

MAINE STATE LEGISLATURE

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Utilities and Energy

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STATE OF MAINE

SENATE

122ND LEGISLATURE

SECOND REGULAR SESSION

COMMITTEE AMENDMENT "A" to S.P. 661, L.D. 1744, Bill, "An Act To Create the Washburn Water and Sewer District "

Amend the bill by striking out everything after the enacting clause and before the summary and inserting in its place the following:

Sec. 1. Territorial limits; corporate name. The territory and inhabitants of the Town of Washburn constitute a water and sewer district under the name Washburn Water and Sewer District, referred to in this Act as "the district."

Sec. 2. Powers; authority; duties. The district has all the powers and authorities and is subject to all the requirements and restrictions provided to a water district in the Maine Revised Statutes, Title 35-A, chapter 64. The district has all the powers and authorities and is subject to all limitations and restrictions provided to a sanitary district formed under Title 38, chapter 11, except that sections 1062, 1101, 1102, 1103, 1104, 1105, 1106 and 1162 do not apply to the district and any notice of impending automatic foreclosure issued by the district pursuant to section 1208 must bear the name "Washburn Water and Sewer District" in all appropriate locations. The provisions of Title 38, chapter 12 do not apply to the district.

Sec. 3. Number of trustees. The board of trustees of the district is composed of 3 trustees. A trustee must be a resident of the district and reside in a household to which the district's service is provided.

Sec. 4. First board. The first board of trustees of the district is appointed by the municipal officers of the Town of Washburn. The terms of the first board are governed by the Maine Revised Statutes, Title 35-A, section 6410.

Sec. 5. Terms of trustees. After the appointment of the first board of trustees of the district, trustees are elected to 3-year terms.

Sec. 6. Acquisition of property of Washburn Water and Sewer Department. The district, through its trustees, may acquire by purchase the plants, properties, assets, franchises, rights and privileges owned by the Washburn Water and Sewer Department, including, without limitation, all lands, waters, water rights,

1 reservoirs, pipes, machinery, fixtures, hydrants, tools, treatment systems, treatment
2 facilities and pump stations and all apparatus and appliances used or usable in supplying
3 water and in providing sewer service within the district.

4 **Sec. 7. Assumption of debts.** On the date of purchase of the property of the
5 Washburn Water and Sewer Department by the district pursuant to section 6, the district
6 shall assume all of the outstanding debts, obligations and liabilities of the department,
7 including, without limitation, the assumption by the district of any outstanding notes or
8 bonds of the department that are due on or after the date of purchase. If the debt,
9 obligations, liabilities, notes or bonds are not assumable, then the district shall otherwise
10 be obligated for their repayment.

11 **Sec. 8. Transfer of contracts, permits and licenses.** All contracts between the
12 Washburn Water and Sewer Department and any person, firm or corporation that are in
13 effect on the date of purchase pursuant to section 6 are assumed and must be carried out
14 by the district. All permits and licenses held by the department that are in effect on the
15 date of purchase pursuant to section 6 are assumed by the district.

16 **Sec. 9. Approval of Public Utilities Commission.** The sale and transfer by the
17 Washburn Water and Sewer Department to the district of its plants, properties, assets,
18 franchises, rights and privileges and the assumption by the district of the department's
19 outstanding debts, obligations and liabilities and the subsequent use of the plants,
20 properties, assets, franchises, rights and privileges by the district within the limits of the
21 district are subject to the approval of the Public Utilities Commission under the Maine
22 Revised Statutes, Title 35-A, Part 1. The requirements of this section only apply to the
23 water utility portion of the Washburn Water and Sewer Department and the district.

24 **Sec. 10. Referendum; effective date.** This Act takes effect when approved only
25 for the purpose of permitting its submission to the legal voters within the territory
26 described in section 1 of this Act at an election called for that purpose and held within 2
27 years of the effective date of this Act. The election must be called, advertised and
28 conducted according to the law relating to municipal elections, except that the registrar of
29 voters is not required to prepare or the clerk to post a new list of voters. For the purpose
30 of registration of voters, the registrar of voters must be in session the secular day
31 preceding the election. The subject matter of this Act is reduced to the following
32 question:

33 "Do you favor creating the Washburn Water and Sewer District and
34 permitting it to acquire assets of the Washburn Water and Sewer
35 Department?"

36 The voters shall indicate by a cross or check mark placed against the word "Yes" or
37 "No" their opinion of the same.

38 The results must be declared by the municipal officers of the Town of Washburn and
39 due certificate of the results filed by the clerk with the Secretary of State.

40 This Act takes effect for all other purposes immediately upon its approval by a
41 majority of the legal voters voting at the election. Failure to achieve the necessary
42 approval in any referendum does not prohibit subsequent referenda consistent with this
43 section, provided the referenda are held within 2 years of the effective date of this Act.'

SUMMARY

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This amendment makes the following changes to the bill.

1. It clarifies that the bill creates a water and sewer district, rather than a standard water district.
2. It clarifies and explicitly provides the necessary powers and authority with respect to sewer-related functions.
3. It changes the provisions in the bill regarding the initial board of trustees; it specifies that the first board is appointed by the municipal officers of the Town of Washburn, sets their terms and provides that subsequent trustees are elected to 3-year terms.
4. It adds language to address the transfer of sewer-related infrastructure from the Washburn Water and Sewer Department to the Washburn Water and Sewer District.
5. It adds language to address the transfer to the district of the debts and liabilities of the department and contracts, licenses and permits of the department in effect at the time of transfer.
6. It clarifies that the approval by the Public Utilities Commission is required only for the transfer of the water utility portion of the department to the district.