

# MAINE STATE LEGISLATURE

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L.D. 1293  
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**ENERGY, UTILITIES AND TECHNOLOGY**

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**STATE OF MAINE  
HOUSE OF REPRESENTATIVES  
126TH LEGISLATURE  
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT "A" to H.P. 920, L.D. 1293, Bill, "An Act To Create the Presque Isle Utilities District"

Amend the bill in section 3 in the blocked paragraph in the last line (page 1, line 32 in L.D.) by inserting after the following: "district" the following: 'and consistent with the requirements of applicable federal, state and local laws'

Amend the bill in section 4 in the 5th line (page 2, line 13 in L.D.) by striking out the following: "1152" and inserting the following: '1252, subsection 2'

Amend the bill in section 4 in subsection 1 in the last line (page 2, line 18 in L.D.) by striking out the following: "sections 1152-A, 1153 and 1154" and inserting the following: 'section 1252, subsection 2'

Amend the bill in section 6 in the first paragraph in the 4th line (page 2, line 37 in L.D.) by inserting after the following: "and" the following: ', except as provided in subsection 1,'

Amend the bill in section 6 in the first paragraph in the 6th line (page 2, line 39 in L.D.) by striking out the following: "The" and inserting the following: 'Except as provided in subsection 1, the'

Amend the bill in section 6 in the first paragraph in the last 3 lines (page 2, lines 40 to 42 in L.D.) by striking out the following: ", except that the trustees in office for the Presque Isle Sewer District and Presque Isle Water District when this Act becomes effective serve as the first trustees of the utilities district"

Amend the bill in section 6 in the 2nd paragraph in the 4th line from the end (page 3, line 8 in L.D.) by striking out the following: "The" and inserting the following: 'Notwithstanding the Maine Revised Statutes, Title 35-A, section 6410, subsection 7 and Title 38, section 1252, subsection 5, the'

Amend the bill in section 6 by striking out all of subsection 1 (page 3, lines 22 to 30 in L.D.) and inserting the following:

**COMMITTEE AMENDMENT**

1           **1. Transition provisions; annual meeting.** The 6 trustees of the Presque Isle  
2 Sewer District and the Presque Isle Water District serve on the first board of the utilities  
3 district. The terms of these trustees are as follows: the terms of office of the 2 trustees  
4 whose terms expire in the first calendar year following the calendar year of the effective  
5 date of this Act serve as trustees of the utilities district with terms that expire on  
6 December 31st of the same calendar year in which this Act takes effect; the terms of  
7 office of the 2 trustees whose terms expire in the 2nd calendar year following the  
8 calendar year of the effective date of this Act serve as trustees of the utilities district with  
9 terms that expire on December 31st of the first calendar year following the calendar year  
10 in which this Act takes effect; and the terms of office of the 2 trustees whose terms expire  
11 in the 3rd calendar year following the calendar year of the effective date of this Act serve  
12 as trustees of the utilities district with terms that expire on December 31st of the 2nd  
13 calendar year following the calendar year in which this Act takes effect. The term of the  
14 new trustee added by this Act, who will be appointed by the city council of the City of  
15 Presque Isle, expires on December 31st of the 2nd calendar year following the calendar  
16 year in which this Act takes effect.

17           Within one month after each annual appointment, the trustees of the utilities district shall  
18 meet for the purpose of electing a president and clerk from among them as well as a  
19 treasurer, who may or may not be a trustee, to serve for the following year and until their  
20 successors are elected and qualified.'

21           Amend the bill in section 6 by striking out all of the last paragraph (page 3, lines 31  
22 to 33 in L.D.)

23           Amend the bill in section 8 in the 2nd line (page 3, line 38 in L.D.) by inserting after  
24 the following: "The" the following: 'Presque Isle Water District is authorized to sell to  
25 the utilities district and the'

26           Amend the bill in section 8 in the last line (page 3, line 43 in L.D.) by inserting after  
27 the following: "district." the following: 'Upon transfer by the Presque Isle Water District  
28 to the utilities district of its plant, property, franchise, property rights, privileges and  
29 assets, the utilities district assumes all the outstanding debts, obligations and liabilities of  
30 the water district, including, without limitation, any outstanding bonds, notes or other  
31 evidence of indebtedness of the water district that are due on or after the date of transfer.'

32           Amend the bill in section 8 by inserting after the first paragraph a new paragraph to  
33 read:

34           'The sale and transfer by the Presque Isle Water District of its plant, property,  
35 franchise, property rights, privileges and assets; the assumption by the utilities district of  
36 all the outstanding debts, obligations and liabilities of the water district and the utilities  
37 district's subsequent use of the plant, property, franchise, property rights, privileges and  
38 assets; and all other water utility activities of the utilities district are subject to the  
39 approval of the Public Utilities Commission as may be required by the Maine Revised  
40 Statutes, Title 35-A.'

41           Amend the bill in section 9 in the 2nd line (page 4, line 2 in L.D.) by inserting after  
42 the following: "The" the following: 'Presque Isle Sewer District is authorized to sell to  
43 the utilities district and the'

1 Amend the bill in section 9 in the last line (page 4, line 7 in L.D.) by inserting after  
2 the following: "district." the following: 'Upon transfer by the Presque Isle Sewer District  
3 to the utilities district of its plant, property, franchise, property rights, privileges and  
4 assets, the utilities district assumes all the outstanding debts, obligations and liabilities of  
5 the sewer district, including, without limitation, any outstanding bonds, notes or other  
6 evidence of indebtedness of the sewer district that are due on or after the date of transfer.'

7 Amend the bill by inserting after section 9 the following:

8 **'Sec. 10. Completion of transfer.** Promptly after completion of the transfer and  
9 assumption of assets and liabilities pursuant to sections 8 and 9, the Presque Isle Water  
10 District and the Presque Isle Sewer District shall each cause to be filed with the Secretary  
11 of State a certificate of dissolution certifying the name of that district and certifying that  
12 all assets of that district and all debts, obligations and liabilities of that district have been  
13 transferred to the utilities district. The certificate of dissolution must be signed by the  
14 chair or presiding trustee of the respective district and by the clerk, secretary or another  
15 officer of that district. Upon the respective filing dates of the certificates of dissolution of  
16 the Presque Isle Water District and the Presque Isle Sewer District, the existence of those  
17 districts cease.

18 Upon dissolution of the Presque Isle Water District and the Presque Isle Sewer  
19 District, the trustees of the utilities district shall submit legislation for introduction to the  
20 Legislature to repeal the charters of the Presque Isle Water District and the Presque Isle  
21 Sewer District.'

22 Amend the bill in section 10 in the last paragraph in the 3rd line (page 4, line 23 in  
23 L.D.) by striking out the following: "Title 35-A, section 6412" and inserting the  
24 following: 'Title 30-A, section 5701'

25 Amend the bill by striking out all of section 12 and inserting the following:

26 **'Sec. 12. Sewer rates payable; adoption of new rates; application of**  
27 **revenue; collection of unpaid rates; authority to disconnect water for**  
28 **nonpayment of sewer service.** Notwithstanding the Maine Revised Statutes, Title 38,  
29 section 1252, subsection 1, this section governs the sewer rates of the utilities district.

30 All persons, firms and corporations, whether public, private or municipal, shall pay to  
31 the treasurer the rates, tolls, rents, entrance charges and other lawful charges established  
32 by the trustees for the sewer or drainage service used or available with respect to their  
33 real estate, including rates for the utilities district's readiness to serve that are charged  
34 against owners of real estate abutting on or accessible to sewers or drains of the district,  
35 but not actually connected thereto, whether or not such real estate is improved. In this  
36 Act, the words "other lawful charges" or "other charges" include, but are not limited to,  
37 interest on delinquent accounts at a rate not to exceed the highest lawful rate set by the  
38 Treasurer of State for municipal taxes.

39 Rates, tolls, rents and entrance charges must be uniform within the utilities district  
40 whenever the cost to the district of installation and maintenance of sewers or their  
41 appurtenances and the cost of service is substantially uniform, but nothing precludes the  
42 utilities district from establishing a higher rate, toll, rent or entrance charge than the  
43 regular rates, tolls, rents and entrance charges in sections where, for any reason, the cost

1 to the utilities district of construction and maintenance, or the cost of service, exceeds the  
2 average, but such higher rates, tolls, rents and entrance charges must be uniform  
3 throughout the sections where they apply.

4 Prior to the adoption of a new rate schedule, the trustees shall hold a public hearing  
5 regarding the proposed rate schedule. The trustees shall publish the proposed rates and  
6 notice of the hearing at least once in a newspaper of general circulation in the utilities  
7 district not less than 7 days prior to the hearing. The utilities district shall mail to each  
8 ratepayer a notice of the public hearing and the proposed new rate at least 14 days prior to  
9 the hearing.

10 Notwithstanding any other provision of law, if the utilities district shares, supplies or  
11 contracts for services with another sewer or sanitary district, the districts shall establish  
12 rates, tolls, rents and entrance charges mutually agreeable to the trustees of each  
13 participating district.

14 The sewer rates, tolls, rents, entrance charges, assessments and other lawful charges  
15 established by the board of trustees in accordance with this Act must be fixed and  
16 adjusted to produce, in the aggregate, revenue at least sufficient, with any other funds  
17 available for the purpose, to:

18 **1. Current operating expenses.** Pay the current expenses of operating and  
19 maintaining the sewerage, drainage and treatment system of the utilities district including  
20 the cost of depreciation;

21 **2. Payment of interest and principal.** Pay the principal of, premium, if any, and  
22 interest on all bonds and notes issued by the utilities district under this Act as the bonds  
23 and notes become due and payable;

24 **3. Sinking fund for retirement of obligations.** Create and maintain such reserves  
25 as may be required by any trust agreement or resolution securing bonds and notes;

26 **4. Repairs, replacements and renewals.** Provide funds for paying the cost of all  
27 necessary repairs, replacements and renewals of the sewerage, drainage and treatment  
28 systems of the utilities district; and

29 **5. Payment of obligations.** Pay or provide for all amounts that the utilities district  
30 may be obligated to pay or provide for by law or contract, including any resolution or  
31 contract with or for the benefit of the holders of its bonds and notes.

32 There may be a lien issued on real estate served or benefited by the sewers of the  
33 utilities district to secure the payment of unpaid sewer rates and other lawful charges.  
34 The sewer lien takes precedence over all other claims on the real estate, except claims for  
35 taxes. Notwithstanding any other provision of law, the procedures for obtaining,  
36 enforcing and receiving payment on the sewer lien must conform to Title 38, sections  
37 1208 and 1208-A.

38 Notwithstanding any other provision of law, in the event a user of the utilities  
39 district's sewer system fails within a reasonable time to pay the utilities district's rates,  
40 fees or charges for sewer service, the utilities district may disconnect water service to the  
41 user, as long as the disconnection is accomplished in accordance with procedures  
42 established in applicable law or rules governing disconnection of utility services and  
43 terms and conditions approved by the Public Utilities Commission.'

1 Amend the bill by relettering or renumbering any nonconsecutive Part letter or  
2 section number to read consecutively.

3 **SUMMARY**

4 This amendment clarifies that the Presque Isle Utilities District is authorized to  
5 conduct its business in a way that is consistent with applicable federal, state and local  
6 law. This amendment corrects cross-references and clarifies the transition provisions  
7 regarding the terms of trustees. This amendment gives explicit authority to the existing  
8 sewer district and water district to transfer their assets and liabilities to the new utilities  
9 district and makes it clear that the transfer of assets and liabilities of the water district  
10 must be approved by the Public Utilities Commission. This amendment requires  
11 legislation to be submitted to repeal the charters of the Presque Isle Sewer District and the  
12 Presque Isle Water District once they are dissolved for the purposes of creating the  
13 Presque Isle Utilities District.