

MAINE STATE LEGISLATURE

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L.D. 1747

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UTILITIES

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STATE OF MAINE
SENATE
116TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 630, L.D. 1747, Bill, "An Act to Protect the Interests of the Town of Otis in Certain Ponds"

Amend the bill by striking out the title and substituting the following:

'An Act to Protect the Interests of the Town of Otis and to Cause a Review of the Activities of the Bangor Water District'

Further amend the bill by striking out everything after the enacting clause and before the statement of fact and inserting in its place the following:

Sec. 1. P&SL 1957, c. 39, §§2 and 3 are amended to read:

Sec. 2. Source of supply. The said district, for the purposes of its incorporation, is hereby authorized and empowered to purchase, take, hold, divert, use and distribute water from ~~Fleeds-pond,--Burnt-pond,~~ Little Burnt pond Pond, Spectacle pond Pond, Beech-Hill-pond, Snowshoe pond Pond, and Fitts pond Pond in the counties of Penobscot and Hancock, ~~as the case may be, or any of them.~~ The district may not purchase, take, hold, divert, use or distribute water from Floods Pond, Burnt Pond or Beech Hill Pond, all located in the Town of Otis, unless the district obtains express prior approval of the Public Utilities Commission. Until such time as a water supply may be available from one or more of the ponds heretefere named, the District district is authorized to take, hold, divert, use and distribute water from the Penobscot River.

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2 **Sec. 3. Contracts for supplying water.** Said The district is
hereby authorized and empowered to make contracts for the supply
of pure water with the city City of Bangor, the inhabitants
thereof, ~~and/or~~ of the City of Bangor and any other town, city,
corporation or district, and the inhabitants thereof of any other
town, city, corporation or district, as may, consistent with the
needs of the inhabitants of the district hereby created, wish to
purchase water except that any contract entered into after June
30, 1994 for the supply of water to any town, person or business
located outside the district must be approved by the governing
body of the City of Bangor.

12 **Sec. 2. P&SL 1957, c. 39, §7,** is amended by adding at the end a
14 new paragraph to read:

16 A vote of the board of trustees may not take effect until at
least 30 days after the vote. If, prior to the termination of
18 the 30 days, the trustees are presented with a petition signed by
at least 5% of the ratepayers of the district, the effective date
20 of the vote is stayed pending approval of the vote in a district
referendum. The referendum must be called, advertised and
22 conducted according to the law relating to municipal elections.
The vote of the trustees becomes effective upon its acceptance by
24 a majority of the voters casting votes in the referendum. If the
vote of the trustees is not approved, it becomes void.

26 **Sec. 3. Attorney General investigation of Bangor Water District.**
28 The Attorney General shall undertake an investigation of the
activities of the Bangor Water District to determine whether
30 there have been violations of any laws by the trustees or
officers of the district.

32 **Sec. 4. Audit of the Bangor Water District.** The Public Utilities
34 Commission shall undertake a complete audit of the financial
records of the Bangor Water District in order to determine
36 whether there have been any irregularities in the financial
management of the district.

38 Further amend the bill by inserting at the end before the
40 statement of fact the following:

42 **FISCAL NOTE**

44 The prohibition on the Bangor Water District from purchasing
or using water located in the town of Otis without approval from
46 the Public Utilities Commission, the requirement that certain
contracts must receive municipal approval and the requirement
48 that a particular referendum must be held represent state
mandates pursuant to the Constitution of Maine. The prohibition
50 on certain water purchases may result in increased costs to the

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2 Bangor Water District. The amounts can not be determined at this
time. The additional local costs of approving certain contracts
4 and the holding of a public referendum are likely to be
relatively minor. General Fund appropriations will be required
6 to fund at least 90% of the additional costs unless a mandate
preamble is added to the bill and two thirds of the members of
8 each House vote to exempt this mandate from the funding
requirement.

10 The Department of the Attorney General will incur some minor
additional costs to investigate the Bangor Water District. These
12 costs can be absorbed within the department's existing budgeted
resources.

14 The Public Utilities Commission will incur some minor
16 additional costs to audit the Bangor Water District. These costs
can be absorbed within the commission's existing budgeted
18 resources.'

20 **STATEMENT OF FACT**

22 This amendment, which is the minority report of the Joint
24 Standing Committee on Utilities, replaces the bill. Under this
amendment:

26 1. The Attorney General is directed to investigate the
28 activities of the Bangor Water District;

30 2. The Public Utilities Commission is directed to undertake
a financial audit of the Bangor Water District;

32 3. The authority of the Bangor Water District to take water
34 from sources in the Town of Otis is repealed. Under this
amendment, the district is forbidden from taking any water from
36 sources in Otis unless the Public Utilities Commission grants
specific approval;

38 4. The charter of the district is modified to require that
40 future contracts entered into by the district to supply water to
entities located outside the district must be approved by the
42 Bangor City Council; and

44 5. Permits customers of the district to petition the
trustees to hold a referendum on any decision of the trustees.
46 Under this amendment, a vote of the trustees takes effect 30 days
after the vote unless a petition is received by the trustees. If
48 a petition signed by at least 5% of the customers of the district
is submitted in the 30-day period, a referendum must be held and

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2 the decision of the trustees does not take effect unless approved
in the referendum.