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An Act To Encourage and Facilitate Regional Utility Districts

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

Sec. 1. 35-A MRSA §6106, sub-§1, as amended by PL 1987, c. 490, Pt. B, §15, is further amended to read:

1. Investment. The governing body of a consumer-owned water utility may choose to make no investment in a water main extension or service line and may require persons requesting a water main extension or service line to advance to the utility the full cost of construction, including associated appurtenances required solely as a result of the construction of the water main extension or service line and used solely for the operation of the main extension or service line. Apportionment of the costs among customers ~~shall~~must be determined by the commission by rule. A consumer-owned water utility may not lend funds to any person requesting a water main extension or service line.

Sec. 2. 35-A MRSA §6401, sub-§2, ¶A, as amended by PL 2003, c. 147, §1, is further amended to read:

A. The following provisions apply to all water districts, regardless of when chartered, and any portion of a water district charter that is contrary to the provisions is void and of no effect:

(1) Section 6410, subsection 7;

(2) Section 6410, subsection 8;

(3) Section 6413-A; and

(4) Section 6414-A; and

(5) Section 6419.

Sec. 3. 35-A MRSA §6419 is enacted to read:

§ 6419. Water districts; ownership of assets

The assets of a water district are owned by the ratepayers.

Sec. 4. 38 MRSA §1069 is enacted to read:

§ 1069. Ownership of assets

The assets of a sanitary district are owned by the ratepayers.

Sec. 5. 38 MRSA §1163, sub-§3 is enacted to read:

3. Investment. A sanitary district may choose to make no investment in a sewer extension and may require persons requesting a sewer extension to advance to the district the full cost of construction, including associated appurtenances required solely as a result of the construction of the sewer extension and used solely for the operation of the sewer extension. If a sanitary district chooses to invest in a sewer extension, the district must first adopt an investment policy for sewer extensions in its governing ordinance that parallels and is consistent with the water main extension policy set forth in the Public Utilities Commission's rules governing investments in water main extensions. A sanitary district may not lend district funds to any person requesting a sewer extension.

Sec. 6. 38 MRSA §1252, sub-§7, ¶C is enacted to read:

C. A sewer district may choose to make no investment in a sewer extension and may require persons requesting a sewer extension to advance to the district the full cost of construction, including associated appurtenances required solely as a result of the construction of the sewer extension and used solely for the operation of the sewer extension. If a sewer district chooses to invest in a sewer extension, the district must first adopt an investment policy for sewer extensions in its governing ordinance that parallels and is consistent with the water main extension policy set forth in the Public Utilities Commission's rules governing investments in water main extensions. A sewer district may not lend district funds to any person requesting a sewer extension.

Sec. 7. 38 MRSA §1252, sub-§12 is enacted to read:

12. Ownership of assets. The assets of a sewer district are owned by the ratepayers.

SUMMARY

Under current law, a consumer-owned water utility may choose to make no investment in a water main extension and may require anyone requesting an extension to advance to the utility the entire cost of the extension. This bill grants that same authority to sewer districts and sanitary districts. Under current law, if a consumer-owner water utility chooses to invest consumer funds in water main extensions, the Public Utilities Commission provides clear policy and procedures governing investment in water main extensions, including investment amounts and the process for making such investments. This bill requires that a sewer district or sanitary district that chooses to invest in sewer main extensions first adopt similar investment policies for the protection of its ratepayers. The bill also prohibits a consumer-owned water utility, sewer district or sanitary district from lending district funds to any person requesting a water or sewer extension. The bill also specifies that the assets of water districts, sewer districts and sanitary districts are owned by the ratepayers of the district.