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Testimony of Rep. Maggie O'Neil presenting

LD 1111, An Act Concerning Contracts and Agreement for Large-scale Water Extraction

Before the Joint Standing Committee on Energy, Utilities and Technology

Senator Lawrence, Representative Zeigler, and honorable members of the Energy, Utilities and Technology Committee, I am Representative Maggie O'Neil. I represent House District 129, part of Saco. Thank you for the opportunity to present **LD 1111, An Act Concerning Contracts and Agreement for Large-scale Water Extraction**.

Our groundwater is a precious and finite resource that deserves protection. Since at least the 1970s, the Legislature has deliberated on how best to do that, but it has been difficult to make meaningful progress toward ensuring responsible, accountable stewardship of the resource. This bill would be a small but significant step in that direction.

LD 1111 has two major components. First, it would limit the term of contracts between consumer-owned water utilities and other entities that involve the large-scale extraction and transportation of water to no longer than three years. Second, it would require that such contracts be approved by the municipalities within the watershed from which water is being extracted.

By requiring local approval at reasonable intervals, this measure provides accountability and transparency. It engages the communities directly impacted by the large-scale extraction of groundwater through the democratic process.

Currently, there are no guardrails in place around the length of these contracts. That means communities can be locked into decades-long agreements with little-to-no recourse in the face of changing conditions. Ten years ago, Poland Spring signed a 45-year contract for water extraction

when considering the agreement's automatic renewal options.¹ In the face of a changing climate, unpredictable weather patterns, and more frequent droughts, it is impossible to say with any confidence that the terms of a water extraction agreement made today will be acceptable decades in the future. Further, with more severe climate impacts already occurring across the country, it is important that Maine creates guardrails to protect the resilience of our communities and avoid exploitation of our shared resources.

The question of how to protect our water resources will only become more relevant in the years to come. In the past, we have mostly viewed water scarcity as a problem "from away," and to be sure, it is an incredibly urgent issue in places like the western U.S., which is currently in the midst of its worst drought in more than a millennium.² But even here in Maine, the problem is increasingly pressing. We know we cannot take our water for granted like we once did.

My generation and people younger than me are going to face many challenges related to water access and other climate impacts. We need to ensure that water is clean, available, and affordable for all Maine residents. Our lives depend on it.

I have worked closely with Nickie Sekera, cofounder of Community Water Justice, who is here today to speak to this measure in more detail. I encourage you to direct your questions to Ms. Sekera and other subject matter experts here today, but I would be happy to answer any questions you might have for me specifically.

Thank you for your consideration.

¹ 20-year contract with up to 5 automatic 5-year renewal clauses (up to 45 years total). Prior to that agreement, the contract had been executed in 5-year increments. The original proposal was reduced from 20 to 25 year. See attachment, page 4, heading 2(a) for original proposal, which was amended to 20 years.

² NPR: Study finds Western megadrought is the worst in 1,200 years. Jan. 14, 2022.

www.npr.org/2022/02/14/1080302434/study-finds-western-megadrought-is-the-worst-in-1-200-years

Suggested Amendment

To better effectuate the intent of bill, replace “consumer-owned utility” with “water utility.” §102(22):

- **22. Water utility.** "Water utility" includes every person, its lessees, trustees, receivers or trustees appointed by any court, owning, controlling, operating or managing any water works for compensation within this State, including any aqueduct organized under former Title 35, chapter 261 and any of its predecessors.
 - **23. Water works.** "Water works" includes all reservoirs, tunnels, shafts, dams, dikes, head gates, pipes, flumes, canals, structures and appliances, and all real estate, fixtures and personal property, owned, controlled, operated or managed in connection with or to facilitate the diversion, development, storage, supply, distribution, sale, furnishing, carriage, apportionment or measurement of water for municipal and domestic use.

This includes both consumer-owned water utilities and private water utilities. Section 6109-B, only applies to consumer-owned water utilities.