



## Testimony of the Maine Municipal Association

### **In Support Of**

LD 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

March 4, 2025

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Senator Lawrence, Representative Sachs and members of the Energy, Utilities, and Technology Committee, my name is Rebecca Lambert, and I am providing testimony in support of LD 481 on behalf of the Maine Municipal Association's (MMA) elected 70-member Legislative Policy Committee (LPC). For reference, the LPC guides MMA's advocacy efforts and establishes positions on bills of municipal interest.

At its most recent meeting, the LPC was informed that LD 481 was submitted on behalf of the Portland Water District, which is looking to increase its bond rating in order to lower borrowing costs. The proposed amendment is necessary because, unlike municipalities, water districts cannot guarantee the full faith and credit of the property taxpayers to ensure payment of a bond's principal and interest, regardless of what happens. Members appreciate the clarification since as read the bill appears to allow a water district to incur debt to pay for current debt, a practice local leaders feel is fiscally irresponsible and unsustainable.

While municipal officials understand that the bill is needed to help reduce ratepayer impacts, they also encourage the committee to proceed with eyes wide open to avoid unintended consequences.

Thank you for your time and for considering the municipal perspective on this issue.

