

MAINE STATE LEGISLATURE

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D. OF R.

1

L.D. 2002

2

(Filing No. S- 430)

3

STATE OF MAINE

4

SENATE

5

112TH LEGISLATURE

6

SECOND REGULAR SESSION

7

COMMITTEE AMENDMENT " A " to S.P. 795, L.D.
2002, Bill, "AN ACT Creating the Cornish Water Dis-
9 trict."

10

11 Amend the Bill in section 15 by striking out ev-
12 erything after the first paragraph and inserting in
its place the following:

13

14 'The board of trustees shall establish and file
15 rates so as to provide revenue for the following pur-
poses, but no other:

16

17 1. Current expenses. To pay the current expenses
18 for operating and maintaining the water system and to
provide for normal renewals and replacements;

19

20 2. Payment of interest. To provide for the pay-
21 ment of the interest on the indebtedness created or
assumed by the utility;

22

23 3. Sinking fund. To provide each year a sum
24 equal to not less than 2% nor more than 10% of the
25 term indebtedness represented by the issuance of
26 bonds created or assumed by the utility, which sum
27 shall be turned into a sinking fund and kept there to
28 provide for the extinguishment of term indebtedness.
29 The money set aside in this sinking fund shall be de-
30 voted to the retirement of the term obligations of
31 the utility and may be invested in such securities as
savings banks in the State are allowed to hold;

32

33 4. Payment of principal. To provide for annual
34 principal payments on serial indebtedness created or
assumed by the utility; and

35

36 5. Contingency reserve fund allowance. To pro-
vide for a contingency reserve fund allowance by pro-

D. OF R.

COMMITTEE AMENDMENT "A " to S.P. 795, L.D. 2002

1 viding rates to reflect up to a 5% addition to yearly
2 revenues over what is required to operate the water
3 company. If this allowance results in an excessive
4 surplus, rates may be set which use the excess to
5 offset future revenue requirements or returned to the
6 customer in accordance with the rules of the Public
7 Utilities Commission.'

8 STATEMENT OF FACT

9 This amendment conforms the language on the pur-
10 poses for which rates may be established by the dis-
11 trict to the standard language of the Maine Revised
12 Statutes, Title 35, section 73, as amended. It is
13 noted that the town has approved this bill in the
14 referendum on November 5, 1985 by a vote of 140 to
15 76, so a further referendum is unnecessary.

16

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Reported by Sen. Andrews for the Committee on Utilities.
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