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Date: (Filing No. H-)

ENERGY, UTILITIES AND TECHNOLOGY

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

COMMITTEE AMENDMENT “ ” 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.