

MAINE STATE LEGISLATURE

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ONE HUNDRED AND SEVENTH LEGISLATURE

Legislative Document

No. 662

S. P. 189

In Senate, February 12, 1975

Referred to Committee on Energy. Sent down for concurrence and ordered printed.

HARRY N. STARBRANCH, Secretary

Presented by Senator Cyr of Aroostook.

STATE OF MAINE

IN THE YEAR OF OUR LORD NINETEEN HUNDRED
SEVENTY-FIVE

AN ACT Creating the Dickey-Lincoln Power Authority.

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

35 MRSA Pt. 8 is enacted to read:

PART 8

POWER AUTHORITY

CHAPTER 301

DICKEY-LINCOLN POWER AUTHORITY

§ 3601. Short title

This chapter may be referred to and cited as the Dickey-Lincoln Power Authority Act.

§ 3602. Policy

The Legislature declares that there is a critical need for expanded electric generating capacity in Maine that is not based on imported petroleum products but utilizes the permanently renewable resource of fast-flowing fresh water and that this can best be met by construction of hydroelectric dams at Dickey and the Lincoln School on the St. John River.

In order to conserve, fully develop and control the water and power resources of the upper St. 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 "Dickey-Lincoln 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 Aroostook 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.

The Legislature further declares that, notwithstanding any provisions in this or other legislative proposals to the contrary, it is the intent of this Act to limit State Government involvement in the generation of public power to the construction of one hydroelectric facility at the Dickey-Lincoln School site, to entering into agreements for the express purpose of acquiring land at this specific site and to entering into contracts for the sale and distribution of power generated by this facility and for no other purpose.

§ 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. Definitions

As used in this chapter, the following words and terms shall have the following meanings, unless the context shall indicate another or different meaning or intent:

1. Bonds. "Bonds" or the words "revenue bonds" shall mean revenue bonds and refunding revenue bonds, and notes, certificates of indebtedness or any other evidences of indebtedness issued by the commission under this chapter.

2. Cost. "Cost" as applied to any project shall include the cost of purchase, construction or other acquisition thereof, the cost of acquisition of all land, rights-of way, property rights, easements and interests acquired by the Dickey-Lincoln Power Authority for such construction; landscaping and conservation; the cost of demolishing or removing any buildings or structures

on land so acquired, including the cost of acquiring any lands 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 for a period of time after completion of construction as deemed advisable by the Dickey-Lincoln Power Authority; cost of estimates of revenues and income; engineering and legal services; plans, specifications, surveys and all other expenses necessary or incidental to the determination of the feasibility or practicability of constructing the project, administrative expenses; initial working capital; debt service reserves and the repayment to the State of any obligation or expense incurred or paid by the State before or after the effective date of this Act for engineering, legal or other professional or technical services, reports, studies and data in connection with the construction of a project.

3. 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.

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 St. John River and its tributaries, with the main dam to be constructed on the St. John River 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, camp-sites, 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. Public highways. "Public highways" shall include highways, roads and streets either maintained by the State or any of its political subdivisions.

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.

7. Revenues. "Revenues" shall mean any and all fees, tolls, rents, rates, receipts, moneys and income derived by the authority through the ownership and operation of the Dickey-Lincoln Power Authority system.

§ 3605. Creation of the authority

There is created a public body corporate and politic, and an agency of the State to be known as the Dickey-Lincoln Power Authority, consisting of 7 members who are residents of the State, of whom one shall represent a publicly-owned electric utility system, one a cooperatively-owned electric utility system and one a privately-owned electric utility system, and no more than 4 of whom shall belong to any one political party. The members of the authority shall be appointed by the Governor, with the advice and consent of the Council. The members so appointed initially shall be for terms of one, 2, 3, 4, 5, 6 and 7 years from the date of their appointment until their respective successors shall be duly appointed and qualified, the term of each member to be designated by the Governor at the time of appointment. Successor members shall be appointed for a term of 7 years, except any member appointed to fill a vacancy shall serve only for the unexpired term of the member creating the vacancy.

Members of the authority shall be eligible for reappointment. The authority so appointed shall enter upon the performance of its duties as soon as practicable after the members thereof shall have been appointed and qualified, and shall initially and biennially thereafter elect one of its members as chairman and another as vice-chairman, and shall elect annually a secretary and treasurer or a secretary-treasurer who need not be a member of the authority. The chairman, or in his absence the vice-chairman, shall preside at all meetings of the authority, and in the absence of both the chairman and vice-chairman, the authority shall elect a chairman pro tempore who shall preside at such meetings. Four authority members shall constitute a quorum and all action by the authority members shall require the affirmative vote of a majority of the members. Authority members shall be entitled to reimbursement for expenses incurred in attendance upon meetings of the authority or while otherwise engaged in the performance of their duties, and each authority member shall be paid the sum of \$50 a day for each day or the portion thereof during which he is engaged in the performance of his duties. Such expenses and compensation shall be paid out of the treasury of the authority in such a manner as shall be prescribed by the authority.

§ 3606. Powers of the authority

In order to obtain the benefits and extend the services provided by section 3605 and to otherwise contribute to the economy, industrial and agricultural development and welfare of the State, the authority shall have the following powers:

1. Contracts, seal, bylaws, rules and regulations. To contract and be contracted with; to sue and be sued; to adopt and use a seal and to alter the same at its pleasure; to adopt and amend from time to time bylaws covering proceedings of the authority, and to adopt and amend from time to time rules and regulations governing the sale and delivery of all services sold, furnished or supplied by the authority system;

2. Property. To acquire and hold real or personal property necessary or convenient for its purposes;

3. Disposal. To sell, lease or otherwise dispose of any personal or real property or rights, easements or estates therein deemed by the authority not necessary for its purposes;

4. Electric generating and transmission systems and facilities. To construct or otherwise acquire, maintain, repair and operate, or cause to be repaired, maintained and operated a hydroelectric plant located on the St. John River together with a system of high voltage transmission lines as may be required to enable interconnection of such plants and interconnections with other electric utility systems, either publicly, cooperatively or privately owned, within or without the State, including such systems in Canada and any of the provinces therein, together with substations, transformers and other equipment and accessories as may be necessary or convenient for the delivery of power to such systems; provided that, in order to insure environmental protection and conservation of the State's resources, the authority shall insure that such plants, systems and facilities comply with state environmental control laws;

5. Licenses. To apply to any federal or state board, agency or commission having authority to make or issue rulings, licenses, orders or decisions deemed by the authority to be necessary or convenient to enable the authority to perform the powers conferred upon the authority; provided that the Environmental Improvement Commission or its successor shall be the only state board, agency or commission which may require the authority to secure any rulings, licenses, orders or decisions from it before the authority engages in any activity authorized in this chapter;

6. Eminent domain. To acquire by the exercise of the power of eminent domain any lands, property, rights, rights-of-way, franchises, easements and other property, including public lands, parks, playgrounds, reservations, highways or parkways, or parts thereof or rights therein, or of any person, co-partnership, association, railroad or any other corporation, or of any municipality, county or other political subdivision as to such property owned by them, whenever the authority cannot agree on the terms of purchase or settlement with such public agencies or other owners because of the incapacity of such owners, or because of the inability to agree on the compensation to be paid or other terms of settlement or purchase, or because such owners are nonresidents of the State, or are unknown, or are unable to convey valid title to such property. The authority shall not have power to condemn any generating, transmission or distribution facilities of any publicly, cooperatively or privately-owned electric utility system, except easements for rights-of-way for the construction of transmission lines by the authority. Title to property acquired shall be taken in the name of the authority, and such proceedings shall be instituted and conducted in accordance with, and subject to, chapter 263, and the authority shall pay the costs and expenses of such proceedings as a part of the cost of acquisition of the project in connection with which such proceedings were instituted. The acquisition of any property by the authority by condemnation or by the exercise of the power of eminent domain is declared to be for a public use of such property;

7. Contracts and agreements. To make and enter into all contracts and agreements necessary or incidental to the performance of its duties and the

execution of its powers under this chapter, including contracts for the purchase, sale, transmission or exchange of power and energy with the United States of America; contracts for the purchase, sale, transmission or exchange of power and energy with Canada and any of its provinces; contracts for the purchase, sale, transmission or exchange of power and energy with electric utility systems, either privately, cooperatively or publicly-owned, within and without the State, provided that the authority shall give prior consideration to furnish the full power requirement of electric utility systems, either privately, cooperatively or publicly-owned, within the State of Maine;

8. Grants or loans. To apply for and accept grants or loans and the co-operation of the United States of America or any agency thereof, or the State or any of its agencies or instrumentalities or any foundation, instrumentality or source whatsoever for the purpose of planning, purchasing, constructing or acquiring the authority system and the operation, management and financing thereof, and to do any and all things necessary to obtain such aid and co-operation;

9. Rates. To fix, establish, revise, maintain, charge and collect rates or charges for electric power and energy and all other services, facilities and commodities sold, furnished or supplied by the authority;

10. Employees. To employ a general manager or executive director and such assistants, agents and employees, engineering, architectural and construction supervisors, inspectors, trustees, depositaries, paying agents, attorneys and such other employees as it shall deem necessary or desirable to properly perform the duties imposed on the authority by this chapter and to fix their compensation;

11. Surveys, etc. To enter upon any lands, waters and premises for the purpose of making such surveys, soundings, borings and examinations as the authority may deem necessary or convenient in the exercise of its powers, and such entry shall not be deemed a trespass, nor shall an entry for such purposes be deemed an entry under any condemnation proceedings, provided the authority shall pay any actual damage resulting to such lands, water and premises as a result of such entry and activities;

12. Borrow money and issue evidences of indebtedness. To borrow money and issue bonds, notes, certificates or other evidences of indebtedness for any of its purposes as provided in this chapter payable solely from the revenues pledged for the payment of such bonds, notes, certificates or other evidences of indebtedness;

13. 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;

14. Canada. To receive and accept from any person, corporation, body, department, agency or commission authorized 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;

15. **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

16. **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.

§ 3607. 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.

§ 3608. Issuance of revenue bonds

The authority is authorized to provide by resolution for the issuance from time to time of revenue bonds of the authority for the purpose of paying all or any part of the cost of the project. The principal of and interest on such bonds shall be payable solely from the revenues and other available moneys of the authority pledged for such payment. The bonds of each issue or series shall be dated, shall bear interest at such rate or rates as may be determined by the authority, shall mature at such time or times not exceeding 50 years from the date or dates thereof, as may be determined by the authority and may contain provisions reserving the right of the authority to redeem such bonds before maturity at such price or prices and upon such terms and conditions as may be fixed by the authority in the resolution authorizing such bonds. Such bonds may be issued in coupon or registered form, or both, as prescribed by the authority and provisions may be made for the registration of coupon bonds as to principal only or as to both principal and interest and for the reconversion of registered bonds into coupon bonds. Such bonds may be issued in any denomination or denominations and may be made payable at any bank or trust company within or without the State as the authority may determine. Such bonds and the coupons attached to coupon bonds shall be signed in such manner, either manually or by facsimile signature as shall be determined by the authority, and sealed with the seal of the authority or a facsimile thereof. In case any officer whose signature or facsimile thereof shall appear on any bonds or coupons shall cease to be such officer before the delivery of such bonds, such signature or such facsimile signature shall nevertheless be valid and sufficient for all purposes, the same as if such officer or officers had remained in office until the delivery thereof. The authority may sell such bonds in such manner either at public or private sale and for such price or prices as the authority may determine. Prior to the preparation of definitive bonds, the authority may, under like restrictions, issue interim receipts or temporary bonds, with or without coupons, exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The authority may provide for the replacement of any bonds which shall have become mutilated or shall be destroyed or lost.

Revenue bonds issued under this chapter shall not be deemed to constitute a debt of the State or of any political subdivision or instrumentality thereof, but shall be obligations of the authority only, and payable solely from the

funds provided for the payment thereof from the revenues and other available moneys of the authority.

§ 3609. Rates and charges

Whenever the authority shall have constructed or otherwise acquired any part of the authority system and has issued revenue bonds for such purposes, the authority shall fix, revise, charge and collect fees, tolls, rents and other charges for electric power and energy and all other services, facilities and commodities sold, furnished or supplied by the authority from such system and the different parts or sections thereof, sufficient, together with any other moneys made available and used for that purpose, to pay the principal of and interest on such bonds, together with reserves for such purposes, and to maintain and operate such system and to keep the same in good condition and repair, and for the payment in lieu of taxes provided for in section 3617. Such fees, rates and other charges shall not be subject to supervision or regulation by any commission, board, bureau or agency of the State or of any municipality, county or other political subdivision of the State, and all revenues, when collected, and the proceeds from the sale of revenue bonds shall be held by the authority in trust for the benefit of the holders of bonds of the authority.

§ 3610. Refunding bonds

The authority is authorized by resolution to provide for the issuance of refunding revenue bonds with which to refund outstanding revenue bonds or any issue or series of such outstanding bonds, which refunding revenue bonds may be issued at or before the maturity or redemption date of the bonds to be refunded, and to include different issues or series of such outstanding revenue bonds by a single issue of refunding revenue bonds, and to issue refunding revenue bonds to pay any redemption premium and interest to accrue and become payable on the outstanding revenue bonds being refunded to the date of payment or redemption, and to establish reserves for such refunding revenue bonds. Such refunding revenue bonds shall be payable solely from all of that portion of the revenues of the authority pledged to the payment thereof in the bond resolution pursuant to which said bonds were issued. Such refunding revenue bonds may, in the discretion of the authority, be exchanged at par for the revenue bonds which are being refunded, or may be sold at public or private sale in such manner and at such price or prices as the authority shall deem for the best interests of the authority, but no such sale shall be made at a price so low as to require the payment of interest on the money received therefor at more than 7% per year, computed with relation to the absolute maturity of the revenue bonds in accordance with standard tables of bond values, excluding from such computation the amount of any premium to be paid on the redemption of any bonds prior to maturity, and may be issued and delivered at any time prior to the date of redemption or maturity date of the bonds to be refunded as the authority determines to be in the best interest of the authority. The interest rate or rates on refunding revenue bonds shall not be limited by the interest rate or rates borne by any of the revenue bonds to be refunded thereby. The proceeds derived from the sale of refunding revenue bonds issued under this chapter may be in-

vested in obligations of or guaranteed by the United States Government pending the application of such proceeds to the purpose for which such refunding revenue bonds have been issued, and to further secure such refunding revenue bonds, the authority may contract with the purchasers thereof with respect to the safekeeping and application of the proceeds thereof and the safekeeping and application of the earnings of such investments. The determination of the authority with respect to the financial soundness and advantage of the issuance and delivery of refunding revenue bonds authorized under this chapter shall be conclusive, but nothing contained in this chapter shall require the holders of any outstanding revenue bonds being refunded to accept payment thereof otherwise than as provided in said outstanding revenue bonds.

§ 3611. Trust agreement

In the discretion of the authority, any revenue bonds issued under this chapter may be secured by a trust agreement or indenture by and between the authority and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the State to be selected by the authority in such manner as it may elect. Such trust agreements or the resolution providing for the issuance of such bonds may pledge or assign all or any portion of the revenues to be received by the authority from the ownership and operation of the authority, but shall not convey or mortgage any authority or any part thereof. It shall be lawful for any bank or trust company incorporated under the laws of this State, which may act as depository of the proceeds of revenue bonds or of revenues, to furnish such indemnifying bonds or to pledge such securities as may be required by the authority. Any such resolution, trust agreement or indenture may set forth the rights and remedies of the bondholders and of the trustee, and may restrict the individual right of action by bondholders. In addition, any such resolution, trust agreement or indenture 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 such trust agreement or resolution may be treated as a part of the cost of the operation of the authority.

§ 3612. Security of revenue bonds

All or any portion of the revenues derived from the ownership and operation of the authority, as may be provided for in the resolution authorizing the issuance of revenue bonds or in the trust agreement or indenture securing the same, may be pledged to, and charged with, the payment of the principal or the interest on such bonds as the same shall become due, and the redemption price or the purchase price of such bonds retired by call or purchase as therein provided. Such pledge shall be valid and binding from the time when the pledge is made. The revenues or other moneys 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 action, and 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 trust agreement nor indenture by which a pledge is created need be filed or recorded except in the records of the authority.

§ 3613. Covenants to secure bonds

Any resolution, trust agreement or indenture authorizing the issuance of revenue bonds of the authority may, for the benefit and security of the holders from time to time of such bonds, contain covenants by the authority for said purpose, including covenants as to, among other things:

1. Operation and maintenance. The operation, maintenance and repair of the authority facilities;

2. Purposes. The purpose or purposes to which the proceeds of the sale of such bonds may be applied and the use and disposition thereof;

3. Revenues. The use and disposition of the revenues of the authority derived from the ownership or operation of the authority and additions, betterments and extensions thereof, including the investment thereof and the creation and maintenance of reserve funds and funds for working capital and all renewals and replacements to the authority;

4. Additional revenue bonds. The amount, if any, of additional revenue bonds payable from such revenues which may be issued and the terms and conditions on which such additional revenue bonds may be issued;

5. Rates. The fixing, maintaining, collection and deposit of rates and other charges for all the services sold, furnished or supplied by the authority;

6. Commission activities. The operation, maintenance, repair, management, accounting and auditing of the authority;

7. Limitations on disposition. Limitations upon the right of the authority to dispose of the facilities or any part thereof without providing for the payment of the outstanding revenue bonds;

8. Trustees, etc. The appointment of trustees, depositaries and paying agents within or without the State to receive, hold, disburse, invest or reinvest the proceeds derived from the sale of revenue bonds and all or any part of the revenues derived by the authority from the operation, ownership and management of the authority; and

9. Other covenants. Such other covenants and agreements as may be determined necessary in the discretion of the authority to advantageously market the revenue bonds of the authority.

§ 3614. Revenue bonds eligible for investment

Revenue bonds 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, banks, 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 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 is now or may hereafter be authorized by law.

§ 3615. Authority obligations to be negotiable instruments; enforcement of bonds

Notwithstanding this chapter or any provisions of the laws of the State, and any recitals in any revenue bonds or any other obligations issued under this chapter, all such revenue bonds or other obligations shall be deemed to be negotiable instruments under the laws of this State.

§ 3616. Contract with bondholders

The provisions of this chapter, and of any resolution or resolutions or indentures providing for the issuance and security of any revenue bonds or other obligations issued as set forth in this chapter, shall constitute a contract with the holder or holders of any such revenue bonds or other obligations, and the agreements and covenants of the authority under this chapter and under any such resolution, resolutions or indentures shall be enforceable by any holder or holders of revenue bonds or other obligations issued under this chapter and any representative of such holder or holders, and any trustees appointed under the bond resolution and authorized to do so may, by action, injunction, mandamus or other proceedings issued by a court of competent jurisdiction, enforce any and all rights of such holders under the laws of the State or granted by this chapter and in any such bond resolution or indenture, and may compel performance of all duties required to be performed by this chapter and by such bond resolutions or indenture by the authority or by an officer or agent thereof, including the fixing, charging and collecting of rates and other charges for the services sold, furnished or supplied by the authority.

§ 3617. Exemption from taxation

All property, real and personal, and all rights and interests therein, the income of the authority, the revenue bonds and the interest thereon, the transfer thereof and any profit made on the sale thereof, shall at all times be free from taxation or assessment by the State or by any municipality, county or other political subdivision thereof, provided that, after paying or making provision for the payment of the principal of and interest on the outstanding bonds of the authority as such principal and interest falls due and the proper costs of maintaining, operating and repairing the authority facilities, including reasonable reserves for said purposes, the authority shall pay to the General Fund of the State in lieu of taxes, within 60 days after the close of each fiscal year of the authority, an amount equal to $\frac{1}{2}$ mill per kwh of power and energy sold by the authority during the preceding fiscal year, but not to exceed 10% of the gross revenues received by the authority from said sale of power and energy during the preceding fiscal year.

In order that the counties, municipalities and other political subdivisions of the State having power to levy ad valorem taxes shall not suffer the loss of revenues through the acquisition of taxable property by the authority, the Treasurer of State shall, from the moneys paid into the General Fund, for so long as the authority is the owner of such property, pay annually to the counties, municipalities and other political subdivisions in which such property is located, sums equal to the amounts which the counties, municipalities

and other political subdivisions received from the taxation of such property from the person, firm or corporation owning same during the year immediately preceding the purchase or acquisition of such property. Seventy-five per cent of the balance of such moneys remaining after making the payments is dedicated to, and shall be set aside and used solely for the support of, elementary and secondary education in the State, including the construction of school buildings and the furnishing and equipping of same.

§ 3618. Powers of state agencies

Any municipal corporation, county or other political subdivision of the State, any agency or instrumentality of the State, and any agency or instrumentality of the U. S. Federal Government is authorized and empowered to enter into and perform contracts or agreements with the authority providing for furnishing to the authority any one or more of the following cooperative undertakings or any combination thereof:

1. Surveys. The preparation, acquisition, loan or exchange of surveys, engineering data and other technical reports, studies and plans;
2. Professional services. The providing of engineering, planning and other professional and technical services, labor or other things of value;
3. Construction. The construction in whole or in part of any works or facilities to facilitate the construction of the authority facilities and the purchase, sale or exchange of power and energy with said system;
4. Costs. The providing of funds in lump sums or installments to assist in paying the cost of any part of the authority system or the operation and maintenance thereof;
5. Land easements, etc. The acquisition and transfer to the authority of land easements, rights-of-way or other property useful in the construction, operation and maintenance of the authority system.

§ 3619. Consent to use state lands

The State consents, subject to the approval of the Governor with the advice and consent of the Council, to the use by the authority of any lands or property owned by the State, including public highways and lands lying under water, which are deemed by the authority to be necessary or convenient for the construction, maintenance and operation of the authority.

The State further consents, subject to the approval of the Governor with the advice and consent of the Council, to the use by the authority of public lots, which, with the cooperation of the Bureau of Public Lands, can be exchanged for land held by private landowners, when such land is deemed by the authority to be necessary or convenient for the construction, maintenance and operation of the authority.

§ 3620. Miscellaneous

1. State Treasury. Any money set aside for the payment of the principal of or interest on any revenue bonds issued by the authority not claimed with-

in 2 years from the day the principal of such bonds is due by maturity or by call for redemption shall be paid into the State Treasury. No interest shall accrue on such principal or interest from the day the same is due. The State Controller shall keep an account of all money thus paid into the treasury, and it shall be paid to the individual, copartnership, association or corporation entitled thereto upon satisfactory proof that such individual, copartnership, association or corporation is so entitled to such money. If the claim so presented is rejected by the State Controller, the claimant may proceed against the State Controller for recovery in the Superior Court of Kennebec County. An appeal from the judgment of the court shall lie to the law court as in civil actions, and all laws and rules relating to practice and procedure in civil actions shall apply to proceedings authorized hereunder. No such proceedings shall be filed after 10 years from the date the principal of or interest on such bonds is due, provided, if the individual having such claim is an infant or insane person or is imprisoned at such due date, such proceedings may be filed within 5 years after the removal of such disability, notwithstanding the fact that such 10-year period shall have expired.

2. Venue. All civil actions and other proceedings against the authority or any other person, firm or corporation, growing out of the construction, maintenance, repair, operation and use of the authority, or growing out of any other circumstances, events or causes in connection therewith, unless otherwise provided herein, shall be brought and conducted in the court or courts having jurisdiction of such civil actions and proceedings in Kennebec County, and jurisdiction is conferred on such court or courts for that purpose. All such civil actions, suits and proceedings on behalf of the authority shall be brought and conducted in the Superior Court of Kennebec County, except as otherwise provided, and exclusive jurisdiction is conferred on such courts for the purpose.

3. Report; audit. On or before the 90 days after the close of each fiscal year of the authority, the authority shall prepare a report of its activities for the preceding fiscal year and shall file a copy thereof with the Governor and the Legislature. Each such report shall set forth an operating and financial statement covering the authority's operations during the period covered by such report. The authority shall cause an audit of its books and accounts to be made at least once in each year by certified public accountants to be selected by the authority and the cost thereof shall be treated as a part of the cost of construction and operation of the project.

4. Books examined. The records, books and accounts of the authority shall be subject to examination and inspection by duly authorized representatives of the Governor or of the Legislature, and any bondholder or bondholders, at any reasonable time, provided the business of the authority is not unduly interrupted or interfered with thereby.

5. Interest in contracts. Any member, agent or employee of the authority who contracts with the authority or is interested, either directly or indirectly other than as a holder of a security interest in the contracting corporation, in any contract with the authority or in the sale of any property, either real or personal, to the Authority shall be guilty of a misdemeanor and

shall be punished by a fine of not more than \$1,000 or by imprisonment for not more than 11 months, or by both. Exclusive jurisdiction for the trial of such misdemeanors is conferred upon the District Courts, provided that the term "contract" shall not be held to include the depositing of funds in, or the borrowing of funds from, or the serving as agent or trustee by, any bank in which any member, agent or employee of the authority may be a director, officer or employee or have a security interest, or the purchase of services from, or other transactions in the ordinary course of business with public service corporations.

§ 3621. Construction

This chapter shall be liberally construed to effectuate the purposes hereof, and the foregoing sections of this chapter shall be deemed to provide an additional and alternate method of doing the things authorized, and shall be regarded as supplemental and additional to powers that may be conferred upon the authority by other provisions of law. The issuance of revenue bonds under this chapter need not comply with the requirements of any other law applicable to the issuance of bonds, and, 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 commission, board, bureau, official or agency of the State.

§ 3622. Inconsistent laws inapplicable

All other general or special laws, inconsistent with any provisions of this chapter, are declared to be inapplicable to this chapter and to any project constructed by the authority pursuant to this chapter.

STATEMENT OF FACT

1. Only 1/3 of the St. John River power potential is now developed. Presently 7 plants develop 644,000 kw. Fully developed, it could go to 2,263,000 kw including Dickey-Lincoln School or an increase of 1,619,000 kw or twice the capacity of the Maine Yankee atomic plant at Wiscasset.

2. Studies by the Canadian and American Governments estimates down-river benefits to reach 350,000,000 kwh—1/2 of which would be available to Maine for just the transmission costs.

3. Flood Control—according to a study made in 1973, by J. O. Dineen, Hydraulic Engineer, flooding on the St. John River can only be brought under control by impounding the headwaters with a storage reservoir of sufficient capacity to store the spring run-off and releasing it under controlled conditions the rest of the year. The magnitude of the project is apparent by studies made of the flow of the river—it achieves a flow of 250,000 cfs at flooding time and drops to a low of 1,000 cfs or less (even as low as 100 cfs). Acres and tons of our prime agricultural land are being lost forever every spring.

4. This Act would provide employment for 3,000 workingmen for 7 years and for about 100 thereafter.
5. This Act would create a tourist industry.
6. The authority would not be created if the benefit/cost ratio and the environmental impact studies now being done by the Army Corps of Engineers are not favorable.
7. An exchange of land between the private owners and the State of Maine for public lots could be arranged. The storage reservoir represents 88,000 A., which is $\frac{1}{2}$ of 1% of the total wildland in Maine.
8. The clearing of storage basin—and will provide a basis for a methanol industry.