



126th MAINE LEGISLATURE

SECOND REGULAR SESSION-2014

Legislative Document

No. 1621

H.P. 1193

House of Representatives, December 30, 2013

An Act To Create the Newport Natural Gas District

Approved for introduction by a majority of the Legislative Council pursuant to Joint Rule 203.

Received by the Clerk of the House on December 23, 2013. Referred to the Committee on Energy, Utilities and Technology pursuant to Joint Rule 308.2 and ordered printed pursuant to Joint Rule 401.

Millicent M. MacFarland
MILLICENT M. MacFARLAND
Clerk

Presented by Representative FREDETTE of Newport.

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

2 **Sec. 1. Newport Natural Gas District.** There is created within the Town of
3 Newport the Newport Natural Gas District, referred to in this Act as "the district," a
4 quasi-municipal corporation as defined in the Maine Revised Statutes, Title 30-A, section
5 2604, subsection 3. The district has the following enumerated powers:

6 1. To help coordinate the provision of natural gas by 3rd-party suppliers or
7 distributors of natural gas to the citizens, organizations and businesses of the district,
8 including through grants, loans or other financial assistance;

9 2. To assist in aggregating customers for the purpose of procuring natural gas supply
10 to customers within the district who elect to participate in such aggregation;

11 3. To provide grants, loans or other financial assistance to residential and commercial
12 customers in the district to obtain natural gas or to assist such customers with natural gas
13 conversions;

14 4. To own, operate or assist in the development or operation of one or more facilities
15 that use natural gas to cogenerate electric power and other types of energy; and

16 5. To manage the operation of the district.

17 **Sec. 2. Board of directors.** All of the affairs of the district are managed by a
18 board of directors, referred to in this Act as "the board," composed of no more than 7
19 directors who are appointed by the town council of Newport. The terms of the first board
20 must be staggered as established by random selection: 2 directors serve for a term of one
21 year; 2 directors serve for a term of 2 years; and 3 directors serve for a term of 3 years.
22 After the initial appointments, directors serve for a term of 5 years.

23 **Sec. 3. Vacancies on board of directors.** Vacancies occurring on the board are
24 filled by appointment by the municipal officers of the Town of Newport. All directors are
25 eligible for reappointment, but a municipal officer of the Town of Newport is not eligible
26 to be a director. The election or appointment of a director as a municipal officer
27 terminates the term of that director, and the vacancy caused by the termination is filled as
28 provided in this section.

29 **Sec. 4. Compensation.** A director is not entitled to compensation for services,
30 except that compensation for a director may be provided by a legal vote of the municipal
31 officers.

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

36 **Sec. 6. Annual audit.** An annual audit must be made of the district's accounts
37 within 60 days after the end of each fiscal year. The audit must be made by an individual

1 or firm recognized as a competent auditor by training and experience or by a qualified
2 public accountant.

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

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

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

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

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

22 1. To pay the current expenses of operating and maintaining the district and its
23 activities;

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

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

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

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

