

STATE OF MAINE

—
IN THE YEAR OF OUR LORD
TWO THOUSAND TWENTY-FIVE

—
H.P. 310 - L.D. 481

An Act to Allow a Water District Created by Special Act of the Legislature to Borrow Money and Issue a Warrant Prior to a Default

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

Sec. 1. 35-A MRSA §6103, sub-§1-A is enacted to read:

1-A. Issuance of warrant prior to default; commission review. A district that makes a determination regarding the district's anticipated revenues under this section may borrow money and issue a warrant in accordance with this subsection.

A. Notwithstanding subsection 1, if, prior to a default in the payment of the principal of or interest on a note, bond or other evidence of indebtedness issued by the water district, the district makes a reasonable determination that the district's anticipated revenues from the normal payment of water charges for services rendered for the period beginning on the date of the determination and ending on the last day of the then-current fiscal year will not be sufficient to pay the district's anticipated operating expenses for the same period, the district may borrow money in an amount sufficient to make the payment of principal and interest and other transaction costs related to the borrowing, and the trustees, directors or managing board of the district may issue the district's warrant immediately to those portions of the municipality or municipalities that constitute the district to repay the amount borrowed, plus interest.

When making the determination under this paragraph, the district shall include:

- (1) In its anticipated revenues, all other cash or funds held by or on behalf of the district that are available to pay its anticipated operating expenses and other expected or obligated expenditures; and
- (2) In its anticipated operating expenses, all other expected or obligated expenditures, including any obligation to replenish a reserve fund established with respect to the note, bond or other evidence of indebtedness.

B. Within 30 days of the date the trustees, directors or managing board of the district issues the district's warrant pursuant to paragraph A, the district shall prepare and submit a financial management plan to the commission and each municipality that constitutes the district. The commission shall provide an opportunity for affected

municipalities to provide input on the financial management plan, and the commission may in its discretion commence a proceeding to examine the financial management plan.

C. This subsection applies to a district when the municipality or municipalities that constitute the district have previously approved this section or former Title 35, section 3211. For any other district, this subsection applies when approval pursuant to subsection 6 is obtained.