

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SECOND LEGISLATURE

Legislative Document

No. 1070

S. P. 321

In Senate, February 9, 1965
Referred to Committee on Public Utilities. Sent down for concurrence and ordered printed.

EDWIN H. PERT, Secretary

Presented by Senator Boisvert of Androscoggin.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SIXTY-FIVE

AN ACT Creating the State of Maine Power Authority Act.

Be it enacted by the People of the State of Maine, as follows:

Sec. 1. R. S., T. 35, Part 8, c. 301, additional. Title 35 of the Revised Statutes is amended by adding a new chapter 301, to read as follows:

‘PART 8

POWER AUTHORITY

CHAPTER 301

MAINE POWER AUTHORITY ACT

§ 3601. Short title

This chapter may be referred to and cited as the “State of Maine Power Authority Act.”

§ 3602. Policy

In order to conserve, fully develop and control the water and power resources of the upper Saint John River and its tributaries in the most economical way for the benefit of the people of the State of Maine, to enlarge the recreational facilities within the State, to preserve and enhance the scenic and wilderness beauty and natural resources of the State and to promote the agricultural, industrial and commercial development of the State, it is hereby determined to be necessary, advisable and in the best interests of the State of Maine and the inhabitants thereof, for the purpose of effectuating the terms of this chapter, to create the State of Maine Power Authority which is hereby authorized and

empowered to construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate a hydroelectric power project located principally in the counties of Aroostook and Piscataquis but, additionally, in Penobscot County, and including high voltage transmission lines wherever located within or without the State, and to issue notes and revenue bonds of the authority, payable solely from revenues, to finance such project, all as in this chapter more particularly provided.

§ 3603. Credit of State not pledged

Revenue bonds and notes issued under this chapter shall not be deemed to constitute any debt or liability of the State of Maine or of any political subdivision thereof or a pledge of the faith and credit of the State of Maine or of any such political subdivision, but shall be payable solely from the funds provided therefor from revenues. All such revenue bonds and notes shall contain on the face thereof a statement to the effect that neither the State of Maine nor the authority shall be obligated to pay the same or the interest thereon, except from the revenues and other moneys of the authority pledged to the payment thereof and that neither the faith and credit nor the taxing power of the State of Maine or of any political subdivision thereof is pledged to the payment of the principal of or the interest on such bonds or notes. The issuance of revenue bonds or notes under this chapter shall not directly or indirectly or contingently obligate the State of Maine or any political subdivision thereof to levy or to pledge any form of taxation whatever therefor or to make any appropriation for their payment.

§ 3604. Expenses of authority

All expenses incurred in carrying out this chapter shall be payable solely from funds provided under the authority of this chapter and no liability or obligation shall be incurred by the authority hereunder beyond the extent to which moneys shall have been or shall be provided under this chapter.

§ 3605. State of Maine Power Authority

There is hereby created a body politic and corporate to be known as the "State of Maine Power Authority." The authority is hereby constituted a public instrumentality and the exercise by the authority of the powers conferred by this chapter in the construction, reconstruction, maintenance, repair, leasing, operation and regulation of the power project and other facilities authorized by this chapter shall be deemed and held to be the performance of an essential public function.

The State of Maine Power Authority shall consist of 5 members appointed by the Governor by and with the advice and consent of the Council, who shall at all times be residents of the State of Maine, no more than 3 of whom shall be members of the same political party. Any member who shall cease to reside within the State shall thereupon be disqualified from holding office as a member of the authority. The members of the authority first appointed shall serve for terms expiring on July 1, 1966, July 1, 1967, July 1, 1968, July 1, 1969 and July 1, 1970, respectively and until their respective successors shall be appointed and qualified, the term of each such member to be designated by the Governor. The successor of each of the appointed members shall be appointed for a term

of 5 years but any person appointed to fill a vacancy shall be appointed to serve only for the unexpired term, and a member of the authority shall be eligible for reappointment. Each member of the authority may be removed by the Governor with the consent of the Council for misfeasance, malfeasance or willful neglect of duty. Each member of the authority before entering upon his duties shall take and subscribe the oath or affirmation required by the Constitution, Article IX, Section 1. A record of each such oath shall be filed in the office of the Secretary of State.

The initial chairman of the authority shall be the member appointed as provided, designated by the Governor by and with the advice and consent of the Council to serve in such capacity. The chairman shall serve as chairman during his term as a member of the authority. Thereafter, the chairman of the authority shall be the member designated by the Governor by and with the advice and consent of the Council as chairman whenever a vacancy in the chairmanship occurs.

The authority shall annually elect one of its members as vice-chairman and shall elect a secretary-treasurer who need not be a member of the authority, and who shall serve at the pleasure of the authority and shall receive such compensation as shall be fixed by the authority. The secretary-treasurer shall keep a record of the proceedings of the authority and shall be custodian of all books, documents and papers filed with the authority and of the minute book or journal of the authority and of its official seal. He shall have authority to cause copies to be made of all minutes and other records and documents of the authority and to give certificates under the official seal of the authority to the effect that such copies are true copies, and all persons dealing with the authority may rely upon such certificates.

Three members of the authority shall constitute a quorum and the affirmative vote of 3 members shall be necessary for any action taken by the authority. No vacancy in the membership of the authority shall impair the right of a quorum to exercise all the rights and perform all the duties of the authority. Before the issuance of any revenue bonds or notes under this chapter, each member of the authority shall execute a surety bond in the penal sum of \$50,000 and the secretary-treasurer shall execute a surety bond in the penal sum of \$100,000, each surety bond to be conditioned upon the faithful performance of the duties of his office, to be executed by a surety company authorized to transact business in the State of Maine as surety and to be approved by the Attorney General and filed in the office of the Secretary of State. The cost of each such bond shall be paid by the authority.

Each member of the authority shall receive a salary of \$5,000 per year for the performance of his duties. Each such member shall in addition thereto receive the sum of \$50 per day for each day in excess of 100 days per year spent in the performance of his duties. Each such member shall be paid his necessary expenses reasonably incurred while engaged in the performance of his duties.

§ 3606. Definitions

As used in this chapter, the following words and terms shall have the follow-

ing meanings, unless the context shall indicate another or different meaning or intent:

1. Authority. "Authority" shall mean the State of Maine Power Authority created by section 3605 or any board, body, commission, department or officer succeeding to the principal functions thereof or to whom the powers conferred upon the authority by this chapter shall be given by law.

2. Bonds. "Bonds" or "revenue bonds" shall mean revenue bonds of the authority issued under this chapter.

3. Cost. "Cost" as applied to the power project or any portion thereof or any other purpose or facility financed under this chapter shall embrace the cost of construction and the cost of acquisition of all real property and personal property acquired by the authority for such construction or for other purposes authorized by this chapter, the cost of demolishing or removing any buildings or structures on real property so acquired, including the cost of acquiring any real property to which such buildings or structures may be moved, the cost of all machinery and equipment, financing charges, interest prior to and during construction and, if deemed advisable by the authority, for such period after completion of such construction as the authority shall determine, provisions for working capital, reserves for principal and interest and for extensions, enlargements, additions and improvements, cost of engineering, financial and legal services, plans, specifications, studies, surveys, estimates of cost and of revenues, administrative expenses, expenses necessary or incident to determining the feasibility or practicability of constructing the project or any such portion or any other authorized purposes or facilities, and such other expenses as may be necessary or incident to the construction of the project or any such portion, the financing of such construction and acquisition and the placing of the project or any such portion in operation. Any obligation or expense hereafter incurred by the State of Maine or any agency or department thereof with the approval of the authority for studies, surveys, borings, preparation of plans and specifications, and other engineering services in connection with the construction of the project or any such portion shall be regarded as a part of the cost of the project or such portion and shall be reimbursed to the State of Maine or to such agency or department out of the proceeds of the revenue bonds issued for the project or any such portion as authorized.

4. Project. "Project" or the words "Power project" shall mean the project constructed by the authority under this chapter for beneficially controlling the flow and utilizing the water resources of the upper Saint John River and its tributaries, consisting of the Cross Rock Development located principally in the counties of Aroostook and Piscataquis, State of Maine, but, additionally, in Penobscot County, State of Maine, with the main dam to be constructed below the confluence of the Allagash and Saint John Rivers in Aroostook County, and, subject to such approvals of the proper authorities in Canada and in the United States as may be required by law, including in each case all dams, reservoirs, aqueducts, canals, locks, ditches, flumes, culverts, tunnels, penstocks, pipes and pipelines, mains, bridges, roads, powerhouses, turbines, generators, substations, switching stations, high voltage transmission lines wherever located,

within or without the State, plant facilities and all other buildings, structures and facilities, including recreational facilities, parks, parking facilities, biological and fishing stations, trailer parks, motels, cottages, tourist accommodations, campsites, marinas and other similar facilities which the authority may acquire or construct under this chapter, together with all real property and personal property which may be acquired by the authority for the construction or operation of the project.

5. Owner. "Owner" shall include all individuals, copartnerships, associations or corporations, public or private, and also municipalities, political subdivisions and all public agencies and instrumentalities having any title or interest in any real property or personal property authorized to be acquired by this chapter.

6. Real property. "Real property" shall mean and include lands, structures, franchises and interests in land, including lands under water and riparian rights, and any and all other things and rights usually included within said term, and includes also any and all interests in such property less than full title, such as easements, rights-of-way, uses, leases, licenses and all other incorporeal hereditaments and every estate, interest or right, legal or equitable, including terms for years and liens thereon by way of judgments, mortgages or otherwise, and also all claims for damages for such real property.

§ 3607. Powers

The authority is hereby authorized and empowered:

1. Body corporate; bylaws. To have perpetual succession as a body politic and corporate, and to adopt bylaws for the regulation of its affairs and the conduct of its business;
2. Seal. To adopt an official seal and alter the same at pleasure;
3. Office. To maintain an office at such place or places as it may designate;
4. Sue. To sue and be sued in its own name, plead and be impleaded;
5. Project. To determine the location and character of the project or any portion thereof to be financed under this chapter and to construct, reconstruct, maintain, repair, operate, lease, as lessee or lessor, and regulate the same, to generate, produce, transmit, exchange, purchase or sell, as provided in subsection 10, electric energy in connection with the project or any portion thereof and its operation, to enter into contracts for any or all of such purposes, and to enter into contracts for the leasing, management or operation of the project or any portion thereof;
6. Bonds. To issue bonds, bond anticipation notes and other obligations of the authority for any of its corporate purposes, and to fund or refund the same all as provided in this chapter;
7. Rates generally. To fix and revise from time to time and charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by the project or any portion thereof;

8. Rules and regulations. To establish rules and regulations for the use of the project or any portion thereof;

9. Property. To acquire, hold, lease, as lessor or lessee and dispose of real property and personal property within or without the State of Maine in the exercise of its powers and the performance of its duties under this chapter, except that the authority shall have no power to acquire by condemnation or by the exercise of the power of eminent domain all of the assets of any corporation or public utility engaged in the transmission, distribution and sale of electric energy within or without the State of Maine or all of the capital stock of any such corporation or public utility or any property now owned by any such corporation or public utility and essential for its operation, or any existing rights relating to the flow of water from Chamberlain and Telos Lakes;

10. Sales. To sell or purchase for resale, and enter into contracts with the owners of any publicly, privately or cooperatively owned electric power systems or wholesale users of electric energy, within or without the State of Maine, for supplying or transmitting, electric energy, to enter into interchange agreements involving electric energy with the Passamaquoddy District Authority a body corporate and politic created by chapter 65 of the private and special laws of 1945, and with the owners of any publicly, privately or cooperatively owned electric power systems within or without the State of Maine, to construct, reconstruct and maintain additional transmission facilities in Maine for the Hamelton Falls, Laborador Power Development and to lease as lessor or as lessee the project or any portion thereof for such period or periods of years and upon such terms and conditions as the authority shall determine;

11. Licenses. To make application or cause application to be made to the appropriate departments, agencies and officials of the United States of America and the Dominion of Canada or its provinces, including the Federal Power Commission and the International Joint Commission, for such licenses, permits or approvals with respect to the project or any portion thereof as it may deem necessary or desirable, and, in its discretion and upon such terms and conditions as it may deem appropriate, to accept such licenses, permits or approvals as may be tendered to it by such agencies or officials; and to enter into contracts with such agencies or officials relating to the construction or operation of the project or any portion thereof; if the authority, for any reason, shall deem it advisable to do so, or shall fail to secure any such license, permit or approval as it may deem necessary or desirable, it is authorized to institute suit, or to apply to the Congress for legislation, or take such other action in the premises as it may deem necessary or desirable, in the furtherance of the project or any such portion thereof and for the protection of its rights and those of the State of Maine;

12. Contracts and agreements. To negotiate, make and enter into all contracts and agreements with any person, firm or corporation or any political subdivision or agency of any state or of the United States or the Dominion of Canada, necessary or incidental to the performance of its duties and the execution of its powers under this chapter; provided that such contracts and agreements shall be made and the negotiations incident thereto shall be conducted and concluded with due regard to the interests of the United States of America

and of the State of Maine, including, particularly, international agreements, and any such contracts and agreements may, if necessary, desirable or appropriate, be submitted to the Congress of the United States of America for approval;

13. Engineers, attorneys, etc. To employ consulting engineers, attorneys, accountants, construction and financial experts, superintendents, managers and such other employees and agents as may be necessary in its judgment, and to fix their compensation and the period and terms of employment;

14. Loans or grants. To receive and accept from any public agency loans or grants for or in aid of the construction of the project or any portion thereof, and to receive and accept loans, grants, aid or contributions from any sources of either money, property, labor or other things of value, to be held, used and applied only for the purposes for which such loans, grants, aid and contributions may be made;

15. Utilization of project and recreational purposes. To provide cottages, motels, trailer parks, tourist accommodations, campsites, marinas, park and parksites and other facilities for the utilization of the project and for recreational purposes and to lease any such facilities, to make and enter into contracts with the State Park and Recreation Commission, or any other agency of the State of Maine which may be created for such purpose, for the development and utilization of recreational facilities, and to cooperate with the appropriate departments and agencies of the State of Maine and the United States for the accomplishment of such purposes;

16. Restore and control water levels. To rebuild the dam at the outlet of Fifth Saint John Pond and build a new dam at the outlet of Baker Lake in order to restore and control the water levels which existed prior to the destruction of the dams at these places and thereby permit the use of canoes on the lakes above and in the river below the dams, thereby creating a waterway to be known thereafter as the "Allagash Canoeway";

17. Canada. To receive and accept from any person, corporation, body, department or agency, or commission authorized so to do so by the laws of the Dominion of Canada through assignment, transfer, conveyance or lease such privileges, provisions and rights with respect to the project as may be necessary for it to exercise within the Dominion of Canada the powers granted to it by this chapter;

18. Travel on waters. In connection with the construction, operation and maintenance of the project or any portion thereof and in connection with the establishment and development of park and recreational facilities, fish and wildlife management, preservation of the wilderness and forestry protection, to establish and locate dams, lakes, reservoirs, waterways and watercourses within the Grand Allagash Lake drainage area and within and adjacent to the parks and parksites established pursuant to this chapter and to provide for the protection and preservation thereof; to regulate the use of, travel upon and ingress and egress to such lakes, reservoirs, waterways and water courses, and to regulate, operate and control the use, flow and release of water in and to such lakes, reservoirs, waterways and water courses; provided that in regulating the use of,

travel upon and ingress and egress to such lakes, reservoirs, waterways and water courses the authority shall regulate and prescribe that, from June 15th to September 15th in each year, the Allagash Canoeway from Fifth Saint John Pond to Seven Islands through Cunliffe Narrows to the Allagash Arm shall be reserved for canoeists only and motors may not be operated upon such canoeway or carried in any canoe thereon, unless transported in the canoe of a licensed Maine guide for use in the lake areas outside of the canoeway, subject to the right of any craft towing log booms and any other industrial craft used in the production and transportation of wood products, such craft, however, to provide canoeists with reasonable rights-of-way at all times from Cunliffe Narrows at Long Lake through Churchill Lake and Eagle Lake to Lock Dam from June 15th to September 15th motors no greater than 10 horse power will be allowed;

19. Agreements with State. To enter into such agreements with the State of Maine, and the departments, commissions, committees, officers and agents thereof, with respect to the use of the moneys of the authority, derived from proceeds of sale of its obligations or from revenues of the project, for the establishment and development of park and recreational facilities, fish and wildlife management, preservation of the wilderness and forestry protection, as the authority may authorize and undertake; such agreements to contain such terms and provisions as the parties thereto shall agree upon and prescribe therein; and

20. Other acts. To do all Acts and things necessary or convenient to carry out the powers expressly granted in this chapter, except that by way of limitation of the powers expressly granted by this chapter, or necessarily implied, the authority shall not be empowered and shall not be entitled to construct or acquire the project or any portion thereof or to do or cause or grant permission to do or cause anything to be done which will in any way divert water within the territorial limits of the State of Maine to any area outside the territorial limits of the State of Maine without the approval of the Legislature of the State of Maine.

§ 3608. Acquisition of property

The authority is authorized and empowered to acquire by purchase, whenever it shall deem such purchase expedient, solely from funds provided under the authority of this chapter, such real property and personal property located within or without the State of Maine as it may deem necessary or convenient for the construction or operation of the project and the carrying out of its functions, powers and duties under this chapter and fulfillment of the purposes of this chapter, upon such terms and at such prices as may be considered by it to be reasonable and can be agreed upon between it and the owner thereof, and to take title thereto in the name of the authority.

All counties, cities, towns and other political subdivisions and all departments, boards, bodies, public agencies and commissions of the State, notwithstanding any contrary provision of law, are authorized and empowered to lease, lend, grant or convey to the authority at its request upon such terms and conditions as the proper authorities of such counties, cities, towns, political subdivisions, departments, boards, bodies, public agencies and commissions of the State may

deem reasonable and fair and without the necessity for any advertisement, order of court or other action or formality, other than the regular formal action of the authorities concerned, any real property which may be necessary or convenient to the effectuation of the authorized purposes of the authority, including public roads and other real property already devoted to public use. If reasonable and fair conditions for the acquisition of property or rights as provided in this paragraph cannot be agreed upon, the property may be taken by the authority under condemnation proceedings in the same manner as is provided in this section for the taking of other property.

Whenever a reasonable price cannot be agreed upon, or whenever the owner is legally incapacitated or is absent, unknown or unable to convey valid title, the authority is authorized and empowered subject only to the exception in section 3607, subsection 9, to acquire by condemnation or by the exercise of the power of eminent domain any real property, including public lands, parks, playgrounds, reservations, highways, parkways, or parts thereof or rights therein, of any person, copartnership, association, railroad, public service, public utility or other corporation, municipality or political subdivision deemed necessary or convenient for the construction or the efficient operation of the project or any part thereof or necessary in the restoration of public or private property damaged or destroyed. In such event, the authority shall cause the real property to be taken, to be surveyed and described and a plan thereof and said description to be recorded in the registry of deeds for the county or registry district where the same is located, and notice thereof shall be given in some newspaper publish wholly or in part in said county or if no such newspaper exists, then in a newspaper of state-wide circulation. The county commissioners of the county wherein such real property is located shall constitute a board of appraisers which shall on petition of the authority or interested parties meet and ascertain and determine the value of the property or land to be taken, make a correct return of their doings, signed by them, accompanied by an accurate plan of the real property and state in their return the names of the persons to whom damages are allowed, and the amount allowed to each. The county commissioners shall give reasonable notice to interested parties of the time and place of their meeting and afford interested parties an opportunity to be heard. Their return shall be filed with the clerk of the county commissioners and remain in the custody of their clerk for inspection. Any interested party aggrieved by their determination of damages may appeal from their determination to the Superior Court of the county at the next regular term of said court following the date of filing of their returns with their said clerk. If no such appeal is made, the proceedings shall be closed, and become effectual; all claims for damages not allowed by them be forever barred; and all damages allowed by them be final. If an appeal be taken at the time and in the manner provided, the court shall determine the damages by a committee of reference if the parties so agree, or by a verdict of its jury, and shall render judgment for the damages recovered, and judgment for costs in favor of the party entitled thereto. The appellant shall file notice of his appeal with the county commissioners within the time limited and at the first term of court shall file a complaint setting forth substantially the facts, upon which the case shall be tried like other cases. The party prevailing recovers costs to be allowed and taxed by the court, except that they shall not be recovered by the party claiming damages, but by the

other party, if on such appeal by either party, said claimant fails to recover a greater sum as damages than was allowed to him by the county commissioners. The committee of reference shall be allowed a reasonable compensation for their services, to be fixed by the court upon the presentation of their report and paid from the county treasury upon the certificate of the clerk of courts. From the action of the court or on exceptions, or from any judgment after a jury trial, an appeal may be taken by any party to the Supreme Judicial Court.

Title to any property condemned by the authority shall be taken in the name of the authority. The authority shall be under no obligation to accept and pay for any property condemned or any costs incidental to any condemnation proceedings; and in any condemnation proceedings, the court having jurisdiction of the suit, action or proceeding may make such orders as may be just to the authority and to the owners of the property to be condemned and may require an undertaking or other security to secure such owners against loss or damage by reason of the failure of the authority to accept and pay for the property; but such undertaking or security shall impose no liability upon the State of Maine or any political subdivision thereof except such as may be paid from the funds provided under the authority of this chapter.

Whenever the authority decides to acquire any real property by condemnation as provided in this section and has tendered a bond or other security in sufficient sum to secure the owner or owners for damages and the same has been accepted or if the acceptance has been refused and the same has been filed and approved by the court having jurisdiction over such condemnation proceeding, the authority shall have the right to immediate possession of the property which is the subject matter of the condemnation proceedings and may enter thereon in the name of the authority.

Notwithstanding any other provision of this section, if the owner, lessee or occupier of any real property to be condemned shall refuse to remove his personal property therefrom or give up possession thereof, the authority may proceed to obtain possession in any manner now or hereafter provided by law; provided, that when a parcel of private property so taken is used in whole or in part for residential purposes, the owner or owners of said parcel may, within 30 days of the date of the authority's notice to vacate such parcel, appeal to the authority for a postponement of the date set for vacating, whereupon the authority shall grant to the owner or owners of the property a postponement of 3 months from the date upon which such appeal was mailed. Any such appeal for postponement shall be in the form of a written request to the authority sent by registered mail, return receipt requested.

§ 3609. Incidental powers

The authority shall have power to vacate or relocate any public highway affected by the construction of the project in the manner now provided by law for the vacation or relocation of public roads, and any damages awarded on account thereof shall be paid by the authority as a part of the cost of the project.

In addition to the foregoing power the authority and its authorized agents and employees may enter upon any lands, waters and premises in the State of Maine for the purpose of making studies, surveys, soundings, drillings and

examinations as they may deem necessary or convenient for the purposes of this chapter, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings which may be then pending. The authority shall make reimbursement for any actual damage resulting to such lands, waters and premises as a result of such activities.

The authority shall have power to make reasonable regulations for the installation, construction, maintenance, repair, renewal, relocation and removal of tracks, pipes, mains, conduits, cables, wires, towers, poles and other equipment and appliances, herein called "public utility facilities" of any public utility or pipe line company in, on, along, over or under the project. Whenever the authority shall determine that it is necessary that any such public utility facilities which now are, or hereafter may be, located in, on, along, over or under the project should be relocated or should be removed, the owner or operator of such facilities shall relocate or remove the same in accordance with the order of the authority; provided, that the cost and expenses of such relocation or removal, including the cost of installing such facilities in a new location or new locations, and the cost of any real property, and any other rights, acquired to accomplish such relocation or removal, shall be ascertained and paid by the authority as a part of the cost of the project. In case of any such relocation or removal of facilities, the owner or operator of the same, their successors or assigns, may maintain and operate such facilities, with the necessary appurtenances, in the new location or new locations, for as long a period and upon the same terms and conditions, as they had the right to maintain and operate such facilities in their former location or locations.

§ 3610. Consent of State

The State of Maine hereby consents to the occupation and use by the authority without the payment of compensation therefor of all real property which is deemed by the authority to be necessary for the construction or operation of the project and vests the authority and delegates to it the right to exercise any and every right and power of the State in connection therewith, whether proprietary or sovereign in character, which the State itself might exercise; provided that such right and power shall be used solely in furtherance of the purposes of this chapter and not otherwise; and provided that the authority shall have no right or power to limit, waive or surrender any right or interest of the State of Maine therein.

§ 3611. Notes of the authority

The authority shall have the power and is authorized from time to time to issue its negotiable notes for any corporate purpose and renew from time to time any notes by the issuance of new notes, whether the notes to be renewed have or have not matured. The authority may issue notes partly to renew notes or to discharge other obligations then outstanding and partly for any other purpose. The notes may be authorized, sold, executed and delivered in the same manner as bonds. Any resolution or resolutions authorizing notes of the authority or any issue thereof may contain any provisions which the authority is authorized to include in any resolution or resolutions authorizing revenue

bonds of the authority or any issue thereof, and the authority may include in any notes any terms, covenants or conditions which it is authorized to include in any bonds. All such notes shall be payable solely from the revenues of the authority, subject only to any contractual rights of the holders of any of its notes or other obligations then outstanding.

§ 3612. Bonds of the authority

The authority shall have power and is authorized from time to time to issue its negotiable revenue bonds for any corporate purposes.

In anticipation of the sale of such revenue bonds the authority may issue negotiable bond anticipation notes and may renew the same from time to time but the maximum maturity of any such note, including renewals thereof, shall not exceed 10 years from the date of issue of the original note. Such notes shall be paid from any revenues of the authority available therefor and not otherwise pledged, or from the proceeds of sale of the revenue bonds of the authority in anticipation of which they were issued. The notes shall be issued in the same manner as the revenue bonds. Such notes and the resolution or resolutions authorizing the same may contain any provisions, conditions or limitations which a bond resolution of the authority may contain.

The revenue bonds and notes of every issue shall be payable solely out of revenues of the authority, subject only to any agreements with the holders of particular revenue bonds or notes pledging any particular revenues. Notwithstanding that revenue bonds and notes may be payable from a special fund, if they are otherwise of such form and character as to be negotiable instruments under the terms of the negotiable instruments law of the State of Maine, the revenue bonds and notes shall be and are made negotiable instruments within the meaning of and for all purposes of the negotiable instruments law, subject only to the provisions of the revenue bonds and notes for registration.

The revenue bonds may be issued as serial bonds or as term bonds or the authority, in its discretion, may issue bonds of both types. The revenue bonds shall be authorized by resolution of the members of the authority and shall bear such date or dates, mature at such time or times, bear interest at such rate or rates, not exceeding 6% per year, payable at such time or times, be in such denominations, be in such form, either coupon or registered, carry such registration privileges, be executed in such manner, be payable in lawful money of the United States of America at such place or places, and be subject to such terms of redemption, as such resolution or resolutions may provide. In the event that term bonds are issued, the resolution authorizing the same may make such provisions for the establishment and management of adequate sinking funds for the payment thereof, as the authority may deem necessary. The revenue bonds or notes may be sold at public or private sale for such price or prices as the authority shall determine, but which shall not at the time of sale yield more than 6% per year computed according to standard tables of bond values. Pending preparation of the definitive bonds, the authority may issue interim receipts or certificates which shall be exchanged for such definitive bonds.

Any resolution or resolutions authorizing any revenue bonds or any issue of

revenue bonds may contain provisions, which shall be a part of the contract with the holders of the revenue bonds to be authorized as to:

1. Pledging. Pledging all or any part of the revenues of the project or any revenue producing contract or contracts made by the authority with any individual, partnership, corporation or association or other body, public or private, to secure the payment of the revenue bonds or of any particular issue of revenue bonds, subject to such agreements with bondholders as may then exist;

2. Rates. The rates, rentals, fees and other charges to be charged, and the amounts to be raised in each year thereby, and the use and disposition of the revenues;

3. Reserves. The setting aside of reserves or sinking funds, and the regulation and disposition thereof;

4. Use of project. Limitations on the right of the authority to restrict and regulate the use of the project;

5. Purpose of bonds. Limitations on the purpose to which the proceeds of sale of any issue of revenue bonds then or thereafter to be issued may be applied and pledging such proceeds to secure the payment of the revenue bonds or any issue of the revenue bonds;

6. Additional bonds. Limitations on the issuance of additional bonds; the terms upon which additional bonds may be issued and secured; the refunding of outstanding bonds;

7. Contract with bondholders. The procedure, if any, by which the terms of any contract with bondholders may be amended or abrogated, the amount of bonds the holders of which must consent thereto, and the manner in which such consent may be given;

8. Expenses. Limitations on the amount of moneys derived from the project to be expended for operating, administrative or other expenses of the authority;

9. Defaults. Defining the acts or omissions to act which shall constitute a default in the duties of the authority to holders of its obligations and providing the rights and remedies of such holders in the event of a default.

Notwithstanding any other provisions of this chapter, any such resolution or resolutions shall contain a covenant by the authority that it will at all times maintain rates, rentals, fees or charges sufficient to pay, and that any leases, contracts or other agreements entered into by the authority with respect to the project or for the sale, transmission or distribution of power shall contain rates, rentals, fees or charges sufficient to pay the costs of operation and maintenance of the project, the principal of and interest on any obligations issued pursuant to such resolution as the same severally become due and payable, and to maintain any reserves required by the terms of such resolution or resolutions.

It is the intention hereof that any pledge of revenues or of a revenue producing contract or contracts made by the authority shall be valid and binding from the time when the pledge is made; that the revenues or proceeds of any con-

tract or contracts so pledged and thereafter received by the authority shall immediately be subject to the lien of such pledge without any physical delivery thereof or further act; and that the lien of any such pledge shall be valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the authority irrespective of whether such parties have notice thereof. Neither the resolution nor any other instrument by which a pledge is created need be recorded or filed except in the records of the authority.

Neither the members of the authority nor any person executing the revenue bonds or notes shall be liable personally on the revenue bonds or notes or be subject to any personal liability or accountability by reason of the issuance thereof.

The authority shall have power out of any funds available therefor to purchase its bonds or notes. The authority may hold, pledge, cancel or resell such bonds, subject to and in accordance with agreements with bondholders.

§ 3613. Trust agreement

In the discretion of the authority any revenue bonds issued under this chapter may be secured by a trust agreement by and between the authority and a corporate trustee or trustees, which may be any trust company or bank having the powers of a trust company within or without the State. Such trust agreement or the resolution providing for the issuance of such revenue bonds may pledge or assign the revenues to be received or proceeds of any lease, contract or agreement pledged, but shall not convey or mortgage the project or any portion thereof. Such trust agreement or resolution providing for the issuance of such revenue bonds may contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including particularly such provisions as have been specifically authorized in section 3612 to be included in any resolution or resolutions of the authority authorizing revenue bonds thereof. It shall be lawful for any bank or trust company incorporated under the laws of the State which may act as depository of the proceeds of bonds or of revenues or other moneys to furnish such indemnifying bonds or to pledge such securities as may be required by the authority. Any such trust agreement may set forth the rights and remedies of the bondholders and of the trustee or trustees, and may restrict the individual right of action by bondholders. In addition to the foregoing, any such trust agreement or resolution may contain such other provisions as the authority may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the provisions of such trust agreement or resolution may be treated as a part of the cost of the operation of the project.

§ 3614. Revenues

The authority is authorized to fix, revise, charge and collect rates, rents, fees and charges for the use of and for the services furnished or to be furnished by the project and each portion thereof, and to contract with any person, partnership, association or corporation, or other body, public or private, in respect thereof. Such rates, rents, fees and charges shall be fixed and adjusted in respect of the aggregate of rates, rents, fees and charges from the project and each portion thereof so as to provide funds sufficient with other revenues or available moneys, if any, to pay the cost of maintaining, repairing and operating the

project and each and every portion thereof, to pay the principal of and the interest on all outstanding revenue bonds and notes of the authority as the same shall become due and payable, to create and maintain reserves required or provided for in any resolution authorizing, or trust agreement securing, outstanding revenue bonds of the authority. Such rates, rents, fees and charges shall not be subject to supervision or regulation by any department, commission, board, body, bureau or agency of the State of Maine other than the authority. A sufficient amount of the revenues derived from the project or portion thereof, if less than the whole thereof shall have been constructed or acquired, except such part of such revenues as may be necessary to pay the cost of maintenance, repair and operation and to provide such reserves and for renewals, replacements, extensions, enlargements and improvements as may be provided for in the resolution authorizing the issuance of any revenue bonds of the authority or in the trust agreement securing the same, shall be set aside at such regular intervals as may be provided in such resolution or trust agreement in a sinking or other similar fund which is pledged to, and charged with, the payment of the principal of and the interest on such revenue bonds as the same shall become due, and the redemption price or the purchase price of bonds retired by call or purchase as therein provided. The use and disposition of moneys to the credit of such sinking or other similar fund shall be subject to the provisions of the resolution authorizing the issuance of such bonds or of such trust agreement. Except as may otherwise be provided in such resolution or such trust agreement, such sinking or other similar fund shall be a fund for all such revenue bonds without distinction or priority of one over another; provided that the authority in any such resolution or trust agreement may authorize, permit and provide for the issuance of revenue bonds having a subordinate lien in respect of the security herein authorized to other revenue bonds of the authority and, in such case, the authority may create separate sinking or other similar funds in respect of such subordinate lien bonds.

Subject to the preceding paragraph and to the extent that the authority shall have moneys available therefor, the authority shall pay or cause to be paid to the Treasurer of the State of Maine, on or before the first day of April in each calendar year beginning with the second calendar year following the placing in operation of the project for the purpose of generating electric energy, a sum not less than one-half mill per kilowatt hour, but not exceeding the sum of \$2,000,000, of electric energy generated by the authority in the State of Maine and sold and delivered by the authority during the preceding calendar year.

Five hundred thousand dollars of the amount so paid to the Treasurer of the State of Maine in each calendar year shall be allocated to the Departments of Inland Fisheries and Game, Forestry and the Park and Recreation Commission in such amounts as may be determined by the Legislature from time to time for the continued development of recreation, fish and wildlife management, preservation of the wilderness and forestry protection within the Grand Allagash Lake drainage area and within and adjacent to the parks and park-sites established pursuant to this chapter.

§ 3615. Trust funds

All moneys received pursuant to the authority of this chapter, whether as

proceeds from the sale of bonds, notes or as revenues, shall be deemed to be trust funds to be held and applied solely as provided in this chapter. Any officer with whom, or any bank or trust company with which, such moneys shall be deposited shall act as trustee of such moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as this chapter, and the resolution authorizing the bonds of any issue, or the trust agreement securing such bonds, may provide.

§ 3616. Remedies

Any holder of any notes or revenue bonds issued under this chapter or any of the coupons appertaining thereto, and the trustee or trustees under any trust agreement, except to the extent the rights herein given may be restricted by any such resolution authorizing the issuance of, or any such trust agreement securing, such bonds, may, either at law or in equity, by suit, action, mandamus or other proceedings, protect and enforce any and all rights under the laws of the State or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this chapter or by such resolution or trust agreement to be performed by the authority or by any officer, employee or agent thereof, including the fixing, charging and collecting of the rates, rents, fees and charges herein authorized and required by the provisions of such resolution or trust agreement to be fixed, established and collected.

§ 3617. Exemption from taxation

The exercise of the powers granted by this chapter will be in all respects for the benefit of the people of the State of Maine, for the increase of their commerce, welfare and prosperity and for the improvement of their health and living conditions and as the operation and maintenance of the project and each portion thereof by the authority will constitute the performance of an essential public function, the authority shall not be required to pay any taxes or assessments upon or in respect of the project or any property acquired or used by the authority under this chapter or upon the income therefrom or upon its activities in the operation and maintenance thereof, and any bonds or notes issued under this chapter, their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation by the State and by the municipalities, counties and other political subdivisions in the State. Nothing in this section is intended or shall ever be construed so as to relieve the authority of any obligation to make the payments to the Treasurer of the State of Maine in accordance with section 3614.

§ 3618. Revenue refunding bonds

The authority is authorized to provide from time to time in its discretion for the issuance of revenue bonds of the authority for the purpose of refunding any revenue bonds of the authority then outstanding, including the payment of any redemption premium thereon and any interest accrued or to accrue to the date of redemption of such revenue bonds, and, if deemed advisable by the authority, for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of the project or any portion thereof.

The proceeds of any such revenue bonds issued for the purpose of refunding outstanding revenue bonds may, in the discretion of the authority, be applied to the payment or retirement or redemption of such outstanding revenue bonds either on their earliest or any subsequent redemption date or at the maturity thereof and may, pending such application, be placed in escrow to be applied to such payment or retirement or redemption on such date as may be determined by the authority.

Any such escrowed proceeds, pending such use, may be invested and reinvested in direct obligations of the United States of America or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing at such time or times as shall be appropriate to assure the prompt payment, as to principal, interest and redemption premium, if any, of the outstanding revenue bonds to be so refunded. The interest, income and profits, if any, earned or realized on any such investment may also be applied to such payment of the outstanding revenue bonds to be so refunded. After the terms of the escrow have been fully satisfied and carried out, any balance of such proceeds and interest, income and profits, if any, earned or realized on the investments thereof may be returned to the authority for use by it in any lawful manner.

The portion of the proceeds of any such revenue bonds issued for the additional purpose of paying all or any part of the cost of constructing and acquiring additions, improvements, extensions or enlargements of the project or any portion thereof may be invested and reinvested in direct obligations of the United States of America, or in certificates of deposit or time deposits secured by direct obligations of the United States of America, maturing not later than the time or times when such proceeds will be needed for the purpose of paying all or any part of such cost. The interest, income and profits, if any, earned or realized on such investment may be applied to the payment of all or any part of such cost or may be used by the authority in any lawful manner.

All such revenue bonds shall be issued and secured and shall be subject to this chapter in the same manner and to the same extent as other revenue bonds issued pursuant to this chapter.

§ 3619. Bonds and notes eligible for investment

Bonds and notes issued by the authority under this chapter are made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies, trust companies, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funds, including capital in their control or belonging to them. Such bonds and notes are made securities which may properly and legally be deposited with and received by any state or municipal officer or any agency or political subdivision of the State for any purpose for which the deposit of bonds or obligations of the State is now or may hereafter be authorized by law.

§ 3620. Miscellaneous

Any action taken by the authority under this chapter may be authorized by

resolution at any regular or special meeting and each such resolution shall take effect immediately and need not be published or posted.

All existing rights to drive, float, tow and transport logs down the Saint John and Allagash Rivers and their tributaries shall be preserved and may be exercised in the reservoir formed by the main dam subject to such reasonable regulations as the authority, subject to this chapter, may adopt to protect the utilization of the reservoir for recreational purposes and to protect the rights of others using the reservoir for driving and floating logs. The project constructed by the authority shall contain facilities for floating or transferring logs over or around the main dam to the river below.

Within the first 90 days of each calendar year, the authority shall make an annual report to the Governor and Legislature of its activities for the preceding calendar year. Each such report shall set forth a complete operating and financial statement covering its operations during such year. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants and the cost thereof may be treated as a part of the cost of construction or operation.

When all notes and bonds issued under this chapter and the interest thereon shall have been paid or a sufficient amount for the payment of all such notes and bonds and the interest thereon to the maturity thereof shall have been set aside in trust for the benefit of the holders thereof, the project shall become the property of the State of Maine and shall thereafter be maintained and operated by such department or agency as may be provided by law, and thereupon the authority shall be dissolved and all funds of the authority not required for the payment of the notes and bonds and the interest thereon shall be paid into the Treasury of the State, and all property, franchises, privileges, powers and rights vested in or belonging to the authority shall be vested in the State of Maine.

The authority shall provide in any lease or in any management, operation or power sale contract entered into pursuant to the authority granted by this chapter that the lessee, manager, operator or power purchaser, as the case may be, shall offer and shall keep available through recapture clauses or otherwise a reasonable portion of the power capacity and a reasonable portion of the energy output of the project for sale within the State of Maine, giving due regard to any restrictions on such sales as may be imposed by departments or agencies of the United States of America and international agencies in their grants of permits, licenses and other approvals required for the construction and operation of the project.

§ 362I. Preliminary expenses

To provide for the preliminary office expenses of the authority in carrying out this chapter, including rent, supplies, salaries of employees, telephone and other incidental expenses, the sum of \$50,000 is appropriated from the Unappropriated Surplus of the General Fund, which sum shall be paid to the authority and simultaneously with the delivery of the revenue bonds of the first issue, the sum so paid shall be reimbursed by the authority to the State for the credit of the General Fund out of the proceeds of such bonds. Suitable office space for the authority shall be made available in the State Office Building.

The authority is authorized and directed to make such surveys and studies of the project or any portion thereof as may be necessary to effect the financing authorized by this chapter at the earliest practicable time and for this purpose to employ such engineers, legal and financial experts and such other employees and agents as it may deem necessary. The authority shall avail itself, to the extent that it may legally and practically do so, of all existing studies, surveys, engineering data and other material pertinent to the project.

§ 3622. Agreement of the State

The State of Maine does pledge to and agree with the holders of any obligations issued under this chapter and with those parties who may enter into leases, contracts or other agreements with the authority pursuant to this chapter, that the State will not limit or alter the rights hereby vested in the authority until such obligations, together with the interest thereon, are fully met and discharged and such leases, contracts or other agreements are fully performed on the part of the authority, provided that nothing herein contained shall preclude such limitation or alteration if and when adequate provision shall be made by law for the protection of the holders of such obligations of the authority or those entering into such leases, contracts or other agreements with the authority. The authority as agent for the State is authorized to include this pledge and undertaking for the State in such obligations or leases, contracts or other agreements.

§ 1623. Grand Allagash Committee

For the purpose of assuring the continued development of park and recreational facilities, fish and wildlife management, preservation of the wilderness and forestry protection within the Grand Allagash Lake drainage area and within and adjacent to the parks and parksites established pursuant to this chapter, there shall be established, in accordance with this chapter, the Grand Allagash Committee.

The Grand Allagash Committee shall consist of 7 members, 3 of whom shall be the Forest Commissioner; the Commissioner of Inland Fisheries and Game and the Director of State Parks and Recreation Commission, one of whom shall be selected from time to time by the Natural Resources Council of Maine and 2 of whom shall be appointed by the Governor and serve at the pleasure of the Governor, one as representative of the land owners in the pulp and paper business and one as representative of stumpage landowners, and the chairman of the authority ex officio. Each member of the committee, other than the members holding office ex officio, before entering upon his duties shall take and subscribe the oath or affirmation required by the Constitution, Article IX, Section 1. A record of each such oath shall be filed in the office of the Secretary of State.

The chairman of the authority shall be chairman of the committee and shall vote on any matter before the committee only in the case of a tie vote among the members of the committee. The committee shall be authorized and empowered to adopt bylaws for the regulation of its affairs and the conduct of its business. The authority may make available to the committee for the carrying out of the purposes thereof such of its officers and employees as the authority shall authorize and approve. The members of the committee shall not receive any salary or other compensation for the performance of their duties, but each such member shall be paid his necessary expenses reasonably incurred while engaged in the

performance of his duties, such expenses to be paid from any moneys lawfully available for such purpose.

In carrying out its powers, duties and obligations with respect to the establishment, development, operation, maintenance, control and regulation of the lakes, reservoirs, waterways and water courses within the Grand Allagash Lake drainage area and within and adjacent to the parks and parksites established pursuant to this chapter and with respect to the establishment and development of park and recreational facilities, fish and wildlife management, preservation of the wilderness and forestry protection, the authority shall be obligated to comply with each and every direction, order or request of the committee concurred in by a majority of the members thereof; provided, that the authority shall be obligated to comply with any such direction, order or request requiring an expenditure of its moneys only to the extent that the authority shall have such moneys lawfully available to it under this chapter and the provisions of any contract or contracts that it may have entered into with the holders of its outstanding notes and revenue bonds; and, provided that the authority shall not be obligated to comply with or carry out any such direction, order or request of the committee which shall in any way affect or impair the sole and exclusive right of the authority to regulate, operate and control the lakes, reservoirs, waterways and water courses within the Grand Allagash Lake drainage area and to control the flow and release of the waters therein to the extent required by the authority for the generation of power and compliance with its then existing contractual obligations.

In carrying out its power, duties and functions under this chapter, the Grand Allagash Committee may organize and consult with such advisory group or groups, comprised of such state officers and other parties, as the committee, in its discretion shall determine and appoint.

§ 1624. Additional and alternative method

The foregoing sections of this chapter shall be deemed to provide an additional and alternative method for the doing of the things authorized thereby, and shall be regarded as supplemental and additional to powers conferred by other laws; provided, that the issuance of notes or revenue bonds or revenue refunding bonds under this chapter need not comply with the requirements of any other law applicable to the issuance of notes or bonds.

Except as otherwise expressly provided in this chapter, none of the powers granted to the authority under this chapter shall be subject to the supervision or regulation or require the approval or consent of any municipality or political subdivision or any commission, board, body, bureau, official, department, authority or agency thereof or of the State.

§ 1625. Act liberally construed

This chapter, being necessary for the welfare of the State of Maine and its inhabitants, shall be liberally construed to effect the purposes thereof.

§ 1626. This chapter controlling

To the extent that the provisions of this chapter are inconsistent with the provisions of any general or special law or parts thereof, the provisions of this chapter shall be deemed controlling.'