

# 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)

FIRST REGULAR SESSION

---

---

ONE HUNDRED AND TENTH LEGISLATURE

---

---

**Legislative Document**

**No. 1327**

S. P. 471

In Senate, March 17, 1981

Referred to the Committee on Public Utilities. Sent down for concurrence and ordered printed.

MAY M. ROSS, Secretary of the Senate

Presented by Senator Trafton of Androscoggin.

Cosponsors: Representative Boisvert of Lewiston, Representative McKean of Limestone and Representative Kany of Waterville.

---

---

STATE OF MAINE

---

IN THE YEAR OF OUR LORD NINETEEN HUNDRED AND EIGHTY-ONE

---

**AN ACT to Increase Local Control of Water Districts.**

---

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

Sec. 1. 35 MRSA c. 262 is enacted to read:

**CHAPTER 262**

**WATER DISTRICTS**

§ 3221. Short title; purpose

This chapter shall be known and may be cited as the "Maine Water District Act." The purpose of this chapter is to provide minimum guidelines to the water districts chartered under private and special laws of the Legislature. These guidelines will provide more public participation and more accountability for water districts; and encourage the maximum degree of local control consistent with protection of health and economic welfare of the citizens.

§ 3222. Definition; formation of districts

1. Water district. "Water district" means any district created by the private and special laws of the State to perform the functions of a water company, as defined by section 15, subsection 25.

2. **Formation.** The formation of water districts under the private and special laws to provide public drinking water supplies is encouraged. The question of the formation of the proposed district shall be submitted to the voters residing within it for approval by majority vote.

A water district may expand the boundaries of the district in the same manner as provided for its formation.

**§ 3223. Trustees**

1. **Authorization.** All of the affairs of a water district shall be managed by a board of trustees which shall consist of not less than 3 trustees, but no municipality nor unorganized territory within any water district shall have less than one trustee. Trustees shall serve for a term specified in the charter, but no greater than 3 years.

2. **Nomination and election.** Nominations and elections shall be conducted in accordance with the laws relating to municipal elections, except in the unorganized townships, nominations and elections shall be conducted by the county commissioners.

3. **Organization of the board of trustees.** Within one week after each annual election, the trustees shall meet for the purpose of electing a chairman, treasurer and clerk from among them to serve for the ensuing year and until their successors are elected and qualified. The trustees from time-to-time may choose and employ, and fix the compensation of, any other necessary officers and agents who shall serve at their pleasure. The treasurer shall furnish bond in the sum and with sureties as approved by the trustees, the cost thereof to be paid by the district.

At this original meeting, the trustees shall organize by electing from their own members a chairman and a clerk and adopting a corporate seal, and electing a treasurer who may or may not be a trustee. The trustees may adopt and establish bylaws, consistent with the laws of this State and necessary for their own convenience and the proper management of the affairs of the district, and perform any other acts within the powers delegated to them by law.

The trustees shall be sworn to the faithful performance of their duties, which shall include the duties of any member who serves as clerk or clerk pro tem. They shall make and publish an annual report, including a report of the treasurer.

4. **Compensation.** The trustees shall receive compensation as approved by district vote, including compensation for any duties they perform as officers as well as for their duties as trustees.

5. **Conflict of interest.** Conflict of interest is to be avoided. Trustees may serve as officers, but no trustees shall serve in any other capacity as an employee of or contractor to the district, except as permitted by this subsection. No trustee or employee of a water district shall acquire any interest, direct or indirect, in any contract or proposed contract of the district nor shall any trustee or employee

participate in any decision on any contract entered into by the district if he has any interest, direct or indirect, in any firm, partnership, corporation or association which will be party to the contract, except this prohibition shall not be applicable to: The acquisition of any interest in notes or bonds of the district, or to the execution of agreements by banking institutions for the deposit or handling of district funds in connection with any contract or to act as trustee under any trust indenture, or to utility services, the rates of which are controlled by a governmental agency.

**§ 3224. Debt limit**

All water districts shall establish a limit on the total indebtedness outstanding at any one time. Amendments to that debt limit must be approved by the voters of a district. The debt limit for any water district whose members have not approved a limit on the total indebtedness outstanding by January 30, 1982, shall automatically be an amount equal to the total outstanding indebtedness as of June 30, 1981, plus 10%.

**§ 3225. Adoption of new rates**

Prior to the adoption of a new rate schedule, the trustees shall hold a public hearing regarding the proposed rate schedule. The trustees shall publish the proposed rates and notice of the hearing not less than once in a newspaper having a general circulation in the district no less than 7 days prior to the hearing. After adoption of the rates, copies of the rates shall be printed and made available to ratepayers and prospective ratepayers of the district.

**§ 3226. Conformity with private and special laws**

The provisions of this chapter shall apply to all water district charters as of January 30, 1982. Any part of a water district charter not in compliance with this chapter shall be considered to be repealed as of January 30, 1982.

**Sec. 2. Legislative amendment of charters.** Each year, on or before April 15th, the Joint Standing Committee on Public Utilities shall report out legislation entitled "AN ACT to Amend the Charters of Various Water Districts Organized under the Private and Special Laws." Except in the case of emergency legislation, amendments to water district charters shall generally be included in that Act. Prior to acting upon any proposed water district charter amendment the joint standing committee shall obtain written comments from the municipalities that lie in whole or in part within the district.

**Sec. 3. Effective date.** The provisions of this Act shall take effect January 30, 1982.

**STATEMENT OF FACT**

This bill will allow increased local control of water districts and provide certain minimum statewide requirements to help improve public participation and

accountability of the districts. The bill is partly based on the findings of the legislative study of sanitary districts.