

# MAINE STATE LEGISLATURE

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Date: 6/7/13

L.D. 1442  
(Filing No. H- 419)

**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. 1036, L.D. 1442, Bill, "An Act To Establish a Pilot Natural Gas Utility District in Maine"

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

**'An Act To Establish a Pilot Natural Gas District in Maine'**

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

**Sec. 1. Kennebec Regional Gas District.** There is created within the City of Waterville and the Town of Winslow and within up to 4 adjoining communities voting to be included within the district in accordance with this Act, referred to in this Act as "the towns," the Kennebec Regional Gas District, referred to in this Act as "the district," a quasi-municipal corporation as defined in the Maine Revised Statutes, Title 30-A, section 2604, subsection 3. The district has the following enumerated powers:

- 1. To assist and help coordinate with the provision of natural gas from 3rd-party suppliers or distributors of natural gas to the citizens, organizations and businesses of the district, including through grants, loans or other financial assistance;
- 2. To assist in aggregating customers for the purpose of procuring natural gas supply to customers within the district who elect to participate in such aggregation;
- 3. To provide grants, loans or other financial assistance to residential and commercial customers in the district to obtain natural gas or to assist such customers with natural gas conversions;
- 4. To own, operate or assist in the development or operation of one or more facilities that use natural gas to cogenerate electric power and other useful energy; and
- 5. To manage the operation of the district.

**Sec. 2. Board of directors.** All of the affairs of the district are managed by a board of directors, referred to in this Act as "the board," composed of no more than 7 directors who are appointed, one each, by the Town of Winslow and each town that has

**COMMITTEE AMENDMENT**

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voted to join the district and 2 who are appointed by the City Council of Waterville. The terms of the first board must be staggered as established by random selection: one director from a town serves for a term of one year; one director from a town serves for a term of 2 years; one director from a town serves for a term of 3 years; one director from a town serves for a term of 4 years; and one director from a town serves for a term of 5 years. One director from the City of Waterville serves for a term that expires at the city council meeting one year after the date of the city council meeting at which the director was appointed, and the other director from the City of Waterville serves for a term that expires at the city council meeting 2 years after the date of the city council meeting at which the director was appointed. After the initial appointments, directors serve for a term of 5 years. A director from the City of Waterville or from a town that has joined the district is appointed in the year the office becomes vacant pursuant to the same schedule pursuant to this section. For a board that has an even number of directors, if there is a tie vote on any matter, one of the directors from the City of Waterville shall break the tie by casting an additional vote.

**Sec. 3. Vacancies on board of directors.** Vacancies occurring on the board are filled by appointment by the municipal officers of the town or city where the vacancy occurred. All directors are eligible for reappointment, but a municipal officer of the City of Waterville or of a town is not eligible to be a director. The election or appointment of a director as a municipal officer of a city or town terminates the term of that director, and the vacancy caused by the termination is filled as provided in this section.

**Sec. 4. Compensation.** A director is not entitled to compensation for services, except that compensation for a director may be provided by a legal vote of the municipal officers of each member city or town.

**Sec. 5. Treasurer; chair.** The board shall elect a treasurer and chair from among its members to serve terms established by the board and serve until their respective successors are elected and qualified. The board shall fix the compensation for the treasurer.

**Sec. 6. Annual audit.** An annual audit must be made of the district's accounts within 60 days after the end of each fiscal year. The audit must be made by an individual or firm recognized as a competent auditor by training and experience or by a qualified public accountant.

**Sec. 7. Annual report of directors.** At the end of each fiscal year and following the audit pursuant to section 6, the board shall make a detailed report that includes the activities, receipts and expenditures, the financial and physical condition and any other matters of the district, including how the board is fulfilling its duties and obligations. The report must also include the auditor's report and be filed with the municipal officers of the towns and published in the annual reports of the towns.

**Sec. 8. Rules.** The board has the authority to adopt rules for the management and operation of the district.

**Sec. 9. Powers.** All powers, rights and privileges incidental or necessary to the accomplishment of the purposes of this Act are granted to the district.

# COMMITTEE AMENDMENT

ROFS

1           **Sec. 10. Money of the district.** All money received from the district's natural gas  
2 activities and other receipts, notes or other sources in connection with the district's  
3 authorized activities must be deposited in banks or depositories as the board determines,  
4 in accounts entitled "Kennebec Regional Gas District," and all withdrawals from the  
5 accounts must be over or upon the orders or warrants of the board and must be directed to  
6 the treasurer. The treasurer shall execute and carry out all orders and warrants.

7           **Sec. 11. Directors; revenues.** All revenues received by the district from its  
8 activities, contracts with gas providers or other business partners or from grants or other  
9 sources must be used for the following purposes:

10           1. To pay the current expenses of operating and maintaining the district and its  
11 activities;

12           2. To provide for the payment of principal and interest on the indebtedness of the  
13 district, if any;

14           3. To provide each year a sum equal to not less than 2 1/2% nor more than 4% of the  
15 book value of the depreciable assets of the district determined as of the close of the  
16 preceding fiscal year, which must be turned into a sinking fund and used to provide for  
17 repairs, replacements and improvements to the district's offices and operations, including  
18 any facilities of the district that use natural gas to cogenerate electric power and other  
19 useful energy; and

20           4. To provide and accumulate from year to year reasonable surplus funds to carry out  
21 the general purposes of the district, as may be necessary or desirable in the sole discretion  
22 of the board. At the option of the board, any accumulated surplus may be deposited in  
23 the sinking fund under this section.

24           **Sec. 12. Subject to other laws.** Nothing contained in this Act is intended to  
25 repeal nor may be construed as repealing any existing statute.

26           **Sec. 13. Superintendent appointment; removal.** The board may appoint a  
27 superintendent of the district. The superintendent is selected solely on the basis of the  
28 superintendent's administrative qualifications with special preference to actual experience  
29 in or knowledge of energy matters. The board shall determine the superintendent's  
30 compensation.

31           The superintendent holds office for an indefinite term unless otherwise specified by  
32 contract. The superintendent may be removed or suspended for cause by the board in  
33 accordance with the following procedures.

34           1. The board shall prepare a written preliminary resolution for the board action  
35 setting forth the specific reasons for the proposed removal, a copy of which must be  
36 delivered to the superintendent within 10 days of its completion.

37           2. The superintendent may, within 20 days of receiving the resolution, reply in  
38 writing and may request a public or private hearing.

39           3. Upon receiving a request for a hearing, the board shall hold a hearing not earlier  
40 than 10 days and not later than 30 days after the request is filed.

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4. After the hearing or at the expiration of the time permitted the superintendent to request a hearing, if no request is made, the board may adopt or reject the resolution.

5. The board may suspend the superintendent from duty in the preliminary resolution, but the superintendent's salary may not be affected until the final resolution has been adopted.

**Sec. 14. Procedure to join district.** A town eligible to be included with the district pursuant to section 1 may be included with the district if the town votes by a majority vote at a meeting legally called and held to join the district. The town meeting must be called, advertised and conducted according to the law relating to municipal elections, except that the registrar of voters is not required to prepare, nor the clerk to post, a new list of voters, and for the purpose of registration of voters the registrar of voters must be in session on the secular day next preceding the regular or special meeting. The municipal clerk shall prepare the ballots on which the following question must appear:

"Do you favor the Town of (insert name of town) being included within the Kennebec Regional Gas District?"

The voters shall indicate their choice by a cross or check mark placed below the word "Yes" or "No."

The town is included in the district immediately upon its acceptance by a vote of 2/3 of the voters voting in the election, as long as the total number of votes cast equals or exceeds 15% of the total votes cast for all candidates for Governor in the town at the preceding gubernatorial election. Failure of approval by the necessary percentage of voters at any meeting does not prevent a subsequent meeting or meetings from being held for the same purpose. The result of the vote must be declared by the municipal officers of the town, and due certification must be filed by the town clerk with the Secretary of State.'

**SUMMARY**

This amendment replaces the bill. This amendment establishes the Kennebec Regional Gas District to assist and help coordinate with the provision of natural gas from 3rd-party suppliers or distributors of natural gas to the citizens, organizations and businesses of the district, including through grants, loans or other financial assistance; to assist in aggregating customers for the purpose of procuring natural gas supply to customers within the district who elect to participate in such aggregation; to provide grants, loans or other financial assistance to residential and commercial customers in the district to obtain natural gas or to assist such customers with natural gas conversions; to own, operate or assist in the development or operation of one or more facilities that use natural gas to cogenerate electric power and other useful energy; and to manage the district.