thanking MWUA for participation in the 2005 Southern Maine Children's Water Festival.

McNelly distributed reprints of the article, "Linking Water Quality to the Watershed" from the September 2005 Journal of the American Water Works Association.

President Kelley provided an update on Water For People fundraising. \$7400 was realized from the NEWWA's annual meeting's silent auction benefiting Water For People. The organization is currently promoting its "The Great Super Bowl Adventure" fundraiser. To purchase the Super Bowl raffle tickets contact Dick Riegler, Sr. VP, Aqua America & WFP Board Member at rriegler@aquaaamerica.com.

Executive Director's Report

McNelly informed the Board of Directors that "A Healthy and Productive Workplace" session had been approved for training contact hours, by the Maine Board of Licensure of Water System Operators, for the 2006 MWUA February Meeting and Trade Show. The session will focus on mitigating health care expenditure, decreasing workplace injuries and increasing workplace productivity.

McNelly reminded the Board of the upcoming joint meeting on October 21 at MMA with MWWCA and MWUA.

McNelly provided an update on the Maine Municipal Association's October 6th conference. The logistics of road construction, permitting and Dig Safe continue to be of concern to MWUA members as well as municipalities. Tarbuck volunteered to review the Dig Safe Inquiry and provide a report back to the BOD. The deadline on comments is October 14th and a technical session is scheduled for October 21st.

Directors Report

LaCasse shared that the Kennebec Water District is going back to Inland, Fisheries and Wildlife to pursue the ban on driving motor vehicles on China Lake. LaCasse also provided an update on "An Act to Care for Families" which proposes letting employees utilize their sick time to care for members of their family.

Tarbuck provided an update on the October 13th MWUA bimonthly meeting which the Augusta Water & Sanitary Districts is hosting.

McNelly shared that Scott Minor would be receiving the Jeff Nixon Award. Minor will be presented with the award at the October bimonthly meeting.

Kelley informed the Board that Bill Harwood of Verrill Dana, LLP, is representing a customer of the Kennebunk, Kennebunkport Water District in a dispute. Kelley also shared that the UFO group had met and discussed water utilities processing credit card payments and debit transactions.

Approval of Minutes

On a motion by LaCasse and a second by Tarbuck, the minutes of September 1st (as amended) were unanimously approved.

Legislative and Regulatory Affairs Committee – Parent

Parent reported that the committee is reviewing the water use rules. The committee's next meeting will immediately follow the October 13th bimonthly meeting.

Parent provided an update on the SRF bond; which will go to the people for vote in November and reemphasized the need for the drinking water profession to continue seeking means of alternative funding. Parent reported that LD 775 An Act to Provide a Stable Source of Funding for the Safe Drinking Water Revolving Loan Fund received a unanimous committee vote and has been carried over to the next session.

Maine Drinking Water Program Director Nancy Beardsley was present and provided an update on the current state freeze of hiring new employees and the limitation of staff travel. Currently the DWP has requested the hiring of 5 additional staff.

Alternatives to securing the SRF match were discussed. Alternatives include:

- Revenue Bond
- Allocating the SRF match in the state's general fund under DHHS
- Citizen Initiative to ensure the above

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- Short Term Borrowing

President Kelley offered to set up a meeting with DHHS Commissioner Nicholas in order to discuss the funding mechanisms.

Education & Operations Committee – Wells

Wells updated the Board of Directors that the committee had not met since the last BOD meeting.

The committee is finalizing the details of the grant writing seminar for the February meeting & trade show.

Alves was organizing a security session. He will resume this activity after the first of the year.

The association reviewed a letter from Wright-Pierce expressing their interest to meet with MWUA Directors with a proposal of facilitating professional water utility training. Kelly will contact Wright-Pierce and invite them to the November 2nd BOD meeting for an update on their proposal.

Water Resource Committee - Van Bourg

Van Bourg reported that the committee has had several meetings in regard to the proposed sustainable water use rule. The committee is seeking guidance from the Board as to what position they should be going.

Van Bourg shared that the Fluoride Rule is being re-written. A major focus is looking at automated fluoride readings.

Van Bourg provided updates on educational sessions. A source water protection and best management practices day long session is being developed with Katherine Spencer and/or the Volunteer Lake Monitoring Program. The LT 2 and Disinfection By Product training session has been postponed until after the rules have been promulgated.

Program Committee – Longfellow

Longfellow provided a written report to the Board of Directors. The committee met as a group on September 28th to organize for 2006. Locations for 2006 bimonthly meetings were established: April 13th in the Camden/Rockland region, June 8th in The County (Island Falls), October 12th in Bingham and December 14th in the Lewiston/Auburn region.

Longfellow provided updates on the October 13th bimonthly meeting being held at the Augusta Country Club and the upcoming December 8th meeting in York at the York Harbor Inn. A free exhibiting seminar (presented by Nimlok Maine) will directly follow the December 8th meeting and luncheon.

February 5, 6, and 7 are the dates for the 2006 MWUA annual trade show and meeting. Session A is titled “A Healthy and Productive Workplace”. NEWWA will facilitate Sessions B and C. Session D is in the works for dealing with MDOT issues.

There will be afternoon breakouts covering a variety of subjects

Tuesday will have the Technical Modules as well as organized product demonstrations by the vendors. It was decided to end the trade show at 3:00 PM on Tuesday. There will be a graduated conference fee.

The next committee meeting is scheduled for October 18th at Woodard and Curran in Portland. Bruce Stevens of F.R. Mahoney will attend the meeting as he is interested in joining the committee.

Public Awareness Committee - Tarbuck

Tarbuck provided an update on current activity. The committee continues to examine the effectiveness and frequency of the Maine Water News and the Journal.

A draft copy of an association rack card was distributed for comment.

The committee considered participating at the Maine Municipal Association conference in 2005. In lieu of the fact that the committee is revamping the MWUA display booth, along with the expense of displaying at the show, the committee declined to participate this year. They will reconsider for the 2006 show.

Paul Hunt of Portland Water District and Dave Braley of the Drinking Water Program have joined the committee.

Old Business

McNelly distributed the year end financial report and delivered the well received news that 2005 ended in the black by \$10,000.

The 3 year financial plan is being finalized.

Annual Awards and deadlines were reviewed.

New Business

Kelley reported that Aqua America, Inc. had donated \$75,000 toward the Hurricane Relief fund.

The association continues to discuss the charitable options available to individuals, systems and the association. No decision or Board action was required.

Adjournment: On a motion by Dillingham and a second by Alexander, the meeting was adjourned.

Board of Directors Meeting November 2, 2005

The November meeting of the Board of Directors of the Maine Water Utilities Association was held on Wednesday, November 2, 2005 at the Kennebec Water District, Waterville, Maine. President Kelley called the meeting to order. Directors

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present were Dillingham, LaCasse, Nadeau and Tarbuck. Also present were Executive Director McNelly, Rebecca Martins, Dan Wells, Greg Reed, David Parent and Gordon Johnson. Stephen Broadbent and Gregory Kidd of Wright-Pierce were present and provided a brief presentation on, "A Partnership for Training."

Communications

McNelly discussed the fact that some unfiltered systems had been or currently are in violation of Disinfectant By Product Rule levels. The systems may lose their current exemption status and be mandated to build new filtration facilities. He also noted that there are a number of systems that may be facing residuals management issues. This may be a future issue and the association should continue to monitor the developments.

McNelly shared that several letters to the editor submitted by system managers in support of Referendum Question 3 had been published. The Times Record, Bangor Daily News and the Portland Press Herald had included the articles in support of Question 3.

McNelly shared that the association had received a press release from the Bath Water District announcing that the district is asking the Public Utilities Commission to resolve a price dispute with the Wiscasset Water District.

Executive Directors Report

McNelly shared that Jefferson Longfellow, Dennis Kinney and Frank Meader had attended the recent MDOT Utility Task Force meeting. Utility concerns include: inconsistencies on location permits and increased liability risks being assumed to the utilities due to the fact that utilities are being required to take out the permits for other contractors.

McNelly will research MDOT statutes and regulations to determine if their policies have a legal basis. The Program Committee is organizing a February Meeting and Trade Show session on working with the MDOT and will take into consideration today's comments in the planning stages.

McNelly provided an update on Dig Safe. He recently attended the Dig Safe technical session on proposed rules dealing with active construction areas. An update is in the November issue of the Maine Water News. The consensus at the meeting was in support of a new ticket every 30 days, coupled with a requirement that markings be maintained. The next step is to go through the rule making process.

Nadeau shared that on the advice of Jim Cohen, a citizens' initiative to secure the SRF Match was obtainable. Attorney Cohen shared that to be successful in the effort, over 50,000 citizen signatures would be required. The initiative process itself is pretty straight forward, but it would require a great deal of effort to obtain the signatures. The association will continue to review the possibility of a citizens' initiative.

Board of Directors discussed the October 21, 2005 joint meeting between the Maine Water Utilities Association and the Maine Waste Water Control Association. The associations will continue to work in building and maintaining a dialogue.

Guest Speakers:

Wright-Pierce representatives Stephen Broadbent and Gregory Kidd provided a brief presentation on the potential benefit of the association partnering with their company to facilitate quality training sessions, at affordable prices, throughout the state. In addition to providing instructors, Wright-Pierce has staff to cover the administrative functions.

Following the Wright-Pierce presentation there was a consensus of the Board of Directors that it is appropriate to consider proposals from outside vendors for educational training partnerships; it was not felt that sole sourcing was in anyone's best interest. McNelly will work with the Education and Operations Committee to develop protocol for such ventures.

Directors Report

Tarbuck thanked board members for attending the association's October bimonthly in Manchester, sponsored by the Augusta Water & Sanitary Districts. He shared that Scott Minor was appreciative of receiving the Jeff Nixon Award. The Public Awareness Committee will draft a press release announcing Minor's recognition. Kelley shared that she had contacted the Drinking Water Program and was awaiting response from them in the inquiry of performance for a possible Excellence in Operations Award nominee.

Kelley provided an update on the Fryeburg Water Company and the process of a privately owned company being offered to the town or a district for ownership.

Approval of Minutes

On a motion by LaCasse and a second by Tarbuck the minutes of October 7th (as amended) were unanimously approved.

There was considerable discussion relative to the water use standards being proposed by the DEP. It was noted that, while the association was optimistic a few weeks ago that the water suppliers could work with the department in developing rules that were practicable and could work for the state, that had all changed with the Attorney General's office involvement in the process. It was agreed that the association needs to definitively evaluate the impact of the latest proposal, consider what revisions might be appropriate to make to the statute and make more of an effort to involve potential partners in opposing the proposed rule.

There was also discussion relative to nominations for recognition awards. The directors and others present were encouraged to submit candidates by the deadlines.

It was noted this it is time to do the annual evaluations for the Executive Director and Administrative Assistant. The Board will conduct the former and McNelly will make a recommendation for the Administrative Assistant.

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Adjournment: On a motion by Nadeau and a second by LaCasse the Board voted unanimously to adjourn.

Board of Directors Meeting December 1, 2005

The December meeting of the Board of Directors of the Maine Water Utilities Association was held on Thursday, December 1, 2005 at the University of Maine, Augusta, Maine. President Kelley called the meeting to order. Directors present were Dillingham, LaCasse, Nadeau and Tarbuck. Also present were Executive Director McNelly, Rebecca Martins, Greg Reed, David Parent and Gordon Johnson.

Executive Directors Report

McNelly provided an update on the Intended Use Plan meeting in Bangor. Under consideration is a change in the principal forgiveness formula; including full price costing for water system improvements.

McNelly informed the board of directors that a meeting has been scheduled with Commissioner Nicholas for December 2nd, 2005. McNelly, Dave Parent, Rick Knowlton and Nancy Beardsley will meet with the commissioner to discuss long term funding for the drinking water program.

McNelly shared that the Long Term II and Stage 2 disinfectant rule will be out by December 15, 2005 and that the Ground Water Rule is anticipated to be released in 2006.

McNelly provided an update on the Bath Water District's request which asks the Public Utilities Commission to resolve a price dispute with the Wiscasset Water District.

Directors Report

Dillingham expressed gratitude for being able to participate as a Board of Director.

Dillingham informed the board of directors that there is potential legislation which would request permission for the use of herbicides in the Songo River. There was Board consensus that the Water Resources Committee should consider organizing a meeting to discuss the proposal, as well as to seek clarification on the public water supply definition.

Kelley informed the board of directors that the Town of Fryeburg voted not to purchase the water system. Next, the customers of the district will vote if they want to buy the system.

Discussion followed that Poland Springs Water is seeking additional drinking water supply sources. There was discussion of having a greater level of dialogue with Poland Springs, including involvement at the February Meeting and Trade Show in 2006.

Approval of Minutes

On a motion by LaCasse and a second by Nadeau the minutes of November 2nd (as amended) were unanimously approved.

Public Awareness – written report provided by Stevens

Stevens reported that the PAC has been meeting bi-monthly, with the most recent meeting held on November 15th. Topics of interest were discussed at the meeting: the draft of the MWUA brochure or "Rack Card", a discussion on whether or not the PAC should purchase booth space at the 2006 Maine Municipal Association Conference, the 2006 Maine Sportsman's Show and what the PAC display message should be, the Southern Maine Children's Water Festival as well as the Northern Maine Children's Water Festival for 2006 and the possibility of committee designing a generic source water protection brochure.

There was consensus for the committee to facilitate the Rig's and Gig's contest and the photo contest at the 2006 February Meeting and Trade Show. Also under consideration, is a proposed Technology Corner for the show. Tarbuck will spearhead this effort.

The committee continues discussion on hosting a training session on Web site design for small systems.

The committee is seeking input from the board of directors on the draft of the MWUA "Rack Card" and is asking for their comments and suggestions.

Stevens informed the Board of Directors of the committee's newest member, Paul Hunt of the Portland Water District.

The next PAC meeting will be held January 10, 2006 at 10 AM in Standish, at the Portland Water District office at Sebago Lake.

Program Committee – written report submitted by Longfellow

The Program Committee met as a group on November 18th at Kennebec Water District's Treatment Plant conference room. The committee finalized the details for the December 8th meeting in York. Tentative meeting locations for 2006 include: April: Camden/Rockport, June: Island Falls, October: Bingham and December: Auburn. The remainder of the meeting was spent discussing the February 2006 Trade Show and Meeting. The Monday morning and afternoon sessions are completed, as are the technical modules on Tuesday. Vendor product demonstrations will occur on Tuesday. No CEUs will be given for attendance at these demonstrations.

The committee is seeking distribution lists of other organizations to add to the mailings to improve the show attendance. The committee approved the draft of the February Meeting and Trade Show Brochure. The next scheduled meeting for the committee is on January 11 at the EJP's Gardiner office to complete any loose ends and review the December meeting.

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Education and Operations Committee – McNelly

McNelly and Leann Hanson from JETCEE are considering joint partnering in educational opportunities in wastewater and drinking water applications and issues. They are working together to avoid possible conflicts in the scheduling of next year's training.

NEWWA training in 2006 includes a class on external corrosion control and bulk chemical handling and delivery.

A four day class in Excel training is proposed through the Northern Maine Community College system and via a private vendor in Augusta and Portland.

The potential impact on the loss of revenues for 2006 was discussed; if training sessions are not organized and implemented soon.

The next committee meeting is scheduled for December 14th and board of directors were invited to attend. As well, recommendations of new committee members are being sought.

Water Resources Committee – McNelly

The committee has not met since the last board meeting. Concerns with DEP's recent release of its water use standards continue. Across the board, the profession is in agreement that reliable data is needed prior to DEP developing stringent rules and regulations.

Legislative Report – Parent

Parent informed the board that the Bond issue had passed and SRF funding was secured – for now.

Parent reported that he and McNelly had met with Juliet Browne and Jim Cohen on the DEP water use standards rulemaking. Ms. Browne has agreed to speak with the EPA and the Attorney General's office and express that the association will oppose DEP's proposed rules.

There was board consensus to support emergency legislation to rectify the situation.

MWUA's summary of bills of interest in the First Session of the 122nd Maine Legislature was distributed to the board. The report will be mailed to all water systems in Maine.

Nominating Committee – Parent

After review of the Board of Directors ballots, Greg Reed, Gordie Johnson and Bill Alexander are elected as 2006 Board members. Incoming board members will be able to vote in January.

Old Business

McNelly continues to have discussions with Wright-Pierce on the feasibility of MWUA partnering with the firm to provide educational training to MWUA's membership.

McNelly distributed the first financial report of fiscal year 2006. Corporate dues have not yet been mailed out in lieu of the fact that several systems have yet to file their PUC reports. Exhibitor applications are starting to come in.

The three year financial plan was discussed. A major component of uncertainty is the volume of and frequency of educational training that the association will host in 2006. There is significant impact on both expenses and revenue forecasts associated with the number and quality of training sessions. There was consensus that, for the time being, the MWUA office will remain in Waldoboro and the frequency of MWUA publications will remain the same.

Four MWUA award nominations have been submitted and there is a possibility that an additional nomination will be forwarded.

There was an informal technical discussion on the Dig Safe Rule: which proposed tickets every 30 days, coupled with marking requirements. The hearing for the proposed rule making will be held on December 14th at the PUC.

New Business

2006 dates and locations to be confirmed: January 5, 2006 at Kennebec Water District, Cool St., Waterville, February 9, 2006 at Brunswick -Topsham Water District and March 2, 2006 at the University of Maine in Augusta.

McNelly provided an update on MDOT regulations and policies. The association continues to review the statutory basis of the current rule. MWUA is facilitating a session on "Working within the Maine Department of Transportation Right-of-Way" at the February Meeting and Trade Show.

By consensus the board of directors went into executive session.

Adjournment: The Board voted unanimously to adjourn.

Board of Directors Meeting January 5, 2006

The January meeting of the Board of Directors of the Maine Water Utilities Association was held on Thursday, January 5, 2006 at the Kennebec Water District, Waterville, Maine. President Kelley called the meeting to order. Directors present were LaCasse, Nadeau, Alexander and Tarbuck. Also present were Executive Director McNelly, Rebecca Martins, David Parent, Jon VanBourg, Craig Douglas, Dan Wells, Gordon Johnson and Tom Brennan of Poland Springs.

Communications

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McNelly shared that the association received a letter from Water for People thanking MWUA for its contribution to their silent auction at the NEWWA conference in Rockport, Maine. \$7400 was raised in proceeds for WFP.

McNelly informed the Board of Directors that a letter was received from Paul Slack of the Mt. Desert Water District. The district is in opposition to fish ladders being installed on Jordan Pond; which is the supply for the Seal Harbor system. The district's concern is that the presence of fish ladders could be an unacceptable risk to a stable water source. The district sited MWUA's sustainable water use paper as a resource to support their position.

McNelly shared that Carlton Gardiner has been hired by the Drinking Water Program as its new Compliance Manager.

Executive Directors Report

McNelly provided updates on his meetings with DHHS Commissioner Nicholas and DEP Commissioner Dawn Gallagher, prior to their resignations.

McNelly, Dave Parent, Rick Knowlton and Nancy Beardsley met with Commissioner Nicholas on December 2, 2005 to discuss long term funding for the drinking water program. Commissioner Nicholas assured the association that the SRF Match would be allocated as a supplemental piece in the next DHHS budget. Following the meeting, Commissioner Nicholas' resignation was announced.

McNelly met with DEP Commissioner Dawn Gallagher to discuss water use standards. DEP continues to support moving forward with their interpretation of water use standards defined under the Clean Water Act.

Approval of Minutes

On a motion by LaCasse and a second by Alexander the minutes of December 1, 2005 were unanimously approved.

Public Awareness – McNelly

McNelly reported that Gary Stevens has expressed a desire to step down as Chair of the Committee. Committee members will discuss his decision at the next PAC meeting being held January 10, 2006 in Standish, at the Portland Water District office.

The Committee continues to organize for the 2006 Maine Sportsman's Show, the Southern Maine Children's Water Festival and the Northern Maine Children's Water. In addition, the Committee will facilitate the Rigs and Gigs contest and the Photo contest at the MWUA February Meeting and Trade Show.

Program Committee – McNelly

McNelly reported that plans for the February Meeting and Trade Show are on target. Jeff McNelly and Jefferson Longfellow met with Steve Crane of Special Events Rental and with Sally Page at the Holiday Inn By the Bay to finalize plans for the February Meeting and Trade Show.

The training sessions and product demonstrations have been finalized and the tradeshow brochure is available online at www.mwua.org. The brochure will be mailed on January 6, 2006.

The next scheduled meeting for the committee is on January 11, 2006 at EJP in Gardiner.

Water Resources Committee – VanBourg

VanBourg reported that the Committee had not met since the last board meeting. Their next meeting is on January 12th. Committee members remain concerned with the DEP's definition of water use standards.

VanBourg informed the Board of Directors that Katherine Webster of the University of Maine at Orono has agreed to facilitate a class on watershed management.

Legislative Report – Parent

Parent reported that the Committee continues to work with Juliet Browne and Jim Cohen on the DEP water use standards rulemaking. Juliet Browne provided a briefing memo on the sustainable water use rulemaking. In lieu of Ms. Brown's work on water use standards, it is expected that there will be a shortfall in the legislative budget for calendar year 2006.

There was unanimous consent from the Board of Directors and the Executive Director to introduce legislation in support of repealing the following paragraph:

470-H. Water use standards; rules

The board shall adopt rules that establish water use standards for maintaining in-stream flows and GPA lake or pond water levels that are protective of aquatic life and other uses and that establish criteria for designating watersheds most at risk from cumulative water use. Standards adopted under this section must be based on the natural variation of flows and water levels, allowing variances if use will still be protective of water quality within that classification. Rules adopted under this section are major substantive rules as defined in Title 5, chapter 375, subchapter 2-A. [2005, c. 330, §12 (new

LD 775 "An Act to Provide a Stable Source of Funding for the Safe Drinking Water Revolving Loan Fund" has been carried over from the First Session of the 122nd Legislature. Committee members are seeking support from the association's membership. Phone calls from utilities advocating for LD 775 are encouraged. Representative Trahan, the bill's sponsor, will do an Op Ed article in support of LD 775.

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Education and Operations Committee – Douglas and Wells

Committee co-chairs Wells and Douglas requested guidance from the Board of Directors in energizing committee participation. There was consensus that education is (and needs to remain) a core function of the association. The co-chairs expressed that they would like to see the role of the Committee to be development of the educational topics; while having another entity administer the programs.

The Board of Directors asked that a variety of ten educational programs be developed for calendar 2006. McNelly distributed a list of potential topics that he compiled with assistance from committee members and training partners. Topics and dates need to be confirmed. Outside Committee members will be asked to assist the Ed/Ops Co-Chairs.

McNelly will continue to develop relationships with training partners to ensure that quality, timely and affordable education is available to the MWUA membership.

McNelly informed the Board of Directors that the association received an invoice from AWWA for monthly OpFlows. There is a \$2000 increase for year 2006 over last year.

Old Business

McNelly provided an update on his meeting with Wright-Pierce to develop educational sessions for the association.

McNelly distributed the draft of the December financial statement and reported that there were no additional details to the 3 year financial plan.

McNelly has received nominations for annual awards and will be sending notification to the Selection Committee to review the nominations.

McNelly reported that the association had not submitted comments for the Dig Safe Rulemaking, but that Portland Water District had.

On a motion by LaCasse and a second by Johnson, MWUA 2006 officers; serving one year terms effective January 5, 2006 were elected: President: Brian Tarbuck, 1st Vice President: Bill Alexander, 2nd Vice President: Greg Reed, Treasurer: Judy Kelley, Secretary: Jeff LaCasse.

By consensus, the board of directors went into executive session for discussion of annual performance evaluations. By consensus, the Board adjourned from the executive session. On a motion by LaCasse and a 2nd by Nadeau, the board of directors meeting was adjourned.

New Business

Tom Brennan, Manager of Water Resources for Poland Springs, was invited to the Board of Directors meeting as a guest. Mr. Brennan shared the history of Poland Springs since its incorporation in 1845 until present time and its current expansion plans.

Mr. Brennan informed the Board of Directors of the company's increased regulatory scrutiny. Opportunities to educate the public on water as a resource were also discussed. Poland Springs is encouraged to have a booth at the MWUA February Meeting and Trade Show. Also suggested, was participation at the Maine Sportsman Show. Discussions on how Poland Springs and MWUA can work together to educate the public will continue.

Tarbuck informed the Board of Directors that Shirley Churchill had retired from the Augusta Water and Sanitary Districts. She will continue to work for the district as needed. McNelly reported that Shirley will continue to be an intricate part of the MWUA Legislative and Regulatory Affairs Committee.

Johnson informed the Board of Directors of the current NFPA discussion of Residential Sprinklers.

The next Board of Directors meeting will be held on February 9th at the Brunswick-Topsham Water District office in Brunswick.

Adjournment: The meeting was adjourned by unanimous consent.

Special Meeting of MWUA Board of Directors Monday February 6, 2006

Meeting began at 3:30 PM at the Holiday Inn by the Bay in Portland. Board members present: Alexander, Johnson, Tarbuck, Reed, Kelley, LaCasse. Also present: Attorney William Harwood of Verrill Dana and Ron Miller of the Portland Water District. Meeting was called to order by President Tarbuck.

The meeting was held to determine if the MWUA board would consider a request by the Portland Water District to file an "amicus brief" in conjunction with a court case between the Portland Water District and Town of Standish involving ownership of some Sebago Lake watershed land.

Harwood explained that the case involved differing opinions on ownership rights with two competing principles: the doctrine of nullum tempus and that of squatter's rights (or prescriptive rights). PWD's claim that nullum tempus protects its land ownership as a quasi-municipal entity just as it would for a municipal entity was upheld in the original court case. Standish has appealed that verdict and appeal arguments are now being formulated.

The board discussed the potential that other public water utilities could have similar claims against property ownership if Standish were successful in this case. Harwood stated that he felt the PWD case would be strengthened with support from MWUA. The Maine Wastewater Control Association agreed previously to file a brief. If MWUA agreed, Attorney Pat Sculley of Bernstein Shur would file the MWUA amicus brief as a favor to the organization. No in-person testimony would be necessary.

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Board members discussed several related questions including the potential impact on other utilities including municipal departments and existing eminent domain processes.

Motion by Kelley, seconded by Alexander to utilize Pat Sculley to assist in filing an amicus brief in support of the Portland Water District in its current legal proceeding against the Town of Standish." Vote: 5 in favor, no opposed, 1 (Johnson) abstention.

The expected time frame for the appeal process was detailed.

Motion to adjourn: by Alexander, seconded by Johnson. All in favor.

Board of Directors Meeting February 9, 2006

The February meeting of the Board of Directors of the Maine Water Utilities Association was held on Thursday, February 9, 2006 at the Brunswick-Topsham Water District, Topsham, Maine. President Tarbuck called the meeting to order. Directors present were LaCasse, Kelley, Alexander and Johnson. Also present were Executive Director McNelly, Rebecca Martins, David Parent and Jim West.

Communications

McNelly informed the Board of Directors of the upcoming New England Water Works conference on April 4-6, 2006 in Worcester, Massachusetts. As a conference co-host, MWUA is eligible to receive two complimentary registrations and is invited to exhibit at no charge.

Preliminary discussion on exhibiting at the NEWWA conference include that Jeff and Laura McNelly could staff the MWUA booth on Wednesday, April 5th. Bill Alexander volunteered to staff the booth on Thursday, April 6th with the assistance of Jim West. Additional booth coverage will be sought.

The April meeting of the MWUA Board of Directors will be rescheduled to avoid conflict with the Maine Waste Water Control Association's Spring Conference on April 7th and the New England Water Works Spring Conference.

As a representative of the New England Water Works Association, Jim West expressed the need for mutual support and alliance between NEWWA and its regional state affiliations.

McNelly provided an update on the January 31, 2006 Maine Municipal Association's Affiliate Group meeting which he attended. McNelly reported that it was a productive meeting which focused on: future MMA building expansions, pertinent insurance issues, plans for a technology conference, and updates on the MMA annual convention and the proposal for a Tax Bill of Rights. McNelly informed the board that MMA has a Legislative & Policy Committee with three subcommittees and encourages interfacing with these committees.

McNelly distributed details of the American Water Works Association's Fly-In on March 29th. Jim West will represent the association and his attendance will be paid for by AWWA. Funding is available for the allocation of an additional MWUA representative. Tarbuck and David Parent will inform the Board of Directors of their availability.

Executive Directors Report

McNelly informed the Board of Directors that the association has received notification from Anthem BCBS for an increase in the association's health insurance premium.

Directors Report

Johnson provided an update on the NFPA discussion in regard to residential sprinklers and proposed that the topic could be included in an upcoming bio-monthly program.

Johnson informed the Board of Directors that the EPA is sponsoring a class at the Portland Water District on advanced asset training. There is a possibility of MWUA cosponsoring the session and providing TCHs for attendees.

Kelley shared that she had attended the Grant Writing seminar at the February Meeting and Trade Show. Grants for small systems are available. Small systems can contact the Maine Municipal Bond Bank for additional details. As well, Kelley attended the "Healthy and Productive Workplace" session at the show. Kelley extended a Rotary "Happy Dollar" for the completion of the 80th annual show.

Kelley informed the Board of Directors that Aqua Maine, Inc. is currently in the process of evaluating their terms and conditions. A consideration is looking at the feasibility of third party billing and credit card payment processing for its customers.

Tarbuck recommended its Augusta plant for filter assessment training as well as other trainings.

Approval of Minutes

On a motion by LaCasse and a second by Kelley the minutes (as amended) of January 5, 2006 were unanimously approved.

On a motion by Kelly and a second by Tarbuck, the February 6, 2006 minutes (as amended) of the Special Meeting of the MWUA Board of Directors were unanimously approved.

Program Committee – McNelly

McNelly reported that the Program Committee will meet again on February 28th. The February Meeting and Trade Show will be reviewed and planning for the April and June bi-monthly meetings will be finalized. The April meeting is

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scheduled for the Camden/Rockport region and the June meeting is scheduled for Island Falls. The Program Committee is seeking additional members.

Public Awareness – Tarbuck

Tarbuck reported that the Committee continues to organize for the 2006 Maine Sportsman's Show, the Southern Maine Children's Water Festival and the Northern Maine Children's Water Festival.

The committee has discussed offering assistance to the Education & Operations Committee.

The committee facilitated the Rigs and Gigs contest and the Photo contest at the MWUA February Meeting and Trade Show. There was one entry for the Rigs & Gigs contest. One-hundred and thirty ballots were cast in vote for attendees' favorite photos.

Tarbuck reported that Mary Gilbertson has joined the committee.

The next meeting is scheduled for March; time and place to be determined.

Water Resources Committee – McNelly

McNelly reported that the Committee met on February 7, 2006. They continue to offer support and guidance to the association on sustainable water use yields.

Katherine Webster of the University of Maine at Orono is scheduled to facilitate a class on watershed management.

The committee is planning an LTII implementation seminar for September.

On March 14th, JETCEE is facilitating a training session on the impact of waste water treatment.

The Committee continues to follow the proposed changes in the fluoride rule.

Legislative Report – Parent

Parent reported that the Committee continues to work with Juliet Browne and Jim Cohen on the DEP water use standards rulemaking. McNelly and David Parent will work together to develop talking points which can be distributed to the MWUA membership.

Committee members continue to seek support in favor of LD 775 "An Act to Provide a Stable Source of Funding for the Safe Drinking Water Revolving Loan Fund."

Parent provided an update on Resolve 29; a directive to the Drinking Water Program to study the adequacy of source water protection in Maine.

Education and Operations Committee – McNelly

McNelly continues to develop relationships with training partners to ensure that quality, timely and affordable education is available to the association's membership.

McNelly outlined classes which are being developed for the remainder of the calendar year, as well as providing an update on the recent LT 2 & Stage 2 Overview Web Casts.

The Board of Directors discussed the ongoing challenges of the operation of the Education and Operations Committee. There will be a significant budget impact if educational sessions do not take place.

McNelly discussed the increase in cost for the AWWA's OpFlows.

Old Business

McNelly distributed a draft of the January financial report. Corporate and Associate membership dues continue to be remitted, as well as advertising dollars for the journal, newsletter and trade show brochure. The trade show costs and revenue will be reviewed. In lieu of the time spent on legislative and legal council, a shortfall in the budget is predicted.

A financial report will be designed which will output outstanding membership dues.

There were no updates to the 3 year financial plan.

New Business

The 2006 goals of the Executive Director and the Board of Directors will be reviewed at a future date.

Greg Reed has announced his resignation from the Bangor Water District. The Board of Directors will contact Greg to inquire as whether or not he anticipates being able to continue to serve on the committee.

The next Board of Directors meeting will be held on March 2, 2006 at the Brunswick-Topsham Water District office in Brunswick.

By consensus, the board of directors went into executive session. By consensus, the Board adjourned from the executive session.

Adjournment: The meeting was adjourned by unanimous consent.

MAINE WATER UTILITIES ASSOCIATION, APRIL 2006

2006 JOURNAL ADVERTISING RATES

SPACE	TYPE OF BLOCK Camera Ready	FULL YEAR (2 issues)
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