

PLEASE NOTE: Legislative Information **cannot** perform research, provide legal advice, or interpret Maine law. For legal assistance, please contact a qualified attorney.

An Act To Create the Newport Natural Gas District

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

Sec. 1. Newport Natural Gas District. There is created within the Town of Newport the Newport Natural 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 help coordinate the provision of natural gas by 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 types of 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 by the town council of Newport. The terms of the first board must be staggered as established by random selection: 2 directors serve for a term of one year; 2 directors serve for a term of 2 years; and 3 directors serve for a term of 3 years. After the initial appointments, directors serve for a term of 5 years.

Sec. 3. Vacancies on board of directors. Vacancies occurring on the board are filled by appointment by the municipal officers of the Town of Newport. All directors are eligible for reappointment, but a municipal officer of the Town of Newport is not eligible to be a director. The election or appointment of a director as a municipal officer 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.

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 and published in the Town of Newport's annual report.

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.

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

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

1. To pay the current expenses of operating and maintaining the district and its activities;
2. To provide for the payment of principal and interest on the indebtedness of the district, if any;
3. To provide each year a sum equal to not less than 2 1/2% nor more than 4% of the book value of the depreciable assets of the district determined as of the close of the preceding fiscal year, which must be turned into a sinking fund and used to provide for repairs, replacements and improvements to the district's offices and operations, including any facilities of the district that use natural gas to cogenerate electric power and other types of energy; and
4. To provide and accumulate from year to year reasonable surplus funds to carry out the general purposes of the district, as may be necessary or desirable in the sole discretion of the board. At the option of the board, any accumulated surplus may be deposited in the sinking fund under this section.

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

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

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

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

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

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

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.

SUMMARY

This bill creates the Newport Natural Gas District.