

# MAINE STATE LEGISLATURE

The following document is provided by the  
**LAW AND LEGISLATIVE DIGITAL LIBRARY**  
at the Maine State Law and Legislative Reference Library  
<http://legislature.maine.gov/lawlib>



Reproduced from scanned originals with text recognition applied  
(searchable text may contain some errors and/or omissions)

D. O. E. R.

L.D. 2170  
(Filing No. S-537)

STATE OF MAINE  
SENATE  
108TH LEGISLATURE  
SECOND REGULAR SESSION

SENATE AMENDMENT "A" to H.P. 2161, L.D. 2170, Bill, "AN ACT Concerning the Charter of the Guilford-Sangerville Water District."

Amend the bill in section 8 by inserting at the end of the first paragraph the following new sentences:

'A quorum of the board of trustees shall be 4 trustees. All decisions of the board of trustees shall be by a majority of those present and voting.'

Further amend the bill in section 9, in the 9th line (8th in L.D.) from the end by striking out everything after the word and punctuation "same," and inserting the following:

'the district by votes of its board of trustees, without district vote except as hereinafter provided, is also authorized to issue, from time to time, bonds, notes or other evidences of indebtedness of the district in the amount or amounts, not exceeding the sum of \$1,500,000 outstanding at any one time, bearing interest at such rate or rates, and having such terms and provisions as the trustees shall determine; provided that in the case of a vote by the trustees to authorize bonds or notes to pay for the acquisition of property, for the cost of a water system  $\leftarrow$  or part thereof, for renewal or additions or for other improvements in the nature of capital costs,

the estimated cost of which, singly or in the aggregate included in any one financing is \$30,000 or more, or for renewing or re-funding existing indebtedness,

notice of the proposed debt and of the general purpose or purposes for which it was authorized shall be given by the clerk by publication at least once in a newspaper having a general circulation in the Town of Guilford and the Town of Sangerville. No debt may be incurred under the vote of the trustees until the expiration of 7 full days following the date on which the notice was first published. Prior to the expiration of the period, the trustees may call a special district meeting for the purpose of permitting the voters of the district to express approval or disapproval of the amount of debt so authorized, and the trustees shall call a special district meeting if, within 7 days following the publication of the notice, there shall have been filed with the clerk of the district a petition or petitions signed by not less than 50 qualified voters of the district requesting that a special meeting be called. If at the district meeting a majority of voters present and voting thereon express disapproval of the amount of debt authorized by the trustees, the debt shall not be incurred and the vote of the trustees authorizing the same shall be void and of no effect. The bonds, notes and evidences of indebtedness may be issued to mature serially in annual installments of not less than 1% of the face amount of the issue and beginning not later than 2 years from

the date thereof, or may be issued with equal annual payments, applied first to interest and the balance to principal, or made to run for such periods as the trustees may determine, but no issue shall run for a longer period than 40 years from the date of original issue. 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 "Guilford-Sangerville Water District," shall be signed by the treasurer and countersigned by the chairman of the board of trustees of the district and, if coupon bonds are issued, the interest coupons attached thereto shall bear the facsimile of the signature of the treasurer. All bonds, notes and evidences of indebtedness so issued by the district shall be legal obligations of the district, which is declared to be a quasi-municipal corporation within the meaning of the Revised Statutes of 1964, Title 30, section 5053, and as amended, and all provisions of this section shall be applicable thereto. The district may, from time to time, issue its bonds, notes and other evidences of indebtedness for the purpose of paying, redeeming or refunding outstanding bonds, notes or evidences of indebtedness and each authorized issue shall constitute a separate loan. All bonds, notes and evidences of indebtedness issued by the district shall be legal investments for savings banks in the State of Maine and shall be tax exempt. The district is

authorized and empowered to enter into agreements with the State or Federal Government, or any agency of either or any corporation, commission or board authorized by the State or Federal Government to grant or loan money to or otherwise assist in the financing of projects, such as the district is authorized to carry out, and to accept grants and borrow money from any government agency, corporation, commission or board as may be necessary or desirable to enforce this Act. All notes and bonds with the maturity of more than one year in connection with the water system  $\longleftrightarrow$  shall first be approved by the Public Utilities Commission.'

Further amend the bill by inserting after section 9 the following new sections:

'Sec. 10. Sinking fund provided for. In case any of the bonds or notes are made to run for a period of years, a sinking fund shall be established by the trustees of the district for the purpose of redeeming the bonds or notes when they become due and a sum equal to not less than 1% of the aggregate principal of the outstanding bonds or notes issued on account of or in behalf of the district, as aforesaid, shall be turned into the sinking fund each year to provide for the final extinguishment of the district funded debt.

The money set aside for the sinking fund shall be devoted to the retirement of the notes and bonds, and shall be used for no other purposes, and shall be invested in such securities as savings banks are allowed to hold.

Whenever any bonds of the district become due or can be purchased by the trustees on favorable terms, the trustees may, if sufficient funds have accumulated in the sinking fund, redeem or purchase the bonds and cancel them. In no case shall bonds so canceled or redeemed be reissued.

In case the amount in the sinking fund shall not be sufficient to pay the total amount of the bonds falling due at any one time, authority to issue new bonds sufficient to redeem so many of the bonds as cannot be redeemed from the sinking fund is granted to the trustees.

In the event that the district, with the approval of bond counsel or a bonding organization, establishes a payment schedule that does not require the use of a sinking fund, the provisions of this section shall not apply.

Sec. 11. Authority to purchase property of Guilford-Sangerville Water Company. The Guilford-Sangerville Water District is authorized and empowered to acquire by purchase of the entire plant, property, franchises, rights and privileges of the Guilford-Sangerville Water Company located in or serving the Towns of Guilford and Sangerville, except its cash assets, including all lands, waters, water rights, dams, structures, reservoirs, pipes, machinery, fixtures, hydrants, tools and all apparatus and appliances owned by that company, whether the record title thereto is or is not in the Guilford-Sangerville Water Company. The company is authorized to sell, transfer and convey its franchises and

OF R.

property to the water district, subject to Public Utilities Commission approval.

Sec. 12. Procedure in case trustees and Guilford-Sangerville Water Company fail to agree on terms of purchase. In case the trustees fail to agree with the Guilford-Sangerville Water Company upon terms of purchase, then the district, through its trustees aforesaid, is hereby authorized to take the properties, interest and franchises of the Guilford-Sangerville Water Company as set forth in section 11, in the manner hereinafter provided wherein the Guilford-Sangerville Water Company and its mortgagees, if any, or those having an interest in any realty which is of record, shall be the parties defendant. The district, through its trustees, is hereby authorized to file a petition in the clerk's office of the Superior Court for the County of Piscataquis, addressed to any justice thereof who, after notice to the defendant aforesaid, shall, after hearing and within 60 days after the filing of the petition, appoint 3 disinterested appraisers for the purpose of fixing the valuations of the plant, property and franchises of the Guilford-Sangerville Water Company described in section 11. The court may order under proper terms the production for inspection by the trustees or the appraisers of all books and papers pertaining to the issue on petition for /same by the petitioner, unless /same are voluntarily produced. The appraisers shall have the power to administer oaths. The appraisers so appointed shall, after due notice and hearing, fix the valuation as of the date of filing the petition of the plants, properties

and franchises at what they were fairly and equitably worth so that the company shall receive just compensation for <sup>the</sup> same. The report of the appraisers or of a majority of them, together with the report of a stenographer certified by the appraisers as correct, shall be filed in the clerk's office within 6 months after their appointment and any Justice of the Superior Court may after notice and hearing confirm or reject the same or recommit it if justice so requires. Upon the confirmation of the report, the court so sitting shall thereupon make final decree upon the entire matter, including the application of the purchase money and transfer of the property, jurisdiction over which is hereby conferred, and with the power to enforce the decree as in equity cases. All findings of fact by the court and the appraisers shall be final, but any party aggrieved may take exceptions as to any matters of law, the same to be accompanied by so much of the case as may be necessary to a clear understanding of the question raised thereby. These exceptions shall be claimed on the docket within 10 days after the final decree is signed, entered and filed and notice thereof has been given by the clerk to the parties and the exceptions so claimed shall be made up, allowed and filed within that time unless further time is granted by the court or by agreement of the parties. They shall be entered at the next term of the law court to be held after the filing of these exceptions and there heard, unless otherwise agreed, or the law court for good cause shall order further time for hearing thereon. On payment of tender by the district of the amount de-



J.F. R.

terminated by the final decree and the performance of all other terms and conditions imposed by the court, the plant, properties and franchises of Guilford-Sangerville Water Company, as described in section 11, shall become vested in this district.'

Further amend the bill in section 11, by striking out subsections 3 and 4 and inserting in their place the following:

'3. Sinking fund. To provide each year a sum equal to not less than 1% nor more than 5% of the entire indebtedness created by the district, which sum shall be used to pay serial bonds or notes when due or be turned into a sinking fund and there kept to provide for the extinguishment of the indebtedness. Money set aside for the sinking fund shall be devoted to the retirement of the obligations of the water district and invested in such securities as savings banks in this State are allowed to hold; and

4. Surplus. 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 district as the trustees may determine.

¶ The water rates, tolls, charges and rents shall be subject to the approval of the Public Utilities Commission, unless the district qualifies to be exempt from rate review by the commission the Revised Statutes, according to Public Law 1977, chapter 75.'

Further amend the bill by inserting after section 11 an new section to read:

'Sec. 12. District and town authorized to make contracts.

The district through its trustees is authorized to contract with persons and corporations, including the Towns of Guilford or Sangerville, or both, and the Towns of Guilford or Sangerville, or both, are authorized to contract with it for the supply of water for  $\leftarrow\rightarrow$  municipal purposes.'

Further amend the bill by striking out all of section 13.

Further amend the bill by striking out all of section 15 and inserting in its place the following sections:

'Sec. 15. Certain sections inoperative on failure to acquire Guilford-Sangerville Water Company plant. If the water district fails to acquire the plant, property, franchises, rights and privileges owned by the Guilford-Sangerville Water Company and used or usable in supplying water to the Towns of Guilford and Sangerville, then this Act shall be inoperative, null and void.'

Sec. 16. Acceptance subject to referendum. Unless accepted and approved by a majority vote of the legal voters within the proposed water district voting at an election called and held for the purpose by the municipal officers of the Towns of Guilford and Sangerville, on the 2nd Tuesday of June, 1978, this Act shall forthwith become inoperative. The registrars of voters in Guilford and Sangerville shall be in session the 3 secular days next preceding that election for the purpose of revising the voting lists. The subject matter of this Act shall be reduced to the

following question: "Shall 'AN ACT Concerning the Charter of the Guilford-Sangerville Water District,' passed by the 108th Legislature, be accepted?" The voters shall indicate by a cross or check mark placed against the words "Yes" or "No" their opinion of the same. The result shall be declared by the municipal officers of each town and due certificates thereof filed by the town clerks with the Secretary of State. In view of the emergency cited in the preamble, this Act shall take effect for all the purposes thereof immediately upon its acceptance by a majority of the legal voters in both Guilford and Sangerville voting at that election; provided that the total number of votes cast for and against the acceptance of this Act in each of the towns equals or exceeds 20% of the total vote for all candidates for Governor in those towns at the last gubernatorial election; but failure of approval by the necessary percentages of voters at any such election in either or both of those towns shall not prevent a subsequent election or elections to be held for that purpose within the time limitation of section 15.'

Further amend the bill by renumbering the sections to read consecutively.

P. OF R.

Statement of Fact

This amendment:

1. Inserts provisions relating to a quorum and the number of trustees needed for decisions;
2. Establishes a debt limit for the district of \$1,500,000;
3. Provides procedures for public hearings on district bond issues or notes;
4. Permits the district to enter into agreements with the State or Federal Government, or its agents, concerning financing;
5. Requires P.U.C. approval for bonds or notes having more than one year to maturity;
6. Establishes limitations on the district's sinking fund;
7. Specifically grants the district authority to purchase property of the Guilford-Sangerville Water Company, and provides for resolution of a disagreement over the purchase price;
8. Provides that the P.U.C. must approve water rates tolls, charges and rents of the district, unless the district is small enough to be exempt by law from that approval requirement;
9. Permits the district to make contracts with Guilford or Sangerville or both to provide water for municipal purposes;
10. Clarifies the bill's provision making the act inoperative if the district fails to acquire the Guilford-Sangerville Water Company Plant; and
11. Clarifies the referendum provisions for the bill.

NAME:

*M. Cummings*  
(Cummings)

COUNTY: Penobscot

Reproduced and distributed pursuant to Senate Rule 11-A.

March 13, 1978

(Filing No. S-537)