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Date: (Filing No. H-)

ENERGY, UTILITIES AND TECHNOLOGY

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**STATE OF MAINE
HOUSE OF REPRESENTATIVES
126TH LEGISLATURE
FIRST REGULAR SESSION**

COMMITTEE AMENDMENT “ ” to H.P. 1036, L.D. 1442, Bill, “An Act To Establish a Pilot Natural Gas Utility District in Maine”

Amend the bill by striking out the title and substituting the following:

'An Act To Establish a Pilot Natural Gas District in Maine'

Amend the bill by striking out everything after the enacting clause and before the emergency clause and inserting in its place the following:

Sec. 1. Kennebec Regional Gas District. There is created within the City of Waterville and the Town of Winslow and within up to 4 adjoining communities voting to be included within the district in accordance with this Act, referred to in this Act as "the towns," the Kennebec Regional Gas District, referred to in this Act as "the district," a quasi-municipal corporation as defined in the Maine Revised Statutes, Title 30-A, section 2604, subsection 3. The district has the following enumerated powers:

- 1. To assist and help coordinate with the provision of natural gas from 3rd-party suppliers or distributors of natural gas to the citizens, organizations and businesses of the district, including through grants, loans or other financial assistance;
- 2. To assist in aggregating customers for the purpose of procuring natural gas supply to customers within the district who elect to participate in such aggregation;
- 3. To provide grants, loans or other financial assistance to residential and commercial customers in the district to obtain natural gas or to assist such customers with natural gas conversions;
- 4. To own, operate or assist in the development or operation of one or more facilities that use natural gas to cogenerate electric power and other useful energy; and
- 5. To manage the operation of the district.

Sec. 2. Board of directors. All of the affairs of the district are managed by a board of directors, referred to in this Act as "the board," composed of no more than 7 directors who are appointed, one each, by the Town of Winslow and each town that has

COMMITTEE AMENDMENT

1 voted to join the district and 2 who are appointed by the City Council of Waterville. The
2 terms of the first board must be staggered as established by random selection: one
3 director from a town serves for a term of one year; one director from a town serves for a
4 term of 2 years; one director from a town serves for a term of 3 years; one director from a
5 town serves for a term of 4 years; and one director from a town serves for a term of 5
6 years. One director from the City of Waterville serves for a term that expires at the city
7 council meeting one year after the date of the city council meeting at which the director
8 was appointed, and the other director from the City of Waterville serves for a term that
9 expires at the city council meeting 2 years after the date of the city council meeting at
10 which the director was appointed. After the initial appointments, directors serve for a
11 term of 5 years. A director from the City of Waterville or from a town that has joined the
12 district is appointed in the year the office becomes vacant pursuant to the same schedule
13 pursuant to this section. For a board that has an even number of directors, if there is a tie
14 vote on any matter, one of the directors from the City of Waterville shall break the tie by
15 casting an additional vote.

16 **Sec. 3. Vacancies on board of directors.** Vacancies occurring on the board are
17 filled by appointment by the municipal officers of the town or city where the vacancy
18 occurred. All directors are eligible for reappointment, but a municipal officer of the City
19 of Waterville or of a town is not eligible to be a director. The election or appointment of
20 a director as a municipal officer of a city or town terminates the term of that director, and
21 the vacancy caused by the termination is filled as provided in this section.

22 **Sec. 4. Compensation.** A director is not entitled to compensation for services,
23 except that compensation for a director may be provided by a legal vote of the municipal
24 officers of each member city or town.

25 **Sec. 5. Treasurer; chair.** The board shall elect a treasurer and chair from among
26 its members to serve terms established by the board and serve until their respective
27 successors are elected and qualified. The board shall fix the compensation for the
28 treasurer.

29 **Sec. 6. Annual audit.** An annual audit must be made of the district's accounts
30 within 60 days after the end of each fiscal year. The audit must be made by an individual
31 or firm recognized as a competent auditor by training and experience or by a qualified
32 public accountant.

33 **Sec. 7. Annual report of directors.** At the end of each fiscal year and following
34 the audit pursuant to section 6, the board shall make a detailed report that includes the
35 activities, receipts and expenditures, the financial and physical condition and any other
36 matters of the district, including how the board is fulfilling its duties and obligations. The
37 report must also include the auditor's report and be filed with the municipal officers of the
38 towns and published in the annual reports of the towns.

39 **Sec. 8. Rules.** The board has the authority to adopt rules for the management and
40 operation of the district.

41 **Sec. 9. Powers.** All powers, rights and privileges incidental or necessary to the
42 accomplishment of the purposes of this Act are granted to the district.

1 **Sec. 10. Money of the district.** All money received from the district's natural gas
2 activities and other receipts, notes or other sources in connection with the district's
3 authorized activities must be deposited in banks or depositories as the board determines,
4 in accounts entitled "Kennebec Regional Gas District," and all withdrawals from the
5 accounts must be over or upon the orders or warrants of the board and must be directed to
6 the treasurer. The treasurer shall execute and carry out all orders and warrants.

7 **Sec. 11. Directors; revenues.** All revenues received by the district from its
8 activities, contracts with gas providers or other business partners or from grants or other
9 sources must be used for the following purposes:

10 1. To pay the current expenses of operating and maintaining the district and its
11 activities;

12 2. To provide for the payment of principal and interest on the indebtedness of the
13 district, if any;

14 3. To provide each year a sum equal to not less than 2 1/2% nor more than 4% of the
15 book value of the depreciable assets of the district determined as of the close of the
16 preceding fiscal year, which must be turned into a sinking fund and used to provide for
17 repairs, replacements and improvements to the district's offices and operations, including
18 any facilities of the district that use natural gas to cogenerate electric power and other
19 useful energy; and

20 4. To provide and accumulate from year to year reasonable surplus funds to carry out
21 the general purposes of the district, as may be necessary or desirable in the sole discretion
22 of the board. At the option of the board, any accumulated surplus may be deposited in
23 the sinking fund under this section.

24 **Sec. 12. Subject to other laws.** Nothing contained in this Act is intended to
25 repeal nor may be construed as repealing any existing statute.

26 **Sec. 13. Superintendent appointment; removal.** The board may appoint a
27 superintendent of the district. The superintendent is selected solely on the basis of the
28 superintendent's administrative qualifications with special preference to actual experience
29 in or knowledge of energy matters. The board shall determine the superintendent's
30 compensation.

31 The superintendent holds office for an indefinite term unless otherwise specified by
32 contract. The superintendent may be removed or suspended for cause by the board in
33 accordance with the following procedures.

34 1. The board shall prepare a written preliminary resolution for the board action
35 setting forth the specific reasons for the proposed removal, a copy of which must be
36 delivered to the superintendent within 10 days of its completion.

37 2. The superintendent may, within 20 days of receiving the resolution, reply in
38 writing and may request a public or private hearing.

39 3. Upon receiving a request for a hearing, the board shall hold a hearing not earlier
40 than 10 days and not later than 30 days after the request is filed.

