

**Lincoln Water District
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March 30, 2023

Senator Mark Lawrence
Representative S. Paige Zeigler
Legislative Committee on Energy, Utilities and Technology
100 State House Station
Augusta, ME 04333

RE: L.D. 1111, An Act Concerning Contracts and Agreement for Large-scale Water Extraction

Dear Senator Lawrence, Representative Zeigler, Members of the Committee on Energy, Utilities and Technology:

The Lincoln Water District opposes this bill. Current laws provide adequate protection for the public, including the following:

- A) DHHS Bulk Water Transport Law: Regulates transportation of water in bulk for commercial purposes beyond the municipality where water is located.
- B) DEP Natural Resources Protection Act: Need permit prior to establishing a significant groundwater well.
- C) State MRSA Title 35-A, §6109-B. Contracts for large-scale extraction and transportation of water: Requires public notice and a public meeting to provide transparency and public involvement for any proposed contract between a consumer-owned water utility and another entity that involves a large-scale extraction of water and the large-scale transportation of water.

The Lincoln Water District is a quasi-municipal utility that is run by three Trustees that are appointed by the town elected officials. This bill as presented would give veto power over the District Trustees.

The Lincoln Water District at present has two contracts in effect. The first one is with the Town of Howland. This is a forty-year contract to provide safe drinking water and fire protection. The second contract that is in the process of renewing is a contract with Poland Spring. This contract is for twenty years, with five consecutive options for a renewal period of five years. Both the Lincoln Water District and Poland Spring would have to agree to exercise these options.

If this bill passes, it would put more of a burden on our Water District, which is already regarded as a disadvantaged community, because of the closure of the Lincoln Pulp and Tissue Mill. Since the mill shut down in 2014, Poland Spring has been a great revenue source for the District. The process of doing a contract with Poland Spring takes a roughly a year to finalize and is then submitted to the Public Utilities Commission and the Maine Drinking Water Program for approval. Poland Spring also has to do permitting with DEP and FDA's 50 state rule. This process costs thousands of dollars to both sides to make this happen. This bill if passed would put more burden on the utility, consumers and the town because of rate increases to cover added costs that this bill would make for the District.

Terms of contracts should not be limited to 3 years or even 5 years. Contract agreements to sell water as defined in this bill involve a large investment in both infrastructure and permitting. The investment for these types of contracts cost hundreds of thousands to millions of dollars. In order to pay for such investment, the term of the contract must provide a sufficient length of time to justify financing the upfront costs. The Lincoln Water District usually does 20 to 30 year bonds to cover any type of infrastructure investment in their water system. The District feels this should be the same for contracts to sell water to other entities or companies.

This bill looks to take away local control and make it a state wide regulation. L.D. 1111 is in response to a handful of consumer owned water utilities that are selling water to Poland Spring. Municipalities have the power to regulate land use locally and regulate water extraction. This bill would strip the authority of all Water Districts Trustees state wide to sell water to certain users, as well as the authority to enter contracts that would benefit the customers that the Districts represent. These issues should stay local with local ordinances, not statewide control.

The Lincoln Water District urges the Committee to report out LD 1111 Ought Not To Pass.

Sincerely,

Jeffrey W. Day
Superintendent
Lincoln Water District