

# MAINE STATE LEGISLATURE

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H.S.

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UTILITIES AND ENERGY

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STATE OF MAINE
HOUSE OF REPRESENTATIVES
117TH LEGISLATURE
SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to H.P. 1288, L.D. 1768, Bill, "An Act to Standardize the Creation of Water Districts"

Amend the bill in section 9 in that part designated "§6310." in the indented paragraph in the 6th line (page 1, line 43 in L.D.) by striking out the following: "subsection 9. The" and inserting in its place the following: 'subsection 9, the'

Further amend the bill in section 10 in that part designated "§6401." by striking out all of subsection 1 (page 2, lines 32 to 42 in L.D.) and inserting in its place the following:

'1. Purpose. The purpose of this chapter, which may be known and cited as the "Standard Water District Enabling Act," is to promote consistency among the powers and authorities of water districts in this State. The intent of this chapter is to suggest standard provisions that a district formed after January 1, 1997 may consider including in its charter. Except as specifically provided in subsection 2, in recognition of the unique nature of each water district, its customers and its priorities, the suggested provisions are specifically not intended to be mandatory in nature and are not intended to apply to districts formed prior to January 1, 1997.'

Further amend the bill in section 10 in that part designated "§6402." by striking out all of subsection 2 (page 3, lines 39 and 40 in L.D.) and inserting in its place the following:

'2. Standard district. "Standard district" means a water district that is a quasi-municipal corporation constituted for the purpose of supplying persons of the standard district with potable water for domestic, sanitary, commercial, industrial,

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2 agricultural and municipal purposes, and that is formed and  
3 chartered pursuant to this chapter.'

4 Further amend the bill in section 10 in that part designated  
5 "~~§6403.~~" by striking out all of subsection 3 (page 5, lines 5 to  
6 8 in L.D.) and inserting in its place the following:

8 '3. Guidelines for modified standard charters. As  
9 determined appropriate by the Legislature, a standard district  
10 charter may include provisions that differ from those set forth  
11 in this chapter.'

12 Further amend the bill in section 10 in that part designated  
13 "~~§6403.~~" by striking out all of subsection 4 (page 5, lines 10 to  
14 13 in L.D.)

15 Further amend the bill in section 10 in that part designated  
16 "~~§6404.~~" in the first indented paragraph in the 8th line (page 5,  
17 line 24 in L.D.) by inserting after the following: "public  
18 health," the following: 'safety,'

19 Further amend the bill in section 10 in that part designated  
20 "~~§6406.~~" in the indented paragraph in the last line (page 6, line  
21 10 in L.D.) by striking out the following: "public utility" and  
22 inserting in its place the following: 'water utility for purposes  
23 of resale'

24 Further amend the bill in section 10 in that part designated  
25 "~~§6408.~~" in subsection 2 in paragraph B in the first line (page  
26 6, line 49 in L.D.) by striking out the following: "enhancing"  
27 and inserting in its place the following: 'protecting'

28 Further amend the bill in section 10 in that part designated  
29 "~~§6410.~~" in subsection 3 in the 6th line (page 8, line 24 in  
30 L.D.) by inserting after the following: "municipal officer" the  
31 following: ', as defined in Title 30-A, section 2001, subsection  
32 10,'

33 Further amend the bill in section 10 in that part designated  
34 "~~§6410.~~" in subsection 5 by striking out all of the 3rd blocked  
35 paragraph (page 9, lines 37 to 43 in L.D.).

36 Further amend the bill in section 10 in that part designated  
37 "~~§6410.~~" by striking out all of subsections 6 and 7 (page 9,  
38 lines 49 and 50 and page 10, lines 1 to 15 in L.D.) and inserting  
39 in its place the following:

40 '6. Standard districts; decisions of the board. All  
41 decisions of the board of trustees must be made by a majority of  
42 those present and voting, except that a vote to approve the  
43 decisions of the board of trustees must be made by a majority of  
44 those present and voting, except that a vote to approve the  
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2 issuing of any bond, note or other evidence of indebtedness  
4 payable within a period of more than 12 months after the date of  
6 issuance must be approved by a majority of the entire elected  
8 board. A quorum of the board of trustees consists of the total  
10 number of authorized trustees divided by 2 and, if necessary to  
12 obtain a whole number, the resulting number rounded up to the  
14 next whole number.

16 Trustees are subject to the conflict of interest provisions of  
18 Title 30-A, section 2605.

20 7. Water districts; trustees' compensation. The trustees  
22 of a water district receive compensation as recommended by the  
24 trustees and approved by a majority of the municipal officers of  
26 the municipality, including compensation for any duties they  
28 perform as officers, as well as for their duties as trustees.  
30 For districts serving more than one municipality, any change in  
32 the compensation received by the trustees for any duties they  
34 perform within the district must be recommended by the trustees  
36 and approved by majority vote of the municipal officers in each  
38 municipality in municipalities representing a majority of the  
40 population within the district. Certification of the vote must  
42 be recorded with the Secretary of State and recorded in the  
44 bylaws. Compensation for duties as trustees must be on the basis  
46 of such specific amount as may be specified in the bylaws, for  
48 each meeting actually attended and reimbursement for travel and  
50 expenses, with the total not to exceed such specific amount as  
may be specified in the bylaws. Compensation schedules in effect  
on January 1, 1982 continue in effect until changed.

Notwithstanding section 6401, subsection 2, this subsection does  
not apply to any water district for which the charter provides  
for trustee compensation in a manner inconsistent with this  
subsection and specifically indicates by its own terms that this  
subsection or former section 6303, subsection 4 does not apply.'

Further amend the bill in section 10 by striking out all of  
that part designated "§6413." and inserting in its place the  
following:

**'§6413. Standard districts; debt limit and approval of voters**  
**of the district**

Prior to issuing on behalf of a standard district any bond,  
note or other evidence of indebtedness payable within a period of  
more than 12 months after the date of issuance, the trustees  
shall propose a debt limit for the standard district that the  
trustees must submit for approval in a districtwide referendum.  
The referendum must be called, advertised and conducted according  
to the law relating to municipal elections, except the standard

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2 district's registrar of voters is not required to prepare or the  
3 clerk to post a new list of voters. For the purpose of  
4 registering voters, the registrar of voters must be in session on  
5 the regular workday preceding the election. The question  
6 presented must conform to one of the following forms:

7 For establishment of an initial debt limit: "Do you favor  
8 establishing the debt limit of the (insert name of standard  
9 district) at (insert amount)?"; or

10 For amendment of an existing debt limit: "Do you favor  
11 changing the debt limit of the (insert name of standard district)  
12 from (insert current debt limit) to (insert proposed debt  
13 limit)?".

14 The voters shall indicate by cross or check mark placed  
15 against the word "Yes" or "No" their opinion on the question.

16 The results must be declared by the trustees and entered  
17 upon the standard district's records. Due certificate of the  
18 results must be filed by the clerk with the Secretary of State.

19 A debt limit proposal becomes effective upon its acceptance  
20 by a majority of the legal voters within the standard district  
21 voting at the referendum. Failure of approval by the majority of  
22 voters voting at the referendum does not prevent subsequent  
23 referenda from being held for the same purpose. The costs of  
24 referenda are borne by the standard district.

25 Trustees may not issue any bond, note or other evidence of  
26 indebtedness payable within a period of more than 12 months after  
27 the date of issuance unless the total amount of such debt issued  
28 by the trustees is no more than an amount approved by referendum  
29 under this section.'

30 Further amend the bill in section 10 in that part designated  
31 "~~§6414.~~" in the indented paragraph in the last line (page 13,  
32 line 23 in L.D.) by striking out the following: "for the water  
33 used by them" and inserting in its place the following: 'by the  
34 district'

35 Further amend the bill in section 10 in that part designated  
36 "~~§6418.~~" in the indented paragraph in the 4th line (page 14, line  
37 12 in L.D.) by striking out the following: "obtain" and inserting  
38 in its place the following: 'solicit'

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This amendment does the following.

1. It corrects a punctuation error.

2. It clarifies the purpose section of the bill. The amendment makes it clear that the intent of the Standard Water District Enabling Act is to promote consistency among the powers and authorities of water districts, but that it is not the intent to require the application of any of the standard provisions to water districts formed after January 1, 1997 or to apply the provisions to districts formed prior to 1997.

3. It clarifies the definition of "standard district."

4. It clarifies that a standard water district charter may include provisions that differ from those in the Standard Water District Enabling Act.

5. It adds safety to the purposes for which a standard water district may furnish water.

6. It clarifies that a standard water district may supply water to another water utility, subject to the consent of the Public Utilities Commission.

7. It clarifies that a standard water district may exercise the right of eminent domain to acquire any interest in land or water rights for reservoirs and for preserving and protecting the purity of the water and related watershed.

8. It provides a cross-reference for the definition of "municipal officer."

9. It removes language requiring trustees to develop an annual budget and to coordinate district capital improvement projects with municipal public works projects.

10. It clarifies that a vote to approve the issuance of any indebtedness payable within a period of more than 12 months must be approved by a majority of the entire elected board.

11. It requires that trustee compensation be approved by a majority of the municipal officers of the municipality and thus maintains current law.

12. It replaces the provision regarding the approval of district debt limits by local referendum to clarify that the

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2 provision applies only to standard districts and to long-term  
debt.

4 13. It clarifies that all customers of a standard district  
6 must pay the rates established by the district in accordance with  
the Maine Revised Statutes, Title 35-A, chapter 61.

8 14. It requires the Joint Standing Committee on Utilities  
10 and Energy to solicit written comments from affected  
12 municipalities before acting upon any proposal to create or amend  
a water district charter, rather than requiring the committee  
actually to obtain such comments.

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