

# MAINE STATE LEGISLATURE

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# 123rd MAINE LEGISLATURE

## FIRST REGULAR SESSION-2007

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Legislative Document

No. 1573

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H.P. 1098

House of Representatives, March 20, 2007

### An Act To Encourage and Facilitate Regional Utility Districts

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Reference to the Committee on Utilities and Energy suggested and ordered printed.

*Millicent M. MacFarland*  
MILLICENT M. MacFARLAND  
Clerk

Presented by Representative TREAT of Farmingdale.  
Cosponsored by Representatives: ADAMS of Portland, BERRY of Bowdoinham,  
BRAUTIGAM of Falmouth, Senators: McCORMICK of Kennebec, SNOWE-MELLO of  
Androscoggin.

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

2 **Sec. 1. 35-A MRSA §6106, sub-§1**, as amended by PL 1987, c. 490, Pt. B, §15,  
3 is further amended to read:

4 **1. Investment.** The governing body of a consumer-owned water utility may choose  
5 to make no investment in a water main extension or service line and may require persons  
6 requesting a water main extension or service line to advance to the utility the full cost of  
7 construction, including associated appurtenances required solely as a result of the  
8 construction of the water main extension or service line and used solely for the operation  
9 of the main extension or service line. Apportionment of the costs among customers ~~shall~~  
10 must be determined by the commission by rule. A consumer-owned water utility may not  
11 lend funds to any person requesting a water main extension or service line.

12 **Sec. 2. 35-A MRSA §6401, sub-§2, ¶A**, as amended by PL 2003, c. 147, §1, is  
13 further amended to read:

14 A. The following provisions apply to all water districts, regardless of when  
15 chartered, and any portion of a water district charter that is contrary to the provisions  
16 is void and of no effect:

- 17 (1) Section 6410, subsection 7;  
18 (2) Section 6410, subsection 8;  
19 (3) Section 6413-A; ~~and~~  
20 (4) Section 6414-A; and  
21 (5) Section 6419.

22 **Sec. 3. 35-A MRSA §6419** is enacted to read:

23 **§6419. Water districts; ownership of assets**

24 The assets of a water district are owned by the ratepayers.

25 **Sec. 4. 38 MRSA §1069** is enacted to read:

26 **§1069. Ownership of assets**

27 The assets of a sanitary district are owned by the ratepayers.

28 **Sec. 5. 38 MRSA §1163, sub-§3** is enacted to read:

29 **3. Investment.** A sanitary district may choose to make no investment in a sewer  
30 extension and may require persons requesting a sewer extension to advance to the district  
31 the full cost of construction, including associated appurtenances required solely as a  
32 result of the construction of the sewer extension and used solely for the operation of the  
33 sewer extension. If a sanitary district chooses to invest in a sewer extension, the district  
34 must first adopt an investment policy for sewer extensions in its governing ordinance that  
35 parallels and is consistent with the water main extension policy set forth in the Public

1 Utilities Commission's rules governing investments in water main extensions. A sanitary  
2 district may not lend district funds to any person requesting a sewer extension.

3 **Sec. 6. 38 MRSA §1252, sub-§7, ¶C** is enacted to read:

4 C. A sewer district may choose to make no investment in a sewer extension and may  
5 require persons requesting a sewer extension to advance to the district the full cost of  
6 construction, including associated appurtenances required solely as a result of the  
7 construction of the sewer extension and used solely for the operation of the sewer  
8 extension. If a sewer district chooses to invest in a sewer extension, the district must  
9 first adopt an investment policy for sewer extensions in its governing ordinance that  
10 parallels and is consistent with the water main extension policy set forth in the Public  
11 Utilities Commission's rules governing investments in water main extensions. A  
12 sewer district may not lend district funds to any person requesting a sewer extension.

13 **Sec. 7. 38 MRSA §1252, sub-§12** is enacted to read:

14 **12. Ownership of assets.** The assets of a sewer district are owned by the ratepayers.

15 **SUMMARY**

16 Under current law, a consumer-owned water utility may choose to make no  
17 investment in a water main extension and may require anyone requesting an extension to  
18 advance to the utility the entire cost of the extension. This bill grants that same authority  
19 to sewer districts and sanitary districts. Under current law, if a consumer-owner water  
20 utility chooses to invest consumer funds in water main extensions, the Public Utilities  
21 Commission provides clear policy and procedures governing investment in water main  
22 extensions, including investment amounts and the process for making such investments.  
23 This bill requires that a sewer district or sanitary district that chooses to invest in sewer  
24 main extensions first adopt similar investment policies for the protection of its ratepayers.  
25 The bill also prohibits a consumer-owned water utility, sewer district or sanitary district  
26 from lending district funds to any person requesting a water or sewer extension. The bill  
27 also specifies that the assets of water districts, sewer districts and sanitary districts are  
28 owned by the ratepayers of the district.