

# MAINE STATE LEGISLATURE

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ONE HUNDRED AND SIXTH LEGISLATURE

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**Legislative Document**

**No. 1917**

H. P. 1488

House of Representatives, May 9, 1973

Approved by a Majority of the Committee on Reference of Bills pursuant to Joint Rule No. 10. Referred to Committee on Public Utilities. Sent up for concurrence and ordered printed.

E. LOUISE LINCOLN, Clerk

Presented by Mr. Greenlaw of Stonington.

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STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
SEVENTY-THREE

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**AN ACT to Amend the Charter of Stonington Water Company.**

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**Emergency preamble.** Whereas, Acts of the Legislature do not become effectice until 90 days after adjournment unless enacted as emergencies; and

Whereas, Stonington Water Company was chartered as a stock corporation by the private and special laws of 1907, chapter 240; and

Whereas, all the stock has been owned for many years by the Town of Stonington and it has been operated by the selectmen thereof as a public corporation; and

Whereas, in order to secure certain federal financing for the extension and improvement of the town's water system, it is necessary to convert to a non-profit public corporation; and

Whereas, in the judgment of the Legislature, these facts create an emergency within the meaning of the Constitution of Maine and require the following legislation as immediately necessary for the preservation of the public peace, health and safety; now, therefore,

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

**Sec. 1. P. & S. L., 1907, c. 240, § 9, amended.** Section 9 of chapter 240 of the private and special laws of 1907 is amended by adding at the end the following new paragraphs:

**From and after the effective date hereof this company shall be constituted and serve as a nonprofit public corporation with its territory comprising the**

Town of Stonington and the inhabitants of said town for the purposes set forth in this charter, with its stock being permanently retained by said Town of Stonington for municipal purposes and being unassignable. All of the affairs of said company shall be managed by a board of 5 trustees, who at all times shall be those persons who are the duly elected selectmen of the town. Whenever a trustee ceases to be a selectman, he vacates the office of trustee.

As soon as convenient after each annual town meeting, the trustees shall hold a meeting at some convenient place in the town, to be called by any member thereof in writing, designating the time and place and delivered in hand to the other members, not less than 2 full days before the meeting or they may meet by agreement without such notice. They shall then organize by electing from their own number a chairman and a clerk and, not necessarily from their own number, a treasurer. They shall adopt a corporate seal and may adopt bylaws and perform any other acts within the powers delegated to them by law. All incidental rights, powers and privileges necessary to the accomplishment of the main objects herein set forth are hereby granted to this company and to the trustees acting for it.

Sec. 2. P. & S. L., 1907, c. 240, § 11, repealed and replaced. Section 11 of chapter 240 of the private and special laws of 1907 is repealed and the following enacted in place thereof:

Sec. 11. Borrow money and issue negotiable notes. For accomplishing the purposes of this Act, and for such other expenses as may be necessary for the carrying out of said purposes, said company, through its trustees, is authorized to borrow money temporarily and to issue therefor its negotiable notes; and for the purpose of renewing and refunding the indebtedness so created, of paying any necessary expenses and liabilities incurred under this Act, and in acquiring properties, paying damages, laying pipes, mains, aqueducts and conduits, constructing, maintaining and operating a water plant or system and making renewals, additions, extensions and improvements to the same, and to cover interest payments during the period of construction, said company, through its trustees, is also authorized to issue, from time to time, bonds, notes or other evidences of indebtedness of the company in one series, or in separate series, in such amount or amounts, bearing interest at such rate or rates, and having such terms and provisions as the trustees shall determine; provided, however, that the total indebtedness of the said company shall not exceed the sum of \$50,000 at any time outstanding; but bonds, notes or other evidences of indebtedness of the company which have matured or otherwise become payable and for the payment of which adequate funds have been provided by depositing such funds with a paying or disbursing agent named in such bonds, notes or other evidences of indebtedness in trust for such purpose shall not be considered to be outstanding.

Said bonds, notes and evidences of indebtedness may be issued to mature serially or made to run for such periods as the trustees may determine, but none of them shall run for a longer period than 40 years from the date of original issue thereof. Bonds, notes or evidences of indebtedness may be issued with or without provision for calling the same prior to maturity, and if callable, may be made callable at par or at such premium as the trustees

may determine. All bonds, notes or other evidences of indebtedness shall have inscribed upon their face the words "Stonington Water Company," shall be signed by the treasurer and countersigned by the chairman of the board of trustees, and if coupon bonds are issued, the interest coupons attached thereto shall bear the facsimile signature of the treasurer.

All such bonds, notes and evidences of indebtedness so issued by the company shall be legal obligations of the company, which is hereby declared to be a quasi-municipal corporation within the meaning of the Revised Statutes, Title 30, section 5053, and all provisions of said section shall be applicable thereto. The said company may refund and reissue, from time to time, in one or in separate series, its bonds, notes and other evidences of indebtedness, and each authorized issue shall constitute a separate loan. All bonds, notes and evidences of indebtedness issued by said company shall be legal investments for savings banks in the State of Maine and shall be tax exempt.

Sec. 3. P. & S. L., 1907, c. 240, § 18, additional. Chapter 240 of the private and special laws of 1907, as amended, is further amended by adding a new section 18, to read as follows :

Sec. 18. Rates. All individuals, firms and corporations, whether private, public or municipal, shall pay to the treasurer of said company the rates established by said board of trustees for the water used by them. Said rates shall be uniform within the territory supplied by the company and shall be subject to the approval of the Public Utilities Commission. Said rates shall be so established as to provide revenue for the following purposes :

1. To pay current expenses for operating and maintaining the water system and to provide for such extensions and renewals as may become necessary ;

2. To provide for the payment of the interest on the indebtedness created by the company ;

3. To provide each year a sum equal to not less than 1% nor more than 5% of the entire indebtedness created by the company other than serial bonds and notes, which sum shall be turned into a sinking fund and there kept to provide for the extinguishment of said indebtedness, or if serial bonds or notes are issued, to pay the principal of such bonds and notes payable in such year. The money set aside for the sinking fund shall be devoted to the retirement of the obligations of the company or invested in such securities as savings banks or fiduciaries or trustees in this State are now or hereafter allowed to hold ;

4. If any surplus remains at the end of the year, it may be turned into the sinking fund or used for such other purposes of the company as the trustees may determine.

Emergency clause. In view of the emergency cited in the preamble, this Act shall take effect when approved.

#### STATEMENT OF FACT

The purpose of this bill is reflected in the emergency preamble.