

MAINE STATE LEGISLATURE

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114th MAINE LEGISLATURE

FIRST SPECIAL SESSION - 1989

Legislative Document

No. 1799

H.P. 1301

House of Representatives, August 18, 1989

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 26.

Received by the Clerk of the House on August 17, 1989. Referred to the Committee on Utilities and 1,400 ordered printed pursuant to Joint Rule 14.

A handwritten signature in black ink that reads "Ed Pert".

EDWIN H. PERT, Clerk

Presented by Representative McHENRY of Madawaska.

STATE OF MAINE

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

An Act to Revise the Charter of the Madawaska Water District.

(EMERGENCY)



2 Emergency preamble. Whereas, Acts of the Legislature do not
become effective until 90 days after adjournment unless enacted
as emergencies; and

4
6 Whereas, the Madawaska Water District was created by Private
and Special Law 1953, chapter 17 and its charter was amended by
Private and Special Law 1961, chapter 97, Private and Special Law
8 1965, chapter 52 and Private and Special Law 1973, chapter 49; and

10 Whereas, the Madawaska Water District has \$300,000 principal
amount of bonds outstanding that mature November 1, 1989, and
12 must be refunded; and

14 Whereas, section 7 of the Madawaska Water District charter
provides that 10% of the residents qualified to vote in the
16 district constitutes a quorum at any meeting of the district; and

18 Whereas, section 11 of the Madawaska Water District charter
requires a district vote and a vote of the trustees of the
20 district to issue bonds or notes to refund outstanding bonds; and

22 Whereas, the provisions regarding a quorum and district vote
to refund bonds make it uncertain whether the district can secure
24 the necessary approval required under its present charter for the
refunding of its outstanding bonds by November 1, 1989; and

26 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
28 Maine and require the following legislation as immediately
30 necessary for the preservation of the public peace, health and
safety; now, therefore,

32
34 **Be it enacted by the People of the State of Maine as follows:**

36 **Sec. 1. P&SL 1953, c. 17, §7, 3rd ¶ is repealed as follows:**

38 ~~Ten-per-cent-of-the-voters-qualified-to-vote-in-said
district-shall-constitute-a-quorum.~~

40 **Sec. 2. P&SL 1953, c. 17, §11, first ¶, as amended by P&SL 1961,
c. 97, §3, is further amended to read:**

42
44 For accomplishing the purposes of this act and for such
other expenses as may be necessary for the carrying out of said
46 purposes, said district, through its trustees, with district
vote, is authorized to issue its notes and bonds in one series or
in separate series from time to time and to make subsequent

2 renewals of the same in whole or in part without district vote to
4 an amount not exceeding the sum of \$500,000, outstanding at any
6 one time. Said notes and bonds shall be legal obligation of said
8 district, which is hereby declared to be a quasi-municipal
10 corporation within the meaning of the ~~Revised Statutes of Maine,~~
12 ~~1954,--chapter--90-A,--section--23,--~~ Maine Revised Statutes, Title
14 30-A, section 5701, as amended, and all provisions of said
16 section shall be applicable thereto, said notes and bonds shall
18 be a legal investment for savings banks in the State of Maine,
20 and shall be exempt from all present taxes. The said district
22 may refund and reissue, by vote of its trustees without district
24 vote, from time to time, ~~any one-or-in-separate-series,~~ of its
26 notes and bonds and other evidence of indebtedness. Each bond or
28 note shall have inscribed on its face the words "Madawaska Water
30 District Bond," or "Madawaska Water District Note," as the case
32 may be, and shall bear interest at such rates as the trustees
34 shall determine. If said bonds be issued from time to time, each
36 authorized issue shall constitute a separate loan. Each loan
38 shall be payable in annual amounts of principal, beginning not
40 more than one year from its date and made to run for such period
42 as said trustees shall determine.

22 **Emergency clause.** In view of the emergency cited in the
24 preamble, this Act shall take effect when approved.

26 STATEMENT OF FACT

28 Section 7 of the Madawaska Water District charter mandates
30 that 10% of the residents qualified to vote in the district shall
32 constitute a quorum at the annual or any special meeting of its
34 board of trustees. Compliance with this provision will be
36 expensive and if 10% of the voters do not attend the meetings, it
38 may have adverse consequences on the credit standing of the
40 district. This bill eliminates the quorum requirement, which is
42 not generally found in the charters of other state water
44 districts.

38 Section 11 of the Madawaska Water District charter requires
40 a district vote not only for the incurring and issuing of bonds
42 and notes, but also for the refunding of outstanding bonds and
44 notes. This provision is also unusual and the credit standing of
46 the district could be seriously and adversely affected if it were
unable to secure the necessary approval for a refunding. This
bill permits the district to refund and reissue bonds and notes
by vote of its trustees, without a district vote.