

**JOURNAL of the
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CONFERENCE NO. 496

APRIL 10, 2008

SKOWHEGAN



Welcome to Skowhegan

Gordon Johnson, 2008 MWUA, President Board of Directors

I have a couple of announcements before we get into the program. The EBay essential announcement is from the Bath Water District. Trevor has a lightly used vehicle that he is interested in accepting bids on. It's a 1998 3500 series service truck with a 9' utility body.

It is spring; we could have flood issues, so make sure you're thinking about it and what you will do if it happens. We encourage all folks who came a long ways to take a chance to talk to folks who were able to make this meeting but may not be able to make other meetings. I see lots of faces that I don't know and would love to talk to them.

We have a lot of recent energy from young professionals and are looking to form a young professionals committee. I myself don't fit into that category, as do a lot of others here, but I certainly can provide the energy and experience to do that. Kathy Moriarty and Norm Lamie are really interested in carrying the ball and working with Maine Waste Water Control and New England Water to make it successful. Certainly, lots of us, are looking at staff change over time. We're looking at trying to raise the awareness of the industry and reaching out to the schools and colleges in an effort to get different people into the industry. So please touch base with Kathy and Norm with your thoughts or comments.

On a final note, some of us went out to a smaller utility this week to honor George Dugovic, who was unable to make our February meeting and is the Sid Anthony Award Winner. George is here; he has a very impressive story. I work for the Portland Water District but I'm also a Trustee of the Bowdoinham Water District which is a lot closer to George's story but we're about a 1000 times different in terms of the utility that he inherited and the one I work at. George was involved in the start up of the Alfred Water District and improving a system that was in need of a lot of work. So, thank you, George and thank you for coming today.

System Overview

Rick Knowlton, Aqua Maine, Inc.

This system was chartered 1887, under the Private and Special Law Chapter 44. It was founded by a collection of Skowhegan businessmen that had the system constructed.

Little is known about the system up until the Great Depression of 1929, but somewhere along the way, the utility became part of Atlantic Public Utilities, Inc., a holding company that did business in 13 states up and down the eastern seaboard.

Samuel Insull acquired Atlantic in 1931. Insull worked with Thomas Edison in NY at Edison General Electric. Insull left GE and went on to build the nation's largest utility holding company and was the pioneer in electrifying America.

The collapse of the Insull utility holding companies during the Great Depression led to the 1935 federal law that redefined regulation of private companies owning public utilities: the Public Utility



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Holding Company Act. Another legacy of George W. Bush will be the repeal of the PUHCA act as part of the Energy Policy Act of 2005.

For a decade following the Depression, the utility bounced in and out of receiverships and reorganizations between holding companies and became known as the Northeastern Water & Electric Company. During this period, things were so bad financially, that on April 8, 1936, the Skowhegan Water Company filed a complaint against itself with the Maine Public Utilities Commission. The complaint states that the “plant, equipment and physical properties are insufficient to enable it to furnish a steady, constant and adequate supply of water” and the company proposed the construction of a filtration plant, storage and improved distribution mains. Oh yes, and appropriate revenues to support the investment. After the filtration plant was completed, residential rates jumped to \$10 per quarter for 2000 cubic feet of water. The 1936 filtration plant remains in service today.

Northeastern was acquired in 1942 by John Ware, who later formed what is today the largest private water utility in North America, serving almost 16 million people - American Water Works Corporation. John Ware used his Northeastern company to gain controlling interest in the water works business of American Water Works and Electric when it was forced to reorganize in 1947, primarily as a result of the PUHCA of 1935.

In the 1940's Northeastern included Caribou, Eastport, Greenville, Guilford, Hartland, Limestone, Mars Hill, Mechanic Falls, North Berwick, Norway, Brewer, Sangerville, Southwest Harbor, Stockton Springs and Waldoboro.

In 1948, a second complaint to the Public Utilities Commission was filed, this time by the Town of Skowhegan and several customers of the utility following a string of fires in town. Although the water was better, the complaint alleged that the fire fighting capacity of the system was inadequate. During testimony, the company agreed with the town, but noted that the utility had presented a plan to the town many years before to improve the storage and distribution facilities but the town had refused to enter into a contract for public fire protection service that would cover the cost of the improvements. Hence they were never made. The PUC quickly said that the utility should improve the system and the town should pay their fair share of the increased costs.

So after thirteen years of ownership and essentially rebuilding the utility, American sold the Maine properties to General Water Works, a Pennsylvania holding company, in 1955.

General Water Works managed their operations in Maine from a Skowhegan office until 1992 when they sold their remaining 3 properties in Maine to Consumers Water Company.

Consumers Water Company merged with what is now Aqua America in 1999. Today, this utility operates as the Skowhegan Division of Aqua Maine.

In addition to name changes, Brian Mitchell will tell you that much has changed operationally in the system. Brian, our Superintendent, is celebrating his 30th year with the utility, every one of them in Skowhegan. Brian will tell you that when he started, there were 6 people on the crew in Skowhegan. Now there are still six people in Skowhegan, but they operate and maintain the water systems in Skowhegan, Oakland and Hartland and provide contract services to Athens and Corinna. The Skowhegan filtration plant was our last surface water facility to automate, but investments in SCADA and other technologies, such as automated meter reading, have made operational efficiencies possible.

Last year, The Skowhegan division completed a comprehensive capital improvement plan that identified about a million dollars of pipe replacement projects over the next 10 years. A greater challenge for the future is to expand the water system into areas where the community has identified opportunities for commercial growth, especially to the south on Route 201.

Thank you.