

MAINE STATE LEGISLATURE

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116th MAINE LEGISLATURE

FIRST REGULAR SESSION-1993

Legislative Document

No. 121

H.P. 91

House of Representatives, January 21, 1993

Reference to the Committee on Utilities suggested and ordered printed.

A handwritten signature in cursive script that reads "Joseph W. Mayo".

JOSEPH W. MAYO, Clerk

Presented by Representative CARLETON of Wells.
Cosponsored by Representative LIBBY of Kennebunk.

STATE OF MAINE

IN THE YEAR OF OUR LORD
NINETEEN HUNDRED AND NINETY-THREE

An Act Relating to the Protection of Public Water Supplies.

(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 protection of purity and conservation of public
water supplies is a matter of public health and safety; and

8 Whereas, increased development and other surface uses
threaten the quality of public water supplies; and

10
12 Whereas, the protection of drinking water supplies from
contamination is preferable to the necessity of additional water
quality treatment; and

14
16 Whereas, water districts are in a unique position to protect
essential aquifers and identify land and land uses that threaten
the future of such aquifers; and

18
20 Whereas, in the judgment of the Legislature, these facts
create an emergency within the meaning of the Constitution of
Maine and require the following legislation as immediately
22 necessary for the preservation of the public peace, health and
safety; now, therefore,

24
26 **Be it enacted by the People of the State of Maine as follows:**

28 **Sec. 1. 35-A MRS §6113 is enacted to read:**

30 **§6113. Watershed protection fund**

32 **1. Watershed protection fund.** A consumer-owned water
utility may establish a watershed protection fund to which a sum
may be credited annually from surplus funds. The annual credit
34 may not exceed 5% of the prior year's total revenue.

36 **2. Watershed protection fund maximum.** Except as provided
in subsection 4, the maximum amount that may be accumulated in a
38 watershed protection fund is 15% of the most recent year's annual
revenue of the utility or \$100,000, whichever is greater. When
40 the watershed protection fund is at the maximum amount permitted,
credit may not be made to the fund from surplus funds.

42 **3. Use of watershed protection fund.** A watershed
44 protection fund may be used only for the acquisition of real
property reasonably necessary for the protection of a public
46 water supply, in both fee and less-than-fee simple interest,
including, but not limited to, conservation easements, access
48 easements, other permanent interests in land and long-term leases
of at least 99 years.

2 4. Commission review. If a consumer-owned water utility
4 needs to accumulate more than the maximum amount allowed in the
6 watershed protection fund to acquire interests as provided in
8 subsection 3, the utility shall obtain the approval of the
10 commission before any sum may be allotted to the fund that would
12 cause the fund to exceed the maximum.

14 5. Accounting treatment of fund. Funds in a watershed
16 protection fund are not considered unappropriated retained
18 earnings for the purpose of section 6112, subsection 5, nor are
20 such funds considered in determining reasonable revenue
22 requirements under section 310 or 6104.

24 6. Interest. Interest earned from money in a watershed
26 protection fund must remain in the fund and be used solely for
the purposes of the fund, notwithstanding the maximum amount
permitted in the fund.

Emergency clause. In view of the emergency cited in the
preamble, this Act takes effect when approved.

STATEMENT OF FACT

This bill permits a consumer-owned water utility to
establish a fund for the acquisition of interests in land in
order to protect the quality of public water supplies.