



Rumford Water District

25 Spruce St, Rumford, ME 04276 ♦ 207-364-8531

Testimony in Opposition to LD 1111

An Act Concerning Contracts and Agreements for Large-scale Water Extraction

Senator Lawrence, Representative Zeigler, and members of the Energy, Utilities and Technology Committee;

My name is John Halacy and I am the Superintendent of the Rumford Water District. I am before you today to testify in opposition to LD 1111, An Act Concerning Contracts and Agreements for Large-scale Water Extraction. This legislation proposes to interfere with our ability to enter into and maintain contracts with water purchasers – something fundamental to our mission.

LD 1111 would significantly interfere with our role and duty as stewards of the water resources for our territories. Specifically, it would require that a legislative body approve our contracts and limit their term to three years. This is an unworkable requirement that would interfere with our current operations and ultimately harm our ratepayers.

Poland Spring is the company that purchases water from Rumford Water District. Poland Spring has upheld every part of their end of our agreement and have been great to work with, they have also done a great deal for our community. Poland Spring's portion of our revenue is 21.3%, so almost a quarter of our revenue comes from them. Since the revenue from this agreement started three and a half years ago, we have replaced two wells and some very important water main work. Also, three quarters of a mile of 12" water main has been replaced. New generators installed at Milligans Pump Station. Poland Spring also paid \$160,000 towards a much-needed booster pump station. All this work that's mentioned is three quarters of a million dollars and we have done it out of pocket the last three years because of this revenue. Poland Spring's revenue is so very important to this water district and its rate payers.

Furthermore, Rumford Water has some very large loans coming up for a couple big jobs that would not get done without this revenue. If we enter into these loans and a bill like this was to pass and we lost this revenue, that would cripple us. This is just one of the many reasons why having a three year contract makes no sense. If you have the proper fail safes in place, the duration of the contract is not relevant.

The Water District is the right entity to be making the decisions on the sale of water, that is why there is a Water District and a board of directors. If a factory moved into town and needed a large amount of water to run it would be up to the Board, Superintendent, Engineer and DWP to make sure there is ample water supply to support the factory, that's why we are here. If you are entering into a large-scale water extraction like we did all the proper entities with the proper abilities and training were involved. The Department of Environmental Protection, Department of Health and Human Services DWP, Maine Public Utilities Commission. I can tell you first hand it is regulated very thoroughly and the safety of the source of water is watched over before and after the agreement.

In conclusion, LD 1111 is an unreasonable and ultimately harmful proposal for consumer-owned water utilities. I urge you to oppose this legislation with a unanimous Ought Not to Pass report.

Thank you for your consideration of these important matters.

Sincerely,

A handwritten signature in black ink that reads "John Halacy". The signature is written in a cursive, flowing style.

John Halacy

Superintendent of the Rumford Water District