

APPROVED
FEBRUARY 11, 2016
BY GOVERNOR

CHAPTER
12
P & S LAW

STATE OF MAINE

IN THE YEAR OF OUR LORD
TWO THOUSAND AND SIXTEEN

H.P. 1018 - L.D. 1495

An Act To Allow the Kennebec Sanitary Treatment District To Establish and Maintain a Capital Reserve Fund

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

Sec. 1. P&SL 1971, c. 45, §15, as amended by P&SL 1991, c. 7, §§5 to 8, is further amended to read:

Sec. 15. Determination of annual apportionable costs. The fiscal year of the district is determined by the trustees and the trustees shall, prior to the first day of the 2nd month of each fiscal year following the acceptance of this Act, determine the total anticipated sums necessary to provide for the operation and maintenance of the district and its facilities for the year and adopt a budget for that year. The district trustees shall also determine the portion of the total sums to be raised for the fiscal year, the amounts to be apportioned to said towns and the Waterville Sewerage District.

To effect a transition to a different fiscal year, the district may adopt a budget, determine the portion of the total sums to be raised for that budget and the amounts to be apportioned for one or more fiscal years not longer than 18 months each.

Said total anticipated sums necessary for the operation and maintenance ~~shall~~ must be the total of sums required in any year for unfunded capital costs and financing costs plus costs of operation less funds on hand or in the judgment of the trustees to be received during said year from other than said towns and Waterville Sewerage District and available or to be available within said year to pay unfunded capital costs and financing costs or operating costs, as the case may be. As used in this Act the following terms ~~shall~~ have the following meanings: Unfunded capital costs and financing costs for any year ~~shall~~ include:

1. Capital outlay items the cost of which is not to be paid from proceeds of bonds or notes, other than notes in anticipation of revenue, or paid from the proceeds of a government grant or other donation;

2. Interest due and payable in such year or indebtedness created or assumed by the district or expected to be created or assumed by the district, exclusive of interest on temporary notes in anticipation of revenue;

3. Principal due and payable in such year on indebtedness created or assumed by the district and not to be refunded and for the payment of which funds are not in the judgment of the trustees otherwise to be available; ~~and~~

4. Sinking fund payments; and

5. Capital reserve funds pursuant to section 15-A.

"Operating costs" or "costs of operations" for any year ~~shall~~ include:

1. The current expenses of operating, maintaining and repairing the district's facilities and properties, interest on notes issued in anticipation of revenue and all other expenses not otherwise specifically provided herein; and

2. Any deficit outstanding at the end of the prior calendar year for the payment of which funds are not, or in the judgment of the trustees will not be available in such calendar year.

If a surplus exists at the end of a fiscal year, it may be transferred to a surplus account that may not exceed \$100,000. The balance in the surplus account may not be increased by more than \$25,000 in any fiscal year. The trustees may add to the sinking fund, if any, so much of any excess over said limitations as they determine advisable, and any remainder ~~shall~~ must be credited on an equitable basis against sums otherwise to be apportioned to said towns, the Waterville Sewerage District and any persons, firms or corporations other than said towns and sewer district under contract to pay for the use of the district's facilities during the year as at the end of which such surplus was created, except that payments to the capital reserve fund under section 15-A may be made before any excess is added to the sinking fund or remainder is credited against sums apportioned.

Sec. 2. P&SL 1971, c. 45, §15-A is enacted to read:

Sec. 15-A. Capital reserve fund. The trustees may establish a capital reserve fund by appropriating money or by authorizing the transfer of unencumbered surplus funds at the end of any fiscal year for the purposes of maintaining, rehabilitating, upgrading or replacing aging infrastructure.

1. The annual appropriation for the purposes of the capital reserve fund may not exceed \$500,000.

2. The maximum amount that may be kept in the capital reserve fund is \$2,000,000.

3. When the trustees determine that a project relates to maintaining, rehabilitating, upgrading or replacing aging infrastructure, they may order the withdrawal and expenditure of the necessary amount from the capital reserve fund to cover the expenditure of the project. If funds are committed to cover an expenditure that will run

beyond a given fiscal year, those funds will not be included in the \$2,000,000 cap established under subsection 2.

4. The trustees are responsible for oversight of the capital reserve fund and shall deposit or invest the fund according to the Maine Revised Statutes, Title 30-A, chapter 223, subchapter 3-A. Any interest earned or capital gains realized accrue to and become part of the capital reserve fund.