

# MAINE STATE LEGISLATURE

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1 (EMERGENCY)  
2 (After Deadline)  
3 SECOND REGULAR SESSION  
4

5 ONE HUNDRED AND TWELFTH LEGISLATURE  
6

7 Legislative Document

No. 2002

8  
9 S.P. 795

In Senate, February 7, 1986

10 Approved for introduction by a majority of the Legislative Council  
11 pursuant to Joint Rule 27.

Reference to the Committee on Utilities suggested and ordered printed.

12 JOY J. O'BRIEN, Secretary of the Senate

Presented by Senator Black of Cumberland.

Cosponsored by Representative Lord of Waterboro.

13  
14 STATE OF MAINE  
15

16 IN THE YEAR OF OUR LORD  
17 NINETEEN HUNDRED AND EIGHTY-SIX  
18

19 AN ACT Creating the Cornish Water District.  
20

21 Emergency preamble. Whereas, Acts of the Legis-  
22 lature do not become effective until 90 days after  
23 adjournment unless enacted as emergencies; and

24 Whereas, the Town of Cornish has voted to estab-  
25 lish a water district and to purchase the Cornish Wa-  
26 ter Company; and

27 Whereas, the Town of Cornish must act immediately  
28 to purchase the Cornish Water Company; and

29 Whereas, in the judgment of the Legislature,  
30 these facts create an emergency within the meaning of  
31 the Constitution of Maine and require the following  
32 legislation as immediately necessary for the preser-  
33 vation of the public peace, health and safety; now,  
34 therefore,

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

3       **Sec. 1. Territorial limits; corporate name; pur-**  
4 **poses.** Subject to section 17, the inhabitants and  
5 territory of the Town of Cornish in the County of  
6 York shall constitute a body politic and corporate  
7 under the name of "Cornish Water District" for the  
8 purpose of supplying the Town of Cornish and the in-  
9 habitants and others of the district, with pure water  
10 for domestic, sanitary, commercial, industrial, agri-  
11 cultural and municipal purposes.

12       **Sec. 2. Powers of Cornish Water District.** The  
13 Cornish Water District is authorized, for the pur-  
14 poses if its incorporation, to take, collect, store,  
15 flow, use, divert, distribute and convey to the dis-  
16 trict or any part of the district, water from any  
17 lake, pond, stream or river, or from any surface or  
18 underground brooks, springs or veins of water, natu-  
19 ral or artificial, within the area of the district or  
20 within the area of the Town of Cornish and from any  
21 other source from which the Cornish Water Company is  
22 now authorized to take water. It is also authorized  
23 to locate, construct and maintain aqueducts, pipes,  
24 conduits, dams, wells, reservoirs, standpipes,  
25 hydrants, pumping stations and other necessary struc-  
26 tures and equipment therefor, and do anything neces-  
27 sary to furnish water for public purposes and for the  
28 public health, comfort and convenience of the inhabi-  
29 tants and others of the district, or to contract to  
30 do any and all of the foregoing things.

31       All incidental powers, rights and privileges nec-  
32 essary to the accomplishment of the main objectives  
33 set forth in this Act are granted to the district  
34 created by this Act.

35       **Sec. 3. Authorized to lay mains, pipes, con-**  
36 **duits, etc., through public ways and across private**  
37 **lands.** The district is authorized to lay in and  
38 through the the streets, roads, ways, highways and  
39 bridges in the Town of Cornish and across private  
40 lands in the Town of Cornish, and to maintain, repair  
41 and replace all such pipes, mains, conduits, aque-  
42 ducts and fixtures and appurtenances as may be neces-

1 sary and convenient for its corporate purposes, and  
2 whenever the district shall lay any pipes, mains,  
3 conduits, aqueducts and fixtures or appurtenances in  
4 any street, road, way or highway, it shall cause the  
5 same to be done with as little obstruction as practi-  
6 cable to the public travel and shall, at its own ex-  
7 pense, without unnecessary delay, cause the earth and  
8 pavement removed by it to be replaced in proper con-  
9 dition.

10       **Sec. 4. Authorized to erect dams and reservoirs;**  
11 **to cross navigable waters; to supply water to utili-**  
12 **ties.** The water district is authorized, for the pur-  
13 poses of its incorporation, to erect and maintain all  
14 dams, reservoirs and structures necessary and conven-  
15 nient for its corporate purposes. The water district  
16 is also authorized to lay, construct and maintain its  
17 pipes and fixtures in, over and under navigable wa-  
18 ters and to build and maintain structures therefor,  
19 subject to the laws of the United States; to supply  
20 water to any public utility now supplying water in  
21 the County of York, subject to the consent of the  
22 Public Utilities Commission.

23       **Sec. 5. Rights of eminent domain.** The district,  
24 for the purposes of its incorporation, is authorized  
25 to take and hold, as for public uses, real estate and  
26 personal estate and any interest therein, necessary  
27 or convenient for those purposes, by purchase, lease  
28 or otherwise and is expressly authorized to exercise  
29 the right of eminent domain, as hereinafter provided,  
30 to acquire for those purposes any land or interest in  
31 land of water rights necessary for erecting and main-  
32 taining dams, plants and works, for flowage, power,  
33 pumping, supplying water through its mains, for res-  
34 ervoirs, preserving the purity of the water and wa-  
35 tershed, laying and maintaining aqueducts and other  
36 structures for taking, distributing, discharging and  
37 disposing of water and for rights-of-way or roadways  
38 to its sources of supply, dams, power stations, res-  
39 ervoirs, mains, aqueducts, structures and lands.

40       The district is authorized, for the purposes of  
41 its incorporation, to erect and maintain all dams,  
42 reservoirs and structures necessary and convenient  
43 for its corporate purposes. Nothing contained in this  
44 section may be construed as authorizing the district

1 to take by right of eminent domain any of the proper-  
2 ty or facilities of any other public service corpora-  
3 tion used, or acquired for future use, by the owner  
4 of that property or facilities in the performance of  
5 a public duty, unless expressly authorized to do so  
6 by this section or by subsequent Act of the Legisla-  
7 ture or as provided in section 6.

8       **Sec. 6. Procedure if public utility must be**  
9 **crossed.** In case of crossing of any public utility,  
10 unless consent is given by the company owning and op-  
11 erating the public utility as to place, manner and  
12 conditions of the crossing within 30 days after con-  
13 sent is requested by the district, the Public Utili-  
14 ties Commission, upon petition by the district, shall  
15 determine the place, manner and conditions of the  
16 crossing, and all work on the property of the public  
17 utility shall be done under the supervision and to  
18 the satisfaction of the public utility, or as pre-  
19 scribed by the Public Utilities Commission, but at  
20 the expense of the district.

21       **Sec. 7. Procedure in exercising of eminent do-**  
22 **main.** After the original acquisition for which provi-  
23 sion is made in section 12, the district in exercis-  
24 ing from time to time, any right of eminent domain  
25 conferred upon it by law or through or under the  
26 franchise of any water company by it acquired, shall  
27 file written application with the Public Utilities  
28 Commission requesting its approval of the proposed  
29 taking. The application shall describe the property  
30 or rights to be taken, the purpose of the taking and  
31 shall name all parties who may be interested therein.  
32 The commission thereupon shall appoint a time for a  
33 hearing near the premises and shall require such no-  
34 tice as the commission may direct to be given to the  
35 persons interested, at least 14 days before the date  
36 of the hearing. The commission shall view the  
37 premises, hear the parties and shall determine how  
38 much, if any, of the property described in the peti-  
39 tion should be taken for the reasonable purposes of  
40 the water district and for the safe, economical and  
41 efficient furnishing of an adequate water supply. In  
42 authorizing any taking, the commission may attach  
43 such reasonable terms, limitations and restrictions  
44 as justice may require. If the commission shall find  
45 that any of the property described in the application

1 is necessary for the purposes of the district as set  
2 out in the application, it shall make a certificate  
3 containing a definite description of the property to  
4 be taken, and of any terms, restrictions and limita-  
5 tions in connection therewith, and shall furnish to  
6 the district a true copy thereof, attested by the  
7 secretary of the commission. When the copy of the  
8 certificate is filed with the clerk of courts in the  
9 county where the property lies, the property shall be  
10 deemed and treated as taken; provided that when prop-  
11 erty is held by a tenant for life and the reversion  
12 is contingent as to the persons in whom it may vest  
13 at the termination of the life estate, that fact  
14 shall be stated in the application and the commis-  
15 sion, in addition to the notice to the tenant for  
16 life, shall require notice by publication, in such  
17 manner as if may deem proper to all others inter-  
18 ested. Entry may be made on any private land prior  
19 to the filing of any such application for the purpose  
20 of making surveys, the district being responsible for  
21 any damage resulting from that entry, the district  
22 shall notify the landowner 7 days prior to its enter-  
23 ing upon the property, and possession may be had of  
24 the property described in the certificate of the com-  
25 mission forthwith upon the filing and recording in  
26 the registry of deeds of York County of such certifi-  
27 cate as provided in this section. Title to that prop-  
28 erty shall not vest in the district until payment  
29 therefor has been made.

30       **Sec. 8. Adjustment of damages; procedure as in**  
31 **laying out of highways.** If any person sustaining dam-  
32 ages by any taking pursuant to the right of eminent  
33 domain shall not agree with the district upon the sum  
34 to be paid therefor, either party, upon petition to  
35 the county commissioners of York County, may have the  
36 damages assessed by them. The procedure and all sub-  
37 sequent proceedings and right of appeal therefrom  
38 shall be had under the same restrictions, conditions  
39 and limitations as are or may be by law prescribed in  
40 the case of damages by the laying out of highways.

41       **Sec. 9. Trustees; how elected; first board;**  
42 **meeting; officers.** All of the affairs of the district  
43 shall be managed by a board of trustees composed of 5  
44 members, all of whom shall be residents of the dis-  
45 trict, and elected as provided in this section.

1           1. First board. Within 14 days after the accept-  
2           ance of this Act, the selectmen of the Town of  
3           Cornish, who are especially appointed for this pur-  
4           pose, shall give notice of a special election of the  
5           Cornish Water District, for the purpose of selecting  
6           the first board of trustees, by posting a notice at  
7           least 30 days prior to the date set for election. The  
8           notice shall be published in one public and conspicu-  
9           ous place in the Town of Cornish. The candidates for  
10          office shall obtain nomination papers from the clerk  
11          of the Town of Cornish, who is appointed especially  
12          to act as clerk in this particular instance. The form  
13          of the nomination papers and the form of the ballot,  
14          shall be as provided in this Act. After the selection  
15          of the first board, the only eligibility for the of-  
16          fice of trustee of the district shall be residence  
17          within the district and eligibility to vote, and all  
18          subsequent trustees shall be elected as provided in  
19          this section in an annual election to be held on the  
20          3rd Monday of March in each year.

21           As soon as convenient after their appointment,  
22          the first board of trustees shall hold a meeting at  
23          some convenient place in the district, to be called  
24          by any member of the board in writing, designating  
25          the time and place, and the notice being delivered in  
26          hand to the other 4 members, not less than 2 full  
27          days before the meeting; provided that the trustees  
28          so elected may meet by agreement without the notice  
29          and upon appropriate waiver. The first order of busi-  
30          ness shall be to draw by lot to fix the terms of the  
31          trustees. Thereafter, trustees shall be selected to  
32          serve for a 3-year term.

33           After the selection of the terms of the trustees,  
34          the trustees shall then organize by electing from  
35          their own number a chairman and clerk and, not neces-  
36          sarily from their own number, a treasurer and a reg-  
37          istrar of voters for the district, as provided in  
38          this section. The trustees shall adopt a corporate  
39          seal and adopt and establish bylaws consistent with  
40          the laws of this State and necessary for their own  
41          convenience and the proper management of the affairs  
42          of the district and perform any other acts within the  
43          powers delegated to them by law. The trustees shall  
44          be sworn to the faithful performance of their duties.

1           2. Election of trustees. The trustees to be  
2 elected shall be chosen by a plurality vote of the  
3 legal voters within the district. All nominations of  
4 candidates to be voted for shall be made by nomina-  
5 tion papers signed in the aggregate for each candi-  
6 date by not less than 25 qualified voters within the  
7 district. Each voter signing the nomination paper  
8 shall make his signature in person and add to it his  
9 place of residence, and each voter may subscribe to  
10 as many nominations as there are trustees to be  
11 elected and no more. The nomination papers shall be-  
12 fore being filed, be submitted to the registrar of  
13 voters of the district, who shall forthwith certify  
14 on the nomination papers what number of the  
15 signatures are names of qualified voters in the dis-  
16 trict; one of the signers to each separate paper  
17 shall swear to the truth and the certificate of the  
18 oath shall be annexed to or made under the nomination  
19 papers. The nomination papers shall be filed with the  
20 clerk of the district at least 7 days, exclusive of  
21 Sundays, previous to the day of the election. With  
22 the nomination papers, shall also be filed the con-  
23 sent in writing of the person or persons nominated.  
24 All nomination papers being filed and being in appar-  
25 ent conformity with the provisions of this section  
26 shall be deemed to be valid, and if not in apparent  
27 conformity, they may be seasonably amended under  
28 oath. In case any candidate who has been duly nomi-  
29 nated under this section dies before the day of elec-  
30 tion, or shall withdraw in writing, the vacancy may  
31 be supplied in the manner provided in this section  
32 for nominations. The name supplied for the vacancy  
33 shall, if the ballots have not been printed, be  
34 placed on the ballots instead of the original nomina-  
35 tion; or if the ballots have been printed, new bal-  
36 lots containing the new nomination shall, if practi-  
37 cable, be furnished, or slips containing the new nom-  
38 ination shall be printed under the direction of the  
39 district clerk, which may be pasted in proper place  
40 upon the ballots and thereafter shall become part of  
41 the ballots as if originally printed on the ballots.

42           3. Form of ballot. The ballot shall be substan-  
43 tially as follows: It shall contain the names of all  
44 candidates so nominated printed in one column under  
45 the heading "For Trustees of Cornish Water District."  
46 Above the heading shall be printed "Vote for 2," or



1 such number as may be appropriate, "Trustees." Make a  
2 cross (X) or a check mark ( ) to the right of each  
3 name voted for. As many blank spaces shall be left  
4 after the name of the candidates as there are trust-  
5 ees to be elected, in which the voter may, by writ-  
6 ing, insert the name or names of any person or per-  
7 sons for whom he desires to vote. In casing his bal-  
8 lot the voter shall mark a cross (X) or a check mark  
9 ( ) against and to the right of the names on the bal-  
10 lot as he desires to vote for, not to exceed the num-  
11 ber of trustees to be elected. If the voter desires  
12 to vote for any person or persons whose name or names  
13 are not on the printed ballot, he may fill in the  
14 name or names in the blank spaces left by writing the  
15 name or names in the blank spaces. The result of the  
16 election shall be declared by the trustees and due  
17 certificates of the results filed with the district  
18 clerk. All trustees shall serve until their succes-  
19 sors are elected and qualified.

20 4. Meetings of trustees. Within one week after  
21 each annual election, the trustees shall meet for the  
22 purpose of electing a chairman, treasurer and clerk  
23 from among them to serve for the ensuing year and un-  
24 til there successors are elected and qualified. The  
25 trustees, from time-to-time, may choose and employ  
26 and fix the compensation of, any other necessary of-  
27 ficers and agents who shall serve at their pleasure.  
28 The treasurer shall furnish bond in the sum and with  
29 sureties as approved by the trustees. The cost shall  
30 be paid by the district. The trustees shall be sworn  
31 to the faithful performance of their duties. They may  
32 adopt and establish such bylaws as are necessary for  
33 their own convenience and the proper management of  
34 the affairs of the district.

35 Whenever the term of office of a trustee expires,  
36 his successor shall be elected by a plurality vote by  
37 the inhabitants of the district, and upon nomination  
38 made as provided in this section for the election of  
39 trustees; and for the purpose of election a special  
40 election shall be called and held on the 3rd Monday  
41 of March in each year, the election to be called by  
42 the trustees of the district in the same manner as  
43 town meetings are called and for this purpose, the  
44 trustees are vested with the powers of selectmen of  
45 towns. The trustees so elected shall serve the full

1 term of 3 years; and in case any vacancy arises in  
2 the membership of the board of trustees, it shall be  
3 filled in like manner for the unexpired term by spe-  
4 cial election to be called by the trustees of the  
5 district. When any trustee ceases to be a resident of  
6 the district, he shall vacate the office of trustee  
7 and the vacancy shall be filled as provided in this  
8 section. All trustees shall be eligible for reelec-  
9 tion, but no person holding office of selectman or  
10 road commissioner in the Town of Cornish may be eli-  
11 gible for nomination or election as trustee.

12 The trustees may procure an office and incur such  
13 expenses as may be necessary. The trustees shall re-  
14 ceive compensation as recommended by them and ap-  
15 proved by a majority of the municipal officers of the  
16 Town of Cornish, including compensation for any du-  
17 ties they perform as officers, as well as for their  
18 duties as trustees.

19 The trustees shall appoint a registrar of voters  
20 for the district who may also be the registrar of  
21 voters for the Town of Cornish and fix his salary. It  
22 shall be the registrar's duty to make and keep a com-  
23 plete list of all the eligible voters of the dis-  
24 trict, and the list prepared by him, as provided by  
25 the laws of the State, shall govern the eligibility  
26 of any voter. In determining the eligible voters of  
27 the district, the registrar of voters shall exclude  
28 from his lists and from all check lists the legal  
29 voters who are resident outside the territorial lim-  
30 its of the water district as defined in this Act, and  
31 all warrants issued for elections by the trustees  
32 shall be varied accordingly to show that only the  
33 voters resident within the territorial limits of the  
34 water district are entitled to vote.

35 **Sec. 10. Annual report.** The trustees shall make  
36 and publish an annual report, including a report of  
37 the treasurer, and the report may be included in, and  
38 published as part of, the annual town report of the  
39 Town of Cornish.

40 **Sec. 11. District and towns authorized to make**  
41 **and assume contracts.** The district, through its  
42 trustees, is authorized to contract with persons and  
43 corporations, including the Town of Cornish, and the

1 Town of Cornish is authorized to contract with it,  
2 for the supply of water for municipal purposes.

3 All valid contracts now existing between the  
4 Cornish Water Company and any persons, corporations  
5 or municipal corporations for supplying water in the  
6 Town of Cornish shall be assumed and carried out by  
7 the Cornish Water District.

8 Sec. 12. Authorized to acquire property and  
9 franchises of Cornish Water Company. The district,  
10 through its trustees, is authorized to acquire by  
11 purchase all of the entire plant, properties, fran-  
12 chises, rights and privileges owned by Cornish Water  
13 Company located within the Town of Cornish, including  
14 all lands, waters, water rights, reservoirs, pipes,  
15 machinery, fixtures, hydrants, tools and all apparat-  
16 us and appliances used or usable in supplying water  
17 in the area of the district. The water district is  
18 further authorized and empowered to acquire by the  
19 exercise of the right of eminent domain, which right  
20 is expressly delegated to the district for that pur-  
21 pose, the entire plant, properties, franchise, rights  
22 and privileges, except cash assets and accounts re-  
23 ceivable, owned by Cornish Water Company, including  
24 all lands, waters, water rights, dam structures, res-  
25 ervoirs, pipes, machinery, fixtures, hydrants, tools  
26 and all apparatus and appliances used or usable in  
27 supplying water in the area of the district, and if  
28 and when so acquired, the district, in addition to  
29 the powers conferred by this Act, shall have and en-  
30 joy and be entitled to exercise all rights, privi-  
31 leges and franchises of the Cornish Water Company.

32 Sec. 13. Authorized to receive governmental aid;  
33 borrow money; issue bonds and notes. For accomplish-  
34 ing the purposes of this Act and for such other ex-  
35 penses as may be necessary for the carrying out of  
36 the purposes, the district, through its trustees,  
37 without vote of the inhabitants, is authorized to re-  
38 ceive both state and federal aid grants; to borrow  
39 money temporarily and to issue therefor its negotia-  
40 ble notes, for the purpose of renewing and refunding  
41 the indebtedness so created, of paying any necessary  
42 expenses and liabilities incurred under this Act, in-  
43 cluding organizational and other necessary expenses  
44 and liabilities, whether incurred by the district or

1 the Town of Cornish, the district being authorized to  
2 reimburse the Town of Cornish for any such expense  
3 incurred by them and in acquiring properties, paying  
4 damages, laying pipes, mains, aqueducts and conduits,  
5 constructing, maintaining and operating a water plant  
6 or system and making renewals, additions, extensions  
7 and improvements to the same and to cover interest  
8 payments during the period of construction. The dis-  
9 trict, through its trustees, without the vote of its  
10 inhabitants, but only with the approval of the Public  
11 Utilities Commission, is also authorized to issue,  
12 from time to time, bonds, notes or other evidence of  
13 indebtedness of the district or in such amount or  
14 amounts bearing interest at such rate or rates, sell-  
15 ing at par, or at a discount or a premium and having  
16 such other terms and provisions as the trustees shall  
17 determine, except that loans running for one year or  
18 less will not require the Public Utilities Commis-  
19 sion's approval.

20 In the event that the trustees vote to authorize  
21 bonds or notes the estimated cost of which, singly or  
22 in the aggregate included in any one financing, is  
23 \$150,000 or more adjusted, relative to 1981 as the  
24 base year according to the annual Consumer Price In-  
25 dex, as defined in the Maine Revised Statutes, Title  
26 5, section 1001, subsection 6-A, the trustees shall  
27 provide notice to the general public of the proposed  
28 bond or note issue and the purposes for which the  
29 debt is being issued. The notice shall be published  
30 at least once in a newspaper having general circula-  
31 tion in the district. The trustees shall give notice  
32 to each ratepayer by mail.

33 No debt may be incurred under the vote of the  
34 trustees until the expiration of 7 full days follow-  
35 ing the date on which the notice was first published  
36 and mailed. Prior to the expiration of the period,  
37 the trustees shall call a special district meeting  
38 for the purpose of permitting the collection of tes-  
39 timony from the public concerning the amount of debt  
40 so authorized.

41 Except for indebtedness to fund projects specifi-  
42 cally mandated by the State Government and the Feder-  
43 al Government, for debts in excess of the amount  
44 specified in this section, if requested by petition

1 of not less than 50 voters of the district or 5% of  
2 the voters, whichever is greater, filed with the  
3 clerk of the district on or before the date of the  
4 meeting, the meeting shall express approval or disap-  
5 proval of the amount of debt so authorized. If a ma-  
6 jority of voters present and voting expresses disap-  
7 proval of the amount of debt authorized by the trust-  
8 ees, the debt shall not be incurred and the vote of  
9 the trustees authorizing it shall be void and of no  
10 effect.

11 The bonds, notes and evidences of indebtedness  
12 may be issued to mature serially or made to run for  
13 such periods as the trustees may determine. Bonds,  
14 notes or evidences of indebtedness may be issued with  
15 or without provisions for calling the same prior to  
16 maturity, and if callable, may be made callable at  
17 par or at such premium as the trustees may determine.  
18 All bonds, notes or other evidences of indebtedness  
19 shall have inscribed upon their face the words  
20 "Cornish Water District," shall be signed by the  
21 treasurer and countersigned by the president of the  
22 board of trustees of the district, and if coupon  
23 bonds are issued, the interest coupon attached to the  
24 coupon bonds shall bear the facsimile signature of  
25 the treasurer.

26 All bonds, notes and evidences of indebtedness so  
27 issued by the district shall be legal obligations of  
28 the district, which is declared to be a quasi-municipal  
29 corporation within the meaning of the Maine Re-  
30 vised Statutes, Title 30, section 5053, and all pro-  
31 visions of that section shall be applicable thereto.

32 The district may refund and reissue, from time to  
33 time, in one or in separate series, its bonds, notes  
34 and other evidences of indebtedness, and each autho-  
35 rized issue shall constitute a separate loan. All  
36 bonds, notes and evidences of indebtedness issued by  
37 the district shall be legal investments for savings  
38 banks in the State, and shall be free from taxation.

39 **Sec. 14. Property tax exempt.** The property, both  
40 real and personal, rights and franchises of the dis-  
41 trict shall be forever exempt from taxation in the  
42 Town of Cornish.

1           Sec. 15. Rates; application of revenue; sinking  
2 fund. All individuals, firms and corporations, wheth-  
3 er private or public, shall pay to the treasurer of  
4 the district the rates established by the board of  
5 trustees for the services used by them, and the water  
6 rates shall be uniform within the territory supplied  
7 by the district and the water rates shall be subject  
8 to the approval of the Public Utilities Commission.

9           The water rates shall be so established as to  
10 provide revenue for the following purposes:

11           1. Current expenses. To pay the current expenses  
12 for operating and maintaining the water system and to  
13 provide for such extensions and renewals as may be-  
14 come necessary;

15           2. Payment of the interest. To provide for pay-  
16 ment of the interest on the indebtedness created or  
17 assumed by the district;

18           3. Sinking fund. To provide each year a sum  
19 equal to not less than 1% but more than 7% of the en-  
20 tire indebtedness created or assumed by the district,  
21 which sum shall be turned into a sinking fund and  
22 there kept to provide for the extinguishment of the  
23 indebtedness. The money set aside for the sinking  
24 fund shall be devoted to the retirement of the obli-  
25 gations of the district or invested in such securi-  
26 ties as fiduciaries or trustees in the State are now  
27 or hereafter allowed to hold. The trustees may, in  
28 their discretion and in lieu of the establishment of  
29 a sinking fund, issue bonds of the district so that  
30 not less than 1% of the amount of the bonds so issued  
31 shall mature and be retired each year; and

32           4. Remaining surplus. If any surplus remains at  
33 the end of the year, it may be turned into the sink-  
34 ing fund.

35           Sec. 16. Existing statutes not affected; rights  
36 conferred subject to provisions of law. Nothing con-  
37 tained in this Act is intended to repeal, or may be  
38 construed as repealing, the whole or any part of any  
39 existing law, and all the rights and duties mentioned  
40 in this Act shall be exercised and performed in ac-  
41 cordance with all the applicable provisions of the

