

Adopted at Town Meeting, March 3, 1972 (Book VIII, pp. 455 & 468)

Amended at Town of Vassalboro Town Meeting _____.

CHARTER

VASSALBORO SANITARY DISTRICT VASSALBORO, MAINE

Preamble: Whereas the Town of Vassalboro is in great need of the installation of a sewage system; and
Whereas, it is essential that maximum State and Federal matching funds be available for such a project; and
Whereas, it is vital that such a system be constructed to minimize pollution of the Outlet Stream and the Kennebec River, and to safeguard the health of the citizens of Vassalboro; and
Whereas, in the judgment of the citizens of Vassalboro, these facts create a crucial need for the preservation of the public peace, health, and safety; now, therefore,

BE IT ENACTED BY THE CITIZENS OF VASSALBORO, AS FOLLOWS:

Sec. 1. Territorial limits; name; purposes. The territory and inhabitants therein of the municipality of Vassalboro are hereby created as a body corporate and politic under the name of "Vassalboro Sanitary District" (hereinafter "the district") for the purpose of providing the inhabitants of such district with a system of public sewers to be maintained and operated for the public health and welfare and for the benefit of said residents and of the property therein in the manner and with the rights, duties, and immunities hereinafter in this Charter set forth. The district shall construct, maintain and operate interceptor sewers, pumping stations, storm drains, and other main sewer lines with appurtenances and facilities in connection therewith to provide for the treatment of sewage originating within the district. The district is organized for the purpose of collecting sewage from private and public residences or buildings and from any other person, firm, or corporation within the district. As used in this Charter, "sewage" shall include waste water from dwellings, public buildings, commercial or industrial establishments, or any combination thereof, and shall include surface or ground water that may be present therein.

Sec. 2. Transfer of property and assets. In the event that the trustees of the district find that any of the sewer system or property or properties of the municipality of Vassalboro shall be necessary to carry on the functions of the district, the trustees shall request that the title to such sewer property be conveyed to the district, and that the municipal officers are empowered to convey such title without payment of consideration. A fair charge may be made to the district for fee simple title to any land conveyed to it by said Town.

Sec. 3. Trustees. All of the affairs of said district shall be managed by a board of five (5) trustees. None of said trustees shall be a town official. In case of a vacancy arising from death, or other cause which shall include removal in the discretion of the appointing municipal officers for failure to attend district meetings, the respective municipal officers shall appoint a new member to fill out the unexpired term of the appointee. The initial terms shall be as follows: one for one year, two for two years, and two for three years. Thereafter, the terms shall be for a three-year period.

The trustees shall organize by election from their own members of a chairman, a vice-chairman, a treasurer, and a clerk, and choose and employ and fix the compensation of such other necessary officers and agents who shall serve at their pleasure, and they shall adopt a corporate seal. Each trustee shall be sworn to the faithful performance of his duties.

The trustees may from time to time adopt, establish, and amend bylaws consistent with the laws of the State of Maine, and necessary for their own convenience and the proper management of the affairs of the district and perform any other acts within the powers delegated to them by law.

After the original organizational meeting, the trustees shall meet annually at a time determined by their bylaws for the purpose of electing from among the members a chairman, a vice-chairman, treasurer and clerk to serve until the next annual election and until their successors are elected and qualified. The treasurer shall furnish bond in such sum and with such sureties as the trustees shall approve, the cost thereof to be paid by the district. The chairman, vice-chairman, treasurer and clerk may receive such compensation for serving in these capacities as the trustees shall determine. This compensation shall be in addition to the compensation payable to them as trustees.

The trustees shall make and publish an annual report including a report of the treasurer.

No member of the board of trustees shall be employed for compensation as an employee or in any other capacity by the district of which he is a trustee, except as provided herein, or by vote of the Trustees.

All trustees shall serve until their successors are voted on by the current Trustees and qualified, and may receive such compensation, not exceeding \$400 annually, or as the trustees may determine.

Sec. 4. Powers. The district shall have the power, within the district, to lay pipes, drains, sewer conduits, and to take up, repair, and maintain the same or to contract for the same to be done, in, along, and through any public or private ways and public grounds, and in, along and through any lands of any person or corporation, to and into rivers, watercourses and treatment works or to or into any drain or sewer now or hereafter built which empties into waters, rivers, watercourses, and treatment works, the discharge therefrom to be at such points consistent with requirements of public health as shall be found convenient and reasonable for said district and the flow of existing watercourses; to construct and maintain or contract for the construction and maintenance of treatment works, pumping stations, basins, reservoirs, flush tanks, and such other appliances for the collecting, holding, purifying, distributing and disposing of

sewage and of storm and surface water, all as may be necessary or incidental to accomplish the purpose of the district.

Sec. 5. Right of Eminent Domain. The district is authorized and empowered to acquire and hold real and personal property necessary or convenient for its purposes, and is granted the right of eminent domain, and for such purposes is authorized to take and hold, either by exercising its rights of eminent domain or by purchase, lease or otherwise, as for public uses any land, real estate, easements, or interest therein, and any sewers, drains, or conduits and any sewer or drainage rights necessary for constructing, establishing, maintaining and operating sewers, drains, reservoirs, flush tanks, manholes, catch basins, treatment works, pumping stations and other appliances and property used or useful for collecting, holding, purifying, distributing and disposing of sewage, and surface and waste waters.

Sec. 6. Procedure in Eminent Domain Proceedings. When property is to be taken through the exercise of the power of eminent domain, which the district is hereby given the power of, the district shall provide notice in accordance with title 38, section 1152-A of the Maine Revised Statutes. In exercising its right of eminent domain the district shall file in the office of the county commissioners of the county in which the property to be taken is located and cause to be recorded in the registry of deeds in said county plans in accordance with title 38, section 1153 of the Maine Revised Statutes. If any person sustaining damages by any taking by the district under section 1153 shall not agree upon the sum to be paid therefor, either party may appeal pursuant to title 38, section 1154 of the Maine Revised Statutes.

Sec. 7. Crossing Other Public Utilities. If any sewer line of the district is to cross the property or line of any other public utility, unless consent is given by such other public utility as to place, manner and conditions of the crossing within thirty (30) days after such consent is requested by the district, the Public Utilities Commission shall determine the place, manner, and conditions of such crossing; and all work on the property of such public utility shall be done under the supervision and to the satisfaction of such public utility, but at the expense of the district. If any sewer line of any sanitary district as provided above crosses the property or line of any railroad corporation, the procedure shall be the same as stated in the preceding sentence, except that the Department of Transportation shall be substituted for the Public Utilities Commission. Nothing herein contained shall be construed as authorizing the district to take by right of eminent domain any of the property or facilities of any other public utility used, or acquired for future use by the owner thereof, and in the performance of a public duty unless expressly authorized by special Act of the Legislature.

Sec. 8. Power to Contract. The district is authorized to contract with any person or corporation, district, municipal or quasi-municipal corporations, and with the State of Maine and the United States of America or any agency thereof to provide for the treatment, disposal, or other work with respect to sewage collected by and transported either through the district sewerage system or through the sewerage system or facilities of any person, corporation, district, municipal or quasi-municipal

corporation or other governmental agency or both, and every other district, municipal or quasi-municipal corporation or state agency is authorized to contract with the district and with respect to the collection, transportation, treatment and disposal of sewage and for said purposes or any of them, any such district, municipal or quasi-municipal corporation may raise and expend money.

Without limiting the generality of the foregoing provisions of this section, any person or corporation other than a municipal or quasi-municipal corporation, may enter into an agreement pursuant to which the district as part of a project of its own or separately, will construct facilities for the purpose of pretreating and transporting to the district's treatment facilities, either directly or through the sewerage system of another municipal or quasi-municipal corporation, sewage from or for the benefit of such person or corporation, herein sometimes called a "private user," and to finance the cost of such construction provided, however, that any such agreement shall provide that before any such construction or financing thereof is undertaken by the district, such private user or users shall have paid to the district or made provisions for the payment to the district of, said private user's or users' fair share of the unfunded capital and financing costs of such construction or financing, as defined in section 15, and that if and to the extent the fair share of the costs of operating such facilities constructed for the private user or users will not be included in rates, tolls, rents, or other charges payable to said town, such private user or users shall pay the same to the district. For purposes of any such agreement the fair share of any unfunded capital or financing costs may be estimated by the trustees of the district subject to adjustment after such costs are finally determinable and the agreement shall provide that such financing costs as consist of interest on debt issued by the district shall not be less than the interest paid by the district on any bonds or notes issued to finance the costs of such construction.

Any such agreement shall state the basis of the determination of the fair share of unfunded capital and financing costs and costs of operation which determination may be based on the ratio of flow or organic content of the sewerage, or both, or such other method as the trustees shall determine to be equitable.

Sec. 9. Conditions for Carrying out Work. When the district shall enter, dig up or excavate any public way or other land for the purpose of laying the sewers, drains, or pipes, constructing manholes or catch basins or their appurtenances, or maintaining the same, or for any other purpose, the work shall be done expeditiously, and on completion of the work the district shall restore said way or land to the condition it was in prior to such work, or to a condition equally as good. Whenever the character of the work is such as to endanger travel on any public way, the municipal officers may order a temporary closing of such way, and of any intersecting way, upon request of said district, and the way shall remain closed to public travel until such municipal officers deem it restored to a condition safe for traffic.

Sec. 10. Right to Inspect: Rules and Regulations; Injunctive Relief. The officers or agents of the district shall have the right to enter all premises from which any sewer or drain is connected with any part of the district's facilities or with any sewage system connecting with the facilities of the district, at all reasonable hours, for inspection of plumbing and sewage fixtures, to ascertain the quantity and character of sewage discharged and manner of discharge; and to enforce the provisions of this Act and the rules and regulations prescribed by the trustees of the district.

The trustees shall adopt reasonable rules and regulations relative to its sewage collection, including without limitation, regulations as to the quantity and character of any sewage, drainage or other wastes discharged into any sewage system connecting with its sewage treatment but the regulations shall at least meet the minimum standards prescribed by the relevant governing law. Rules and regulations adopted by the trustees shall be published, from time to time, in suitable form and be available for distribution to interested persons.

The trustees may require industrial pretreatment of wastes discharged into its sewage treatment or into any system connecting with it if the trustees determine such wastes may interfere with or cause damage to its sewage treatment.

In addition to any other remedy, the Superior Court shall have jurisdiction upon a complaint filed by the district to restrain or enjoin any person, firm, corporation or municipality from committing any act which may damage or impair its sewage treatment or which is prohibited by any rule or regulation of the district. The district may seek the injunction as provided in this section without first resorting to any other form of proceedings or procedure.

Sec. 11. Property Tax Exempt. Wherever located, the property both real and personal, rights and franchises, used in connection with its sewage system shall be exempt from taxation.

Sec. 12. Injury to Property of District. Any person who shall place, discharge or leave any offensive or injurious matter or material on or in the conduits, catch basins or receptacles of the district contrary to its regulations, or shall willfully injure any conduit, pipe, reservoir, flush tank, catch basin, manhole, outlet, engine, pump or other property held, owned or used by the district shall be liable to pay twice the amount of the damages to the district, to be recovered in any proper action; and that person and any person who violates section 1159 and 1160 shall be guilty of a Class E crime.

Sec. 13. Authorized to Borrow Money. The District may provide by resolution of its board of trustees, without district vote, except as provided in subsection 10, for the borrowing of money and the issuance from time to time of bonds for any of its corporate purposes, including, but not limited to:

- A. Paying and refunding its indebtedness;
- B. Paying any necessary expenses and liabilities, including organizational and other necessary expenses and liabilities;
- C. Paying costs directly or indirectly associated with acquiring properties, paying damages, laying sewers, drains and

conduits, constructing, maintaining and operating sewage and treatment plants, or systems, and making renewals, additions, extensions and improvements to the same, and to cover interest payments during the period of construction and for such period thereafter as the trustees may determine;

- D. Providing such reserves for debt service, repairs and replacements or other capital or current expenses as may be required by a trust agreement or resolution securing bonds; and
- E. Any combination of these purposes.

1. Bonds may be issued under this section as general obligations of the district or as special obligations payable solely from particular funds. The principal of, premium, if any, and interest on all bonds shall be payable solely from the funds provided for that purpose from revenues. For purposes of this section, the term "revenues" means and includes the proceeds of bonds, all revenues, rates, fees, entrance charges, assessments, rents and other receipts derived by the district from the operation of its sewer system and other properties, including, but not limited to, investment earnings and the proceeds of insurance, condemnation, sale or other disposition of properties. All bonds issued by a district shall be legal obligations of the district. Bonds may be issued under this section without obtaining the consent of any commission, board, bureau or agency of the State or of any municipality encompassed by the district, and without any other proceedings or the happening of other conditions or things other than those proceedings, conditions or things which are specifically required by this section. Bonds issued under this section do not constitute a debt or liability of the State or of any municipality encompassed by the district or a pledge of the faith and credit of the State or any such municipality, but the bonds shall be payable solely from the funds provided for that purpose, and a statement to that effect shall be recited on the face of the bonds.

2. Notes. The district may also provide by resolution of its board of trustees, without district vote, for the issuance from time to time of notes in anticipation of bonds authorized under this section and of notes in anticipation of the revenues to be collected or received in any year or in anticipation of the receipt of federal or state grants or other aid. The issue of these notes shall be governed by the applicable provisions of this section relating to the issue of bonds, provided that notes in anticipation of revenue must mature no later than one year from their respective dates and notes issued in anticipation of federal or state grants or other aid and renewals thereof must mature no later than the expected date of receipt of those grants or aid. Notes in anticipation of revenue issued to mature less than one year from their dates may be renewed from time to time by the issue of other notes, provided that the period from the date of an original note to the maturity of any note issued to renew or pay the same or the interest thereon may not exceed one year. The district is authorized and empowered to enter into agreements with the State or the United States, or any agency of either, or any

municipality, corporation, commission or board authorized to grant or loan money to or otherwise assist in the financing of projects of the type which that district is authorized to carry out, and to accept grants and borrow money from any such government, agency, municipality, corporation, commission or board as may be necessary or desirable to accomplish the purposes of the district.

3. Maturity; interest; form; temporary bonds. The bonds issued under this section shall be dated, shall mature at such time or times not exceeding 40 years from their date or dates and shall bear interest at such rate or rates as may be determined by the board of trustees, and may be made redeemable before maturity, at the option of the district, at such price or prices and under such terms and conditions as may be fixed by the board of trustees prior to the issuance of the bonds. The board of trustees shall determine the form of the bonds, including any interest coupons to be attached thereto, and the manner of execution of the bonds, and shall fix the denomination or denominations of the bonds and the place or places of payment of principal and interest, which may be at any bank or trust company within or without the State. Bonds shall be executed in the name of the district by the manual or facsimile signature of such officer or officers as may be authorized in the resolution to execute the bonds, but at least one signature on each bond shall be a manual signature. Coupons, if any, attached to the bonds shall be executed with the facsimile signature of the officer or officers of the district designated in the resolution. In case any officer, whose signature or a facsimile of whose signature appears on any bonds or coupons, ceases to be such officer before the delivery of the bonds, the signature or its facsimile shall nevertheless be valid and sufficient for all purposes as if he had remained in office until the delivery. Notwithstanding any of the other provisions of this chapter or any recitals in any bonds issued under this chapter, all such bonds shall be deemed to be negotiable instruments under the laws of this State. The bonds may be issued in coupon or registered form, or both, as the board of trustees may determine, and provision may be made for the registration of any coupon bonds as to principal alone and as to both principal and interest, and for the reconversion into coupon bonds of any bonds registered as to both principal and interest. The board of trustees may sell such bonds in such manner, either at public or private sale, and for such price as they may determine to be for the best interests of the district. The proceeds of the bonds of each issue shall be used solely for the purpose for which those bonds have been authorized, and shall be disbursed in such manner and under such restrictions, if any, as the board of trustees may provide in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds. The resolution providing for the issuance of bonds, and any trust agreement securing the bonds, may contain such limitations upon the issuance of additional bonds as the board of trustees may deem proper, and these additional bonds shall be issued under such restrictions and limitations as may be prescribed by that resolution or trust agreement. Prior to the preparation of definitive bonds, the board of trustees may, under like restrictions, issue interim receipts or temporary bonds, with

or without coupons, exchangeable for definitive bonds when those bonds are executed and are available for delivery. The board of trustees may provide for the replacement of any bond which is mutilated, destroyed or lost.

4. Pledges and covenants, trust agreement. In the discretion of the board of trustees, each or any issue of bonds may be secured by a trust agreement by and between the district and a corporate trustee, which may be any trust company within or without the State. The resolution authorizing the issuance of the bonds or the trust agreement may pledge or assign, in whole or in part, the revenues and other moneys held or to be received by the district and any accounts and contract or other rights to receive the same, whether then existing or thereafter coming into existence and whether then held or thereafter acquired by the district, and the proceeds thereof, but may not convey or mortgage the sewer system or any other properties of the district. The resolution may also contain such provisions for protecting and enforcing the rights and remedies of the bondholders as may be reasonable and proper and not in violation of law, including, but not limited to, covenants setting forth the duties of the district and the board of trustees in relation to the acquisition, construction, reconstruction, improvement, repair, maintenance, operation and insurance of its sewer system or any of its other properties, the fixing and revising of rates, fees and charges, the application of the proceeds of bonds, the custody, safeguarding and application of revenues, defining defaults and providing for remedies in the event thereof, which may include the acceleration of maturities, the establishment of reserves and the making and amending of contracts. The resolution or trust agreement may set forth the rights and remedies of the bondholders and of the trustee, if any, and may restrict the individual right of action by bondholders as is customary in trust agreements or trust indentures securing bonds or debentures of corporations. In addition, the resolution or trust agreement may contain such other provisions as the board of trustees may deem reasonable and proper for the security of the bondholders. All expenses incurred in carrying out the resolution or trust agreement may be treated as a part of the cost of operation. The pledge by any such resolution or trust agreement is valid and binding and is deemed continuously perfected for the purposes of the Uniform Commercial Code from the time when the pledge is made. All revenues, moneys, rights and proceeds so pledged and thereafter received by the district are immediately subject to the lien of the pledge without any physical delivery or segregation thereof or further action under the Uniform Commercial Code or otherwise, and the lien of the pledge is valid and binding as against all parties having claims of any kind in tort, contract or otherwise against the district irrespective of whether those parties have notice thereof. The resolution authorizing the issuance of bonds under this section, or any trust agreement securing those bonds, may provide that all or a sufficient amount of revenues, after providing for the payment of the cost of repair, maintenance and operation and reserves therefor as may be provided in the resolution or trust agreement, must be set aside at such regular intervals as may be

provided in the resolution or trust agreement and deposited in the credit of a fund for the payment of the interest on and the principal of bonds issued under this chapter as the same become due, and the redemption price or purchase price of bonds retired by call or purchase. The use and disposition of moneys to the credit of the fund are subject to such regulations as may be provided in the resolution authorizing the issuance of the bonds or in the trust agreement securing the bonds and, except as may otherwise be provided in the resolution or trust agreement, the fund is a fund for the benefit of all bonds without distinction or priority of one over another.

5. Trust funds. Notwithstanding any other law, all moneys received pursuant to the authority of this section shall be deemed to be trust funds, to be held and applied solely as provided in this chapter. The resolution authorizing the issuance of bonds or the trust agreement securing the bonds shall provide that any officer to whom, or bank, trust company or other fiscal agent to which, those moneys shall be paid shall act as trustee of those moneys and shall hold and apply the same for the purposes hereof, subject to such regulations as may be provided in the resolution or trust agreement or as may be required by this chapter.

6. Remedies. Any holder of bonds issued under this section or of any of the coupons appertaining thereto, and the trustee under any trust agreement, except to the extent the rights given may be restricted by the resolution authorizing the issuance of those bonds or trust agreement, may, either at law or in equity, by suit, action, mandamus or other proceeding, including proceedings for the appointment of a receiver to take possession and control of the properties of the district, protect and enforce any and all rights under the laws of the State or granted hereunder or under such resolution or trust agreement, and may enforce and compel the performance of all duties required by this section or by such resolution or trust agreement to be performed by the district or by any officer thereof, including the fixing, charging and collecting of rates, fees and charges for the use of or for the services and facilities furnished by the district.

7. Refunding bonds. The district, without district vote, may issue refunding bonds for the purpose of paying any of its bonds at maturity or upon acceleration or redemption. The refunding bonds may be issued at such time prior to the maturity or redemption of the refunded bonds as the board of trustees deems to be in the public interest. The refunding bonds may be issued in sufficient amounts to pay or provide the principal of the bonds being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds, the expenses of issue of the refunding bonds, the expenses of redeeming the bonds being refunded and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds as may be required by a trust agreement or resolution securing bonds. The issue of refunding bonds, the maturities and other details thereof, the security therefor, the rights of the holders thereof, and the rights, duties and

obligations of the district in respect of the same shall be governed by the applicable provisions of this chapter relating to the issue of bonds other than refunding bonds.

8. Tax exemption. All bonds, notes or other evidences of indebtedness issued under this section, and their transfer and the income therefrom, including any profit made on the sale thereof, shall at all times be free from taxation within the State.

9. Bonds declared legal investments. Bonds and notes issued under this section are made securities in which all public officers and public bodies of the State and its political subdivisions, all insurance companies and associations and other persons carrying on an insurance business, trust companies, banks, bankers, banking associations, savings banks and savings associations, including savings and loan associations, credit unions, building and loan associations, investment companies, executors, administrators, trustees and other fiduciaries, pension, profit-sharing, retirement funds and other persons carrying on a banking business, and all other persons who are now or may hereafter be, authorized to invest in bonds or other obligations of the State, may properly and legally invest funds, including capital in their control or belonging to them. The bonds and notes are made securities which may properly and legally be deposited with and received by any state, municipal or public officer, or any agency or political subdivision of the State, for any purpose for which the deposit of bonds or other obligations of the State is now or may hereafter be authorized by law.

10. Certain bond issues; notice; special meeting; vote. In the event that the trustees vote to authorize bonds or notes, for any of the corporate purposes, excluding notes payable within one year, notes in anticipation of bonds authorized pursuant to this section, or notes in anticipation of the revenues to be collected or received in any year or notes in anticipation of the receipt of approved federal or state grants, the authorized amount of which, singly or in the aggregate included in any one financing, is \$150,000 or more, the trustees shall call a special district meeting for the purpose of permitting the collection of testimony from the public concerning the purpose and the amount of debt so authorized. Notice of the special district meeting, stating the approximate amount of the debt and the purpose for which it is being issued, shall be published not less than 7 full days prior to the date of the meeting in a newspaper having general circulation in the district and shall be mailed to each ratepayer in the district not later than the date of the publication. No debt may be incurred under the vote of the trustees until the expiration of 7 full days following the date of the special district meeting. Except for debt to fund that part of any project which has been approved for grant financing by the State Government or Federal Government to meet the requirements of the United States Clean Water Act, United States Code, Title 33, Section 1251 et seq., 2 including any related facilities not eligible for that financing but essential to the operation of the approved project as an integral system, for debts in excess of the

amount specified in this section, the following petition and referendum procedure shall apply. If, on or before the 7th day following the date of the special district meeting a petition signed by at least 5%, but not less than 50, of the registered voters of the district is filed with the clerk of the district requesting reference of the vote of the trustees to referendum, the clerk of the district shall call and hold a special election of the voters of the district for the purpose of submitting to referendum vote a question of approving the vote of the trustees. The vote of the trustees shall be suspended until it has received approval by vote of a majority of the voters of the district voting on the question at the special election.

Sec. 14. Governmental Grants and Loans. The district is authorized to enter into agreements with federal, state and local governments or any agency thereof, or any corporation, commission or board authorized by federal, state or local governments to grant or loan money to or otherwise assist in the financing of projects for accomplishing the purposes of this Act and to accept grants and borrow money from any such government, agency, corporation, commission or board as may be necessary or desirable for the purposes of this Act.

Sec. 15. Determination of Annual Costs. The fiscal year of the district shall be the calendar year, and the trustees shall, prior to January 15th of each 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.

Said total anticipated sums necessary for the operation and maintenance shall 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 Town, 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. "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 calendar year, it may be transferred to a surplus account which shall not exceed **\$10,000**, or **3%** of the total sum apportioned in the prior calendar year to said District, whichever is the larger. The trustees may add to the sinking fund, if any, so much of any excess over said limitations as they determine advisable.

Sec. 16. Rates. All persons, firms and corporations, whether public, private, or municipal or quasi-municipal, shall pay to the treasurer of the district the rates, tolls, rents, entrance charges and other lawful charges established by the trustees for the sewerage, treatment or drainage service used or available with respect to their real estate or system. Rates, tolls, rents, and entrance charges by the district shall be fixed, revised, or amended pursuant to, and in accordance with title 38, section 1202 of the Maine Revised Statutes.

Prior to the adoption of a new rate schedule, the trustees shall hold a public hearing regarding the proposed rate schedule. The trustees shall publish the proposed rates and notice of the hearing not less than once in a newspaper having a general circulation in the district not less than 7 days prior to the hearing. The district shall mail to each ratepayer a notice of the public hearing and the proposed new rate at least 14 days prior to the hearing.

Sec. 17. Collection of Unpaid Rates. There is a lien on real estate served or benefited by the sewers of the district to secure the payment of rates established and due under section 1202, which arises and is perfected as services are provided and takes precedence over all other claims on such real estate, excepting only claims for taxes.

The treasurer of the district has full and complete authority and power to collect the rates, tolls, rents and other charges established under section 1202. The treasurer may, after demand for payment, sue in the name of the district in a civil action for any rate, toll, rent or other charge remaining unpaid in any court of competent jurisdiction. In addition to other methods established by law for the collection of rates, tolls, rents and other charges, and without waiver of the right to sue for the rate, toll, rent or other charge, the lien created may be enforced in the following manner. The treasurer may, after the expiration of 3 months and within one year after the date when the rate, toll, rent or other charge became due and payable, give to the owner of the real estate served, or leave at the owner's last and usual place of abode, or send by certified mail, return receipt requested, to the owner's last known address, a notice in writing signed by the treasurer or bearing the treasurer's facsimile signature, stating the amount

of that rate, toll, rent or other charge, describing the real estate upon which the lien is claimed and stating that a lien is claimed on the real estate to secure the payment of the rate, toll, rent or other charge and demanding the payment of the rate, toll, rent or other charge within 30 days after service or mailing, with \$1 for the treasurer for mailing the notice together with the certified mail, return receipt requested, fee. The notice must contain a statement that the district is willing to arrange installment payments of the outstanding debt. For the purpose of this section, a mobile home is defined as real estate. After the expiration of a period of 30 days and within one year thereafter, the treasurer shall record in the registry of deeds of the county in which the property of such person is located a certificate signed by the treasurer or bearing the treasurer's facsimile signature setting forth the amount of such rate, toll, rent or other charge, describing the real estate on which the lien is claimed, and stating that a lien is claimed on the real estate to secure payment of the rate, toll, rent or other charge and that a notice and demand for payment of the rate, toll, rent or other charge has been given or made in accordance with this section and stating further that such rate, toll, rent or other charge remains unpaid. At the time of the recording of any such certificate in the registry of deeds as provided, the treasurer shall file in the office of the district a true copy of such certificate and shall mail a true copy of the certificate by certified mail, return receipt requested, to each record holder of any mortgage on the real estate, addressed to such record holder at the record holder's last and usual place of abode. If the notice described in this paragraph was not provided to all persons who were record owners of the real estate at that time, the treasurer shall mail a true copy of the lien certificate by certified mail, return receipt requested, to any such record owner who was not provided a notice, addressed to the record owner at the record owner's last known address, as well as to any new record owner as of the date the lien certificate was recorded.

The filing of the certificate in the registry of deeds creates a mortgage on the underlying real estate to the district that has priority over all other mortgages, liens, attachments and encumbrances of any nature, except liens, attachments and claims for taxes, and gives to the district all the rights usually possessed by mortgagees, except that the district as mortgagee does not have any right to possession of the real estate until the right of redemption has expired. If the mortgage, together with interest and costs, has not been paid within 18 months after the date of filing of the certificate in the registry of deeds, the mortgage is deemed to be foreclosed and the right of redemption to have expired. The filing of the certificate in the registry of deeds is sufficient notice of the existence of the mortgage created in this paragraph. If the rate, toll, rent or other charge, with interest and costs, is paid within the period of redemption, the treasurer of the district shall discharge the mortgage in the same manner as for the discharge of tax lien mortgages pursuant to Title 36, section 943. After the expiration of the 18-month period of redemption, in the event a copy of the certificate has not been provided to a mortgage holder of record or an owner of record

as required by this section, the mortgage holder of record or the owner of record who did not receive a notice has the right to redeem the real estate within 3 months after receiving actual knowledge of the recording of the lien certificate by payment or tender of the amount of the sewer lien mortgage, together with interest and costs, and to have the lien discharged.

The costs to be paid by the owner of the real estate served shall be the sum of the fees for receiving, recording and indexing the lien, or its discharge, as established by Title 33, section 751, subsection 12, plus \$13, plus all certified mail, return receipt requested, fees.

The treasurer of the district shall notify the party named on the sewer lien mortgage and each record holder of a mortgage on the real estate not more than 45 days or less than 30 days before the foreclosing date of the sewer lien mortgage, in a writing signed by the treasurer or bearing the treasurer's facsimile signature and left at the holder's last and usual place of abode or sent by certified mail, return receipt requested, to the holder's last known address, of the impending automatic foreclosure and indicating the exact date of foreclosure. For sending this notice, the district is entitled to receive \$3 plus all certified mail, return receipt requested, fees. These costs must be added to and become a part of the amount due. If notice is not given in the time period specified in this paragraph to the party named on the sewer lien mortgage or to any record holder of a mortgage, the person not receiving timely notice may redeem the sewer lien mortgage until 30 days after the treasurer does provide notice in the manner specified in this paragraph.

Sec. 18. Incidental Powers Granted. All incidental powers, rights and privileges necessary to the accomplishment of the purposes of the district are granted to the district and its trustees, including the right of its trustees to determine when and where sewerage and treatment facilities and disposal units are needed and when and where the same shall be constructed.