

# MAINE STATE LEGISLATURE

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**Legislative Document**

**No. 462**

H. P. 315

House of Representatives, February 4, 1959

Referred to the Committee on Public Utilities, sent up for concurrence and ordered printed.

HARVEY R. PEASE, Clerk.

Presented by Mr. Boone of Eastport.

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**STATE OF MAINE**

IN THE YEAR OF OUR LORD NINETEEN HUNDRED  
FIFTY-NINE

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**AN ACT to Incorporate the Eastport Water District.**

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

**Sec. 1. Territorial limits; name; purposes.** The area included within the combined territorial limits of the City of Eastport, the Town of Perry and Quoddy Village, so called, in the County of Washington and the inhabitants therein, are hereby created a body politic and corporate by the name of Eastport Water District, for the purpose of supplying the inhabitants of said district with water for domestic, sanitary, commercial and municipal purposes.

**Sec. 2. Source of supply.** The said water district, for the purpose of its incorporation, is hereby authorized to take, collect, store, flow, use, detain, distribute and convey to and in the City of Eastport, the Town of Perry and Quoddy Village, or all 3, water from Boyden Lake and its tributaries in the Town of Perry and any other sources of supply heretofore made available for domestic, sanitary, commercial and municipal purposes or other source of supply as is approved by the Public Utilities Commission, or to contract to do all or any of the foregoing.

**Sec. 3. May exercise eminent domain.** The said district, for the purposes of its incorporation, is hereby authorized to take and hold, as for public uses, by purchase or otherwise, including by right of eminent domain, in the City of Eastport, Town of Perry and Quoddy Village any lands or interests in land or water rights necessary for erecting and maintaining dams, for flowage, for power, for pumping its water supply through its mains, for reservoirs, for preserving the purity of the water and watershed, for laying and maintaining aqueducts and other structures for taking, distributing, discharging and disposing of water and

for rights-of-way or roadways to its sources of supply, dams, power stations, reservoirs, mains, aqueducts, structures and lands.

The said district is hereby authorized to lay in and through the streets, roads, ways and highways of the City of Eastport, the Town of Perry and Quoddy Village and across private lands therein, and to maintain, repair and replace all such pipes, aqueducts and fixtures as may be necessary and convenient for its corporate purposes, and whenever said district shall lay any pipes or aqueducts in any street, road, way or highway, it shall cause the same to be done with as little obstruction as practicable to the public travel and shall, at its own expense without unnecessary delay, cause the earth and pavement removed by it to be replaced in proper condition.

The said district is hereby authorized, for the purposes of its incorporation, to erect and maintain all dams, reservoirs and structures necessary and convenient for its corporate purposes. Nothing herein contained shall be construed as authorizing said water district to take by right of eminent domain any of the property or facilities of any other public service corporation or district used or acquired for future use by the owner thereof in the performance of a public duty unless expressly authorized thereto herein or by subsequent acts of the Legislature, or as provided in section 9.

**Sec. 4. Procedure in exercising right of eminent domain and adjustment of damages.** The said district, in exercising, from time to time, any right of eminent domain conferred upon it by law or through or under the franchise of any water company by it acquired, shall file written application with the Public Utilities Commission requesting its approval of the proposed taking. Such application shall describe the property or rights to be taken, the purpose of the taking, and shall name all parties who may be interested therein; the commission thereupon shall appoint a time for a hearing near the premises, and shall require such notice as the commission may direct to be given to the persons interested at least 14 days before the date of the hearing; the commission then shall view the premises, hear the parties, and shall determine how much, if any, of the property described in the petition should be taken for the reasonable purposes of the water district and for the safe, economical and efficient furnishing of an adequate water supply; and in authorizing any taking the commission may attach such reasonable terms, limitations and restrictions as justice may require. If the commission shall find that any of the property described in the application is necessary for the aforesaid purposes of the district, it shall make a certificate containing a definite description of the property to be taken, and of any terms, restrictions and limitations in connection therewith, and shall furnish to the district a true copy thereof, attested by the clerk of the commission; and when such copy of the certificate is filed with the clerk of courts in the county where the property lies, the property shall be deemed and treated as taken. When property is held by a tenant for life and the reversion is contingent as to the persons, it may vest at the termination of the life estate, and such fact shall be stated in the application and the commission, in addition to the notice to the tenant for life, shall require notice by publication, in such manner as it may deem proper, to all others interested. Entry may be made on any private land prior to the filing of any such application for the purpose of making surveys, the district being responsible for any damage resulting from such entry, and pos-

session may be had of the property described in the certificate of the commission forthwith upon the filing and recording of such certificate as hereinbefore provided, but title to such property shall not vest in the district until payment therefor has been made.

If any person sustaining damages by any taking as aforesaid shall not agree with the district upon the sum to be paid therefor, either party, upon petition to the county commissioners of Washington County, may have such damages assessed by them. The procedure and all subsequent proceedings and right of appeal therefrom shall be had under the same restrictions, conditions and limitations as are or may be by law prescribed in the case of damages of laying out of highways.

**Sec. 5. Procedure if public utility must be crossed.** In case of any crossing of any public utility, unless consent is given by the company owning or operating such public utility as to place, manner and condition of the crossing within 30 days after such consent is requested by said district, the Public Utilities Commission shall determine the place, manner and conditions of such crossing; and all work on the property of such public utility shall be done under the supervision and to the satisfaction of such public utility, but at the expense of the district.

**Sec. 6. Board of trustees.** All the affairs of said district shall be managed by a board of 5 trustees, residents therein, who shall be appointed, 4 by the municipal officers of Eastport, 3 being residents of the City of Eastport and one being resident of Quoddy Village; and one by the municipal officers of Perry. They shall hold office for the term of 5 years and until their respective successors are appointed and qualified, except as hereinafter provided.

**Sec. 7. Trustees; how appointed; meetings; officers; vacancies filled for the unexpired term.** The first board of trustees shall be appointed within 3 days after the meeting of the voters of said district to accept this act, one to serve until the first annual meeting of the district, one until the 2nd, one until the 3rd, one until the 4th and one until the 5th such meeting. Thereafterward, in the month of March in each year, one member shall be appointed to serve for the term of 5 years by the municipal officers of the city or town, the term of whose representative expires. As soon as convenient after the trustees are appointed, the trustees shall hold a meeting at some convenient place in the district to be called by any member thereof in writing designating the time and place and delivered in hand to the other 4 members, not less than 2 full days before the meeting; provided, however, that they may meet by agreement without such notice. They shall then organize by the election of a chairman and clerk from their own number, adopt a corporate seal and by-laws, and perform any other acts within the powers delegated to them by law. When necessary they may choose a treasurer and other needful officers and agents who shall serve at their pleasure, and whose compensation shall be fixed by said trustees. The treasurer shall furnish bond in such sum and with such sureties as they may approve. Members of the board shall be eligible to any office under the board, but shall not receive any compensation therefor except as trustees.

The compensation of the trustees shall be \$100 each per annum unless otherwise provided by vote as above defined.

The trustees shall be sworn to the faithful performance of their duties as such, which shall include the duties of any member as clerk or clerk pro tem. They shall make and publish an annual report including a report of the treasurer.

**Sec. 8. District and city authorized to make contracts.** Said district through its trustees is authorized to contract with persons and corporations, including the City of Eastport and Town of Perry, which city and town are authorized to contract with it for the supply of water for municipal purposes.

**Sec. 9. Authorized to acquire property and franchises of Eastport Water Company.** Said water district is hereby authorized and empowered to acquire by purchase or by the exercise of the right of eminent domain, which right is hereby expressly delegated to said district for said purpose, the entire plant, properties, franchises, rights and privileges, except cash assets and accounts receivable, owned by the Eastport Water Company, the Quoddy Village Co-operative, including all lands, waters, water rights, dam structures, reservoirs, pipes, machinery, fixtures, hydrants, tools and all apparatus and appliances used or usable in supplying water in the City of Eastport, the Town of Perry and Quoddy Village. Said company and co-operative are hereby authorized to sell, transfer and convey its franchises and property to said water district.

**Sec. 10. Procedure in case trustees and water company and co-operative fail to agree on terms of purchase.** In case said trustees fail to agree with said Eastport Water Company or Quoddy Village Co-operative upon the terms of purchase of the above mentioned property, on or before January 1, 1960, said district, through its trustees, is hereby authorized to take said plant, property and franchises as for public use by petition therefor in the manner hereinafter provided. Said district, through its trustees, is hereby authorized on or before July 1, 1960, to file a petition in the clerk's office of the Supreme Judicial Court for the County of Washington, in term time or in vacation, addressed to any justice of said court, who, after due notice to said Eastport Water Company and Quoddy Village Co-operative and their mortgagees, shall, after hearing and within 30 days after the date at which said petition is returnable, appoint 3 disinterested appraisers, one of whom shall be learned in the law and none of whom shall be residents of Washington County, for the purpose of fixing a valuation of said plants, properties and franchises. At the hearing aforesaid, such justice, upon motion of the petitioner, may order the production and filing in court, for the inspection of the petitioner, of all books and papers pertinent to the issue and necessary for a full understanding of the matter to be heard by said appraisers, the terms and conditions of so producing and filing such books and papers to be determined by the justice in his order therefor and to be enforced from time to time as any Justice of the Supreme Judicial Court, in term time or in vacation, upon motion of either party, may deem reasonable and proper in the premises. At such hearing, such justice, upon motion of the petitioner, may fix a time at which said water company or co-operative shall file in the clerk's office of the Supreme Judicial Court for the County of Washington for the inspection of the petitioner, so far as they relate to the service in the City of Eastport, Town of Perry and Quoddy Village, the following: 1st, schedule showing the names, residences and water service of all its customers on the first

day of January, next preceding the date of filing the petition, with the rate charged therefor; 2nd, copies of all contracts in force on said first day of January; 3rd, an itemized statement of the gross income earned during its last complete fiscal year and up to said first day of January, and all operating expenses and fixed charges, paid or incurred during such period and property chargeable thereto; 4th, a memorandum of all real estate, water rights or interest therein, owned or controlled on said first day of January, with such brief description thereof as will reasonably identify the same; 5th, brief descriptions, specifications and plans of all reservoirs, mains, pipes, service pipes, hydrants, gates, gate boxes, shut-off boxes, fixtures and machinery and all the physical elements in such water system, giving in detail, quantities, sizes and lengths, and specifying the streets, roads or ways where situated; and 6th, an itemized list of all tools, apparatus, appliances and supplies used or usable in supplying water on said first day of January.

Such orders may be enforced from time to time by any justice of said Supreme Judicial Court, in term time or in vacation, upon motion of any of the parties, as such justice may deem reasonable and proper in the premises. At such hearing the justice then sitting may, upon motion of the petitioner, make all such decrees as he deems reasonable and proper to enable the petitioner, through its servants and employees, to ascertain the true condition of the mains and pipes of the said water company or co-operative, externally or internally, in the presence of the officers or agents of said water company or co-operative, the entire expense thereof to be borne by said water district. The said appraisers shall have the power of compelling attendance of witnesses and the production of all books, accounts and papers pertinent to the issue and necessary for a full understanding by them of the matter in question and may administer oaths. Any witness or person in charge of such books, accounts and papers, refusing to attend or to produce the same, shall be subject to the same penalties and proceedings, so far as applicable, as witnesses summoned to attend the Supreme Judicial Court. Depositions may be taken as in civil actions.

The appraisers so appointed shall, after notice and hearing, fix the valuation of said plant, property and franchises at what they are fairly and equitably worth, so that said water company and water co-operative shall receive just compensation for all and the same. The said first day of January, next preceding the date of the filing of the petition, shall be the date at which the valuation aforesaid shall be fixed, from which date interest on said award shall run, and all rents and profits accruing thereafter shall belong to said water district. The report of said appraisers, or a majority of them, shall be filed in the clerk's office, in term time or in vacation, as soon as may be after their appointment, and such single justice, or, in case of his inability to act, any justice of said court appointed by the Chief Justice, may, after notice and hearing, confirm or reject the same, or recommit it if justice so requires. Before a commission is issued to said appraisers, either party may ask for instructions to said appraisers, and all questions of law arising upon said requests for instructions, or upon any other matters in issue, may be reported to the Law Court for determination, before the appraisers proceed to fix the valuation of the property, plant and franchise of said company and co-operative.

Upon the confirmation of said report, the court so sitting shall thereupon, after hearing, make final decree upon the entire matter, including the application of the purchase money and transfer of property, jurisdiction over which is hereby conferred, and with the power to enforce said decree as in equity cases. All findings of fact by said court shall be final, but any party aggrieved may take exceptions as to any ruling of law so made, the same to be accompanied by so much of the case as may be necessary to a clear understanding of the question raised thereby. Such exceptions shall be claimed on the docket within 10 days after such final decree is signed, entered and filed and notice thereof has been given to the parties or their counsel, and said exceptions so claimed shall be made up, allowed and filed within said time unless further time is granted by the court or by agreement of the parties. They shall be entered at the next term of the law court to be held after the filing and entry of said decree and there heard unless otherwise agreed; or the law court for good cause shall allow further time for hearing thereon. Before said plants, properties or franchises are transferred in accordance with such final decree, and before payment therefor as hereinafter provided, such justice shall, upon motion of either party after notice and hearing, take account of all receipts and expenditures properly had or incurred by the Eastport Water Company and Quoddy Village Co-operative from and after said first day of January, and all net rents and profits accruing thereafter, and shall order the net balance to be added to or deducted from the amount to be paid under such final decree, as the case may be. All findings of fact by said justice at such hearing shall be final. On payment or tender by said district of the amount so determined and the performances of all the other terms and conditions so imposed by the court, the portion of plants, properties and franchises of Eastport Water Company and Quoddy Village Co-operative within the City of Eastport, the Town of Perry and Quoddy Village, used and usable in supplying water in said City of Eastport, Town of Perry and Quoddy Village shall become vested in said water district. Either party may file and prosecute motions and petitions relating to the premises at any stage of the proceedings, and the proceedings shall not be discontinued except upon the consent of both parties.

**Sec. 11. Valid contracts of water company and co-operative to be assumed by district.** All contracts now existing between the Eastport Water Company and Quoddy Village Co-operative and any person or corporations for supplying water in the City of Eastport, Town of Perry and Quoddy Village shall be assumed and carried out by the Eastport Water District.

**Sec. 12. Authorized to negotiate temporary loans; and to issue notes and bonds; declared a quasi-municipal corporation; notes and bonds legal investments for savings banks.** For accomplishing the purposes of this act, said water district, through its trustees, is authorized, with the approval of the Public Utilities Commission, to borrow money temporarily, and to issue therefor the interest-bearing negotiable notes of the district, and for the purpose of refunding the indebtedness so created, of paying any necessary expense and liabilities incurred under the provisions of this act, including the expenses incurred in creating the district, in acquiring the aforesaid properties and franchises of the Eastport Water Company and the Quoddy Village Co-operative, by purchase or

otherwise, of securing sources of supply, taking water and land, paying damages, laying pipes, constructing and maintaining and operating a water plant and making extensions, additions and improvements to the same, the said district, through its trustees, may from time to time issue bonds of the district to an amount necessary in the judgment of the trustees therefor. Said notes and bonds shall be legal obligations of said water district, which is hereby declared to be a quasi-municipal corporation within the provisions of the Revised Statutes of 1954, chapter 53, section 137 and chapter 90-A, section 23, as enacted by the public laws of 1957, chapter 405, section 1, and all provisions of said sections shall be applicable thereto. The said notes and bonds shall be legal investments for savings banks.

**Sec. 13. Property tax exempt.** The property of said district shall be exempt from all taxation in the City of Eastport, Town of Perry and Quoddy Village.

**Sec. 14. Water rates; application of revenue; sinking fund.** All individuals, firms and corporations, whether private, public or municipal, shall pay to the treasurer of said district the rates established by said board of trustees, for the water used by them, and said rates shall be uniform within the territory supplied by the district and subject to approval of the Public Utilities Commission. Said rates shall be so established as to provide revenue for the following purposes:

- I. To pay current expenses for operating and maintaining the water system, and provide for such extensions and renewals as may be necessary;
- II. To provide for the payment of the interest on the indebtedness created by the district;
- III. To provide each year a sum equal to not less than 1% nor more than 10% of the entire indebtedness created by the district, which sum shall be turned into a sinking fund and there kept to provide for the extinguishment of said indebtedness. The money set aside for the sinking fund shall be devoted to the retirement of the obligations of the district or invested in such securities as savings banks are allowed to hold. The trustees may, in their discretion and in lieu of the establishment of a sinking fund, issue the bonds of the district so that not less than 1% of the amount of the bonds so issued shall mature and be retired each year;
- IV. If any surplus remains at the end of the year, it may be turned into the sinking fund.

**Sec. 15. Incidental powers granted.** All incidental powers, rights and privileges necessary to the accomplishment to the main object herein set forth are granted to the corporation hereby created.

**Sec. 16. Act void unless property of water company and co-operative is acquired.** If said water district shall fail to purchase or file its petition to take by eminent domain, before July 1, 1960, as in this act provided, the plant properties, franchises, rights and privileges owned by the Eastport Water Company and Quoddy Village Co-operative and used or usable in supplying water to the



City of Eastport, the Town of Perry and Quoddy Village, then this act shall become null and void, except that the corporate entity shall continue until all obligations and liabilities incurred under the provisions of section 12 have been settled in full or otherwise enforced pursuant to the provisions of said section 12; and the provisions of said section 12, for the enforcement of obligations and liabilities, shall continue applicable.

**Sec. 17. Cost and expenses of taking, directed by court.** All cost and expenses of the taking of the property of the Eastport Water Company and the Quoddy Village Co-operative arising under the provisions of this act shall be paid and borne as directed by the court in the final decree provided by section 10.

**Sec. 18. Existing statutes not affected; rights conferred subject to provisions of the Revised Statutes of 1954, chapter 44.** Nothing herein contained is intended to repeal, or shall be construed as repealing, the whole or any part of any existing statute, and all the rights and duties herein mentioned shall be exercised and performed in accordance with all the applicable provisions of the Revised Statutes of 1954, chapter 44, and all acts amendatory thereof or additional thereto.

**Local referendum for City of Eastport and Town of Perry; meeting, how called; certificates to Secretary of State.** This act shall take effect 90 days after adjournment of the Legislature, only for the purpose of permitting its submission to the legal voters of the City of Eastport and Town of Perry at a special meeting to be called and held for the purpose, in the first instance, not later than November 1, 1959. The warrants for said meetings shall contain, in each case, an article reading substantially as follows: To see if the inhabitants of said city and town will vote in favor of the following question: "Shall the Act to Create the Eastport Water District be accepted?"

The town clerk of the Town of Perry and the city clerk of the City of Eastport shall prepare the required ballots, on which the subject matter of this act shall be reduced to the following question: "Shall the Act to Incorporate the Eastport Water District, passed by the 99th Legislature, be accepted?" The voters shall indicate by a cross or check mark placed against the words "Yes" or "No" their opinion of the same.

This act shall take complete effect for all purposes hereof immediately upon its acceptance by a majority of the legal voters voting thereon at such special meeting in said City of Eastport and Town of Perry, provided that the total number of votes cast for and against the acceptance of this act in each such special meeting equals or exceeds 20% of the total vote for all candidates for Governor cast in said city or town, respectively, at the next preceding gubernatorial election.

If this act fails of such approval in said city or town, a second such special meeting may be similarly called and held for the same purpose in such city or town at any time not later than April 1, 1960, and if the legal voters of said city or town, by a majority vote, so approve this act, it shall take effect as if it had been approved in the first instance; provided the total number of votes cast for

and against the acceptance of this act at the second special meeting equals or exceeds 20% of the total vote for all candidates for Governor cast in said city or town at the next preceding gubernatorial election.

The results of the votes in said City of Eastport and Town of Perry shall be declared by the municipal officers of said city and town and due certificates thereof filed by the city and town clerks with the Secretary of State.