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Labor and Housing Committee

**Testimony of Senator Stacey Guerin before the Joint Standing Committee on
Energy, Utilities and Technology**

May 18, 2021

LD 245, An Act Regarding Rural Water Districts

Senator Lawrence, Representative Berry and esteemed members of the Energy, Utilities and Technology Committee, thank you for allowing me to present LD 245, “An Act Regarding Rural Water Districts.”

This legislation stems from an issue the Corinna Water District brought to my attention. The water district is run by a Board of three Trustees. As these trustees age and resign from the Board of Trustees, the District is having trouble finding younger individuals to replace them. The District didn’t know what would happen should it lack a quorum.

I have worked with the interested parties on amended language to this bill, and it is attached to my testimony. The amendment allows the Public Utilities Commission to appoint a receiver if, after opening an investigation, it determines that a consumer-owned water utility does not have a quorum of trustees necessary for continued operation. The amended language allows the commission to adopt routine technical rules that include standards and procedures. Furthermore, the amendment creates the Small Consumer-owned Water Utility Infrastructure Fund to provide grants for infrastructure improvements to small consumer-owned water utilities.

Corinna Water District is not unique. This is a problem small water districts face statewide. The committee will hear from folks today with a greater understanding of this issue and it is my hope that after listening to them, the committee will pass LD 245. Maine’s small water districts need to have more clarity regarding the next steps should they not be able to fill the seats on their Boards.

Thank you for your time and consideration.

Committee: EUT

LA: DS

File Name: G:\COMMITTEES\EUT\Amendments\130th, 1st\Amendment drafts\LD 245 Senator Guerin Proposed Amendment.docx

LR (item)#: 053702

New Title?: N

Add Emergency?: N

Date: April 12, 2021`

Sponsor Amendment to LD 245, An Act Regarding Rural Water Districts

Strike everything after the enacting clause and replace with the following:

Sec. 1. 22 MRSA §2610-A is enacted to read:

S2610-A Small Consumer-Owned Water Utility Infrastructure Fund.

1. Establishment; administration. The Small Consumer-owned Water Utility Infrastructure Fund, referred to in this section as "the fund," is established as provided in this section.

A. The fund is established as a nonlapsing fund to provide grant, in accordance with subsection 2, for infrastructure needed by small consumer-owned water utilities.

B. The department shall administer the fund. The fund must be established and held separate from any other funds and used and administered exclusively for the purpose of this section. The fund consists of the following:

(1) Sums that are appropriated by the Legislature;

(2) Sums received from the federal government; and

(3) Other funds from any public or private source received for use for any of the purposes for which the fund has been established.

2. Uses. The fund, to the extent funds are available may be used for one or more of the following purposes:

A. To make grants to small consumer-owned water utilities, pursuant to this section, for the infrastructure improvements;

and

B. To pay the costs of the department associated with the administration of the fund, as long as no more than 5% of the aggregate of the highest fund balance in any fiscal year is used for these purposes.

3. Rules. The department shall adopt rules necessary to implement this section, including rules to determine how grants will be awarded and establishing caps on grant amounts. Rules adopted by the department pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

For the purposes of this section "small consumer-owned water utility" has the same meaning as in Title 35-A, section 6104-A, paragraph C.

Sec. 2. 35-A MRSA § 6410-A is enacted to read:

§6410-A. Consumer owned water utilities; lack of quorum

1. Appointment of receiver. If, after investigation, the commission determines that the board of trustees of a consumer-owned water utility lacks a sufficient number of duly elected trustees to constitute a quorum, the commission may appoint a receiver to oversee the operations of the utility. A receiver appointed by the commission pursuant to this subsection shall have all the authorities granted to a full board of trustees pursuant to this chapter until such time as the board of trustees for the utility includes a sufficient number of duly elected trustees to constitute a quorum.

2. Rules. The commission may adopt by rule standards and procedures necessary for the administration of this section. Rules adopted pursuant to this subsection are routine technical rules as defined in Title 5, chapter 375, subchapter 2-A.

3. Costs. The commission may include the cost of appointing receivers pursuant to subsection 1 in the assessment charged to consumer-owned water utilities in accordance with section 116, subsection 1.

Sec. 3. Transfer from General Fund unappropriated surplus; Small Consumer-owned Utility Infrastructure Fund. Notwithstanding any other provision of law, the State Controller shall transfer \$209,900 on or before November 15, 2021 from the General Fund unappropriated surplus to the Small Consumer-owned Water Utility Infrastructure Fund established in the Maine Revised Statutes, Title 22, section 2610-A, unless an equivalent amount of Coronavirus State and Local Fiscal Recovery Funds under the American Rescue Plan Act 2021 are deposited into the fund prior to that date.

SUMMARY

This bill creates the Small Consumer-owned Water Utility Infrastructure Fund to provide grants for infrastructure improvements to small consumer-owned water utilities.

This bill also allows the Public Utilities Commission to appoint a receiver if after opening an investigation determines that a consumer-owned water utility does not have a quorum of trustees necessary for continued operation. It allows the commission to adopt routine technical rules that include standards and procedures. It allows the costs associated with appointing a receiver to be included in the yearly utility assessment.