## 2012 -- H 8166 AS AMENDED

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## STATE OF RHODE ISLAND

### IN GENERAL ASSEMBLY

#### **JANUARY SESSION, A.D. 2012**

# AN ACT

# AUTHORIZING THE ESTABLISHMENT OF THE ABBEY LANE COMMUNITY WATER DISTRICT

Introduced By: Representative Michael W. Chippendale

Date Introduced: May 16, 2012

Referred To: House Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Local Act 87 as enacted in 2008 entitled "AN ACT TO INCORPORATE 2 THE ABBEY LANE CONDOMINIUM ASSOCIATION, INC. WATER DISTRICT", and Local 3 Act 89 as enacted in 2009 in amendment thereof entitled "AN ACT RELATING TO THE ABBEY LANE COMMUNITY ASSOCIATION, INC. WATER DISTRICT" are here by 4 5 repealed in their entirety. 6 SECTION 2. Creation - (a) There is created a body corporate and public and a political 7 subdivision of the state, a special water district to be known as the Abbey Lane Community 8 Water District water district established for the purpose of providing adequate water supply to the 9 residents of said district and to others who may contract with the district for water supply. The 10 District shall consist of the area or tract of land situated in the Town of Foster, Rhode Island, 11 County of Providence bounded and described as follows: Tax Assessor's Plat 17, Lot 47A shown 12 on the tax assessor's maps of the Town of Foster, these limits meaning and intending to include public and private streets, roads and thoroughfares listed and all public and privately held 13 14 properties. The area within the boundaries described in this section shall be known as the Abbey 15 Lane Community water district.

(b) The district is hereby constituted an independent public instrumentality and the exercise by the district of the powers conferred by this chapter shall be deemed and held to be the performance of an essential public function.

SECTION 3. Electors. -The inhabitants of the district registered to vote for town officers are electors of the district.

SECTION 4. Regular and special meetings - Voting. (a) The first meeting of the district may be called and run by any five (5) qualified electors. The first meeting shall be held on such date as shall be determined by the electors who called the meeting, taking into account the notice requirement of Section 4(b) hereof. The district shall hold a regular meeting on the first Thursday in May in every year, or at such intervals and on such dates as a majority of electors present at a regular meeting shall determine.

- (b) Special meetings of the district shall be called by the clerk upon order of the board or upon written application of at least five (5) electors; and whenever the subject of imposing or increasing rates and fees or ordering a tax is to be acted on at any special meeting, the rates, fees or tax shall be mentioned in the notice. It is the duty of the clerk to fix a suitable place for the holding of all meetings, and to give notice of each meeting, both annual and special, by posting a notice in at least two (2) public places within the district at least ten (10) days before the meeting, and the notice shall contain a statement of the time and place when and where a meeting will be held for the purpose of correcting and canvassing the voting list to be used at the annual or special meeting, and it is the duty of the assessor of taxes of the district to canvass and correct the voting list in the same manner, as near as may be, or as provided by law for boards of canvassers.
- (c) No vote, except upon an adjournment, or in the annual election of officers, shall be taken at any meeting of the district unless at least five (5) electors are present at the meeting. On demand of at least one-fifth (1/5) of the qualified electors of the district present at any meeting for a ballot on any question pending at the meeting, the ballot shall be allowed; and all votes except on motion to adjourn, or on amendment to any pending proposition, shall be required by the moderator to be so taken, that the votes affirmative and negative may be by him or her counted, and the results entered by the clerk on the minutes of the meeting.
- (d) It is the duty of the clerk of the district to fix a suitable place within the district for the holding of meetings and for giving notice of subsequent meetings.

SECTION 5. Officers constituting board – Powers – Elections. – (a) The electors of the district shall at each annual meeting elect officers to serve until the next succeeding annual meeting in May and until their successors are elected and qualified, and the elected offices shall consist of a chairperson, a vice chairperson, and a clerk, whose duties and powers are within the district, as like officers proper for a district. The elected officers constitute the board, and the duties of the board are prescribed in this chapter. Any vacancy that may occur in any of the aforenamed elected offices between annual meetings shall be filled by some person to be chosen

by the other members of the board to hold the office until the next annual meeting. The electors of the district may, at any meeting, adopt and ordain bylaws, and, from time to time, rescind or amend the bylaws, as they deem necessary and proper for the purposes of this chapter and not repugnant to it and not inconsistent with any other law; provided, that no greater penalty is inflicted by the board than is prescribed in Section 12; and provided, further, that the electors may appoint committees they deem necessary, and may fix the compensation of all officers, agents, employees, and committees of the district.

- (b) The electors of the district shall elect officers at each annual meeting or at such intervals and on such dates as a majority of the electors present at a regular meeting shall determine, provided that elections shall be held not less than once every four (4) years. At the first meeting of the district, the one member shall be elected for a term ending the first Thursday in May, 2015, one member shall be elected for a term ending the first Thursday in May, 2014 and one member shall be elected for a term ending the first Monday in May, 2013. Thereafter, members of the board shall be elected for a term of office of three (3) years, or such other term as a majority of electors present at a regular meeting shall determine in order to conform with any changes to the frequency of elective meetings approved by the electors in conformity with this paragraph 3(a).
- (c) For a person to become a candidate at any election under this section, that person must be a qualified elector.
- (d) The general election laws shall govern elections under this section so far as applicable and consistent with the provisions of this chapter. Paper ballots may be used for the elections and the elections shall be at the expense of the district. The ballots shall contain no designation of party or political principle and there shall be no primaries or other preliminary
- (e) All elections shall be at large. No vacancy in the membership of the board shall impair the right of a quorum to exercise the powers of the district. Two members of the board shall constitute a quorum and the affirmative vote of two member shall be necessary for any such action taken by vote of the board. Any such action shall take effect immediately unless otherwise provided and need not be published or posted.
- SECTION 6. Officers and employees of board. (a) The chairperson of the board shall be selected by the majority vote of the members of the board. Appointed officers shall consist of a treasurer, a tax collector and a tax assessor, which shall be appointed in the manner provided in the district's bylaws. The treasurer, tax collector and the tax assessor shall not be members of the board. The treasurer, tax collector and tax assessor need not be qualified electors of the district and may receive such compensation as set forth in the bylaws. Appointed officers may hold more

than one office.

- 2 (b) The board may from time to time hire, transfer or otherwise appoint or employ legal
  3 counsel, financial advisors and such other experts, engineers, agents, accountants, clerks, and
  4 other consultants and employees as it deems necessary and determine their duties.
  - SECTION 7. Compensation of board members. Other than as described in the following sentence, the members of the board shall receive no compensation for the performance of their duties under this chapter. Each member may be reimbursed for all reasonable and necessary expenses incurred in the discharge of official duties as approved by the district.
- 9 SECTION 8. Powers. The board shall have all the rights and powers necessary or 10 convenient to carry out and effectuate this chapter, including, but without limiting the generality 11 of the foregoing, the rights and powers:
  - (a) To adopt by-laws for the regulation of its affairs and the conduct of its business, to promulgate rules, regulations and procedures in connection with the performance of its functions and duties and to fix, enforce and collect penalties for the violation thereof;
    - (b) To adopt an official seal and alter the same at pleasure;
    - (c) To maintain an office at such place or places as it may determine;
  - (d) To apply for, receive, accept, administer, expend and comply with the conditions, obligations and requirements respecting any grant, gift, loan, including without limitation any grant, gift or loan from agencies of local, state and federal governments, donation or appropriation of any property or money in aid of the purpose of the district and to accept contributions of money, property, labor or other things of value;
  - (e) To acquire by purchase, lease, lease-purchase, sale and leaseback, gift or devise, or to obtain options for the acquisition of, any water or water rights and any other property, real or personal, tangible or intangible, or any interest therein, in the exercise of its powers and the performance of its duties;
  - (f) To sell, lease, mortgage, exchange, transfer or otherwise dispose of, or to grant options for any such purposes with respect to, any water, water rights, and any other property, real or personal, tangible or intangible, or any interest therein.
  - (g) To enter onto any land to make surveys, borings, soundings and examinations thereon, provided that said district shall make reimbursements for any injury or actual damage resulting to such lands and premises caused by any act of its authorized agents or employees and shall so far as possible restore the land to the same condition as prior to making of such surveys, town of Foster, to acquire by eminent domain any interest in real property within the district in the name of the district in accordance with the provisions of this chapter.

1	(ii) To purchase water in bulk of by volume, and to sen water to, any person, private or
2	public corporation or public instrumentality or municipality, the state and the federal government;
3	(i) To construct, improve, extend, enlarge, maintain and repair the water works system;
4	(j) To pledge or assign any money, fees, charges, or other revenues of the district and any
5	proceeds derived by the district from the sale of property, insurance or condemnation awards;
6	(k) To borrow money and incur indebtedness and issue its bonds and notes as hereinafter
7	provided;
8	(1) To make contracts of every name and nature and to execute and deliver all
9	instruments necessary or convenient for carrying out any of its purposes;
10	(m) To establish public hydrants in public places as it may see fit and prescribe for what
11	purposes the public hydrants are used, all of which it may change in its discretion;
12	(n) To enter into contracts and agreements with municipalities in all matters necessary,
13	convenient or desirable for carrying out the purposes of this chapter including, without limiting
14	the generality of the foregoing, collection of revenue, data processing, elections and other matters
15	of management, administration, construction and operation;
16	(o) To sue and be sued and to prosecute and defend actions relating to its properties and
17	affairs; provided that only property of the district other than revenues pledged to the payment of
18	bonds and notes shall be subject to attachment or levied upon execution or otherwise;
19	(p) To lend money for its purposes, invest and reinvest its funds and at its option to take
20	and hold real and personal property as security for the funds so loaned or invested;
21	(q) To do all things necessary, convenient or desirable for carrying out the purposes of
22	this chapter or the powers expressly granted or necessarily implied in this chapter, including
23	entering into agreements with other cities, towns or districts to provide for the joint operation of
24	water supply activities;
25	(r) Consistent with the constitution and laws of the state, the board shall have such other
26	powers, including all powers pertaining to the water works system not inconsistent herewith, as
27	may be necessary for or incident to carrying out the foregoing powers and the accomplishment of
28	the purposes of this chapter; provided, however, that nothing in this chapter shall impose any duty
29	on the district to maintain groundwater levels within or without the boundaries of the district.
30	SECTION 9. Additional powers and limitations In addition to the powers of the board
31	otherwise provided herein, the board shall have the following powers and shall be subject to the
32	following limitations:
33	(a) The board is authorized and empowered to fix, revise, charge, collect and abate fees,
34	rates, rents, assessments, delinquency charges and other charges for water, and other services,

facilities and commodities furnished or supplied by it including penalties for violations of such regulations as the board may from time to time promulgate under this chapter. Fees, rates, rents, assessments, delinquency charges and other charges of general application shall be adopted and revised by the board in accordance with procedures to be established by the board for assuring that interested persons are afforded notice and an opportunity to present data, views and arguments. Such fees, rates, rents, assessments and other charges may be based on the quantity f water used or the number and kind of water connections made, or the number and kind of plumbing fixtures installed on the estate, or upon the number or average number of persons residing or working in or otherwise connected with the estate, or upon any other factor affecting the use of or the value or cost of the water and water facilities furnished, or upon any combination of these factors. The board shall hold at least one public hearing on its schedule of fees, rates and charges or any revision thereof prior to adoption, notice of which shall be published in a newspaper of substantial circulation in the district at least one month in advance of the hearing. No later than the date of such publication the board shall make available to the public the proposed schedule of fees, rates and charges. Fees, rates, rents, assessments, abatements and other charges established by the board shall not be subject to supervision or regulation by any department, division, district, board, bureau, or agency of the state or any of its political subdivisions, including, without limitation, the public utilities commission and the division of public utilities pursuant to chapters 1-5 of title 39 of the general laws

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(b) The fees, rates, rents, assessments and other charges established by the board in accordance with paragraph (a) shall be so fixed and adjusted in respect to the aggregate thereof so as to provide revenues, which, when added to taxes, if any, collected pursuant to Section 12 hereof, are at least sufficient (i) to pay the current expenses of the district, (ii) to pay the principal of, premium, if any, and interest on bonds, notes, or other evidences of indebtedness issued by the district under this chapter as the same become due and payable, (iii) to create and maintain such reasonable reserves as may be reasonably required by any trust agreement or resolution securing bonds and notes, (iv) to provide funds for paying the cost of all necessary repairs, replacements and renewals of the water works system and (v) to pay or provide for any amounts which the district may be obligated to pay or provide for by law or contract including any resolution or contract with or for the benefit of the holders of its bonds and notes.

(c) In order to provide for the collection and enforcement of its fees, rates, rents, assessments and other charges, the board is hereby granted all the powers and privileges with respect to such collection and enforcement held by a town of liens for unpaid taxes.

In order to provide for the collection and enforcement of its fees, rates, rents, assessment

and other charges, the board is hereby granted all the powers and privileges with respect to such collection and enforcement held by a town of liens for unpaid taxes.

In addition to the other enforcement powers and remedies provided in this chapter, if any fee, rates, rents, assessments or other charges billed by the board against any premises which are connected with the water works system remain unpaid for a period of more than sixty (60) days from the due date thereof, and following such period notice and demand have been posted on such premises and have been given to the owner of said premises, by registered or certified mail addressed to said premises and to the address of said owner as shown on the records of the assessor of the municipality where premises is located and to occupants of said premises by mail, to pay the same within fifteen (15) days from the date of mailing of said notice, and such fees, rates, rents, assessments or other charges remain unpaid, the board shall have the power and is hereby authorized to shut off the supply of water to said premises until said fees, rates, rents, assessments or other charges and penalties are paid, together with interest thereon at the applicable rate and the standard charge of the district for restoring water service to said premises.

(d) Not later than one hundred eighty (180) days following the end of the district's fiscal year, the board shall make an annual report to the district of its activities for the preceding fiscal year. Each report shall set forth a complete operating and financial statement covering its operations during the year. The board shall cause the books, records and accounts of the district to be reviewed or audited by a certified public accountant.

SECTION 10. Exclusive authority for water distribution - Contracts. - (a) The board is authorized to obtain and maintain for the district a supply of water for the extinguishing of fire and for distribution to the inhabitants of the district, for domestic use and for other purposes, and may obtain that water by the establishment of its own works, or by contracting for it as provided in subsection (c), or in any other manner that the board may deem necessary and proper, and is not inconsistent with law. The district may also furnish water to inhabitants of municipalities outside of the boundaries of the district. If the district undertakes to distribute the water so obtained, it shall have the exclusive right to it, and may maintain an action against any person for using the water without the consent of the board, and may regulate the distribution and use of the water within and without the district. Nothing in this section, or any other section of this chapter, shall be construed as giving to the district an exclusive franchise to furnish water outside of the boundaries of the district.

(b) Without limiting the generality of the previous provisions as to fees, rates, rents, assessments and charges, any contract for the sale of water to inhabitants outside of the boundaries of the district may be recorded in the same manner as a deed of land, and, upon the

recording, the obligations of the owner of the real property involved are a lien on the property and the lien is enforceable in the same manner as taxes assessed on real estate are by law collected.

(c) The board is authorized to contract, for periods not exceeding forty (40) years, with the state, any other municipal or quasi-municipal corporation, or with the owners of any privately owned water system for the purchase or sale of water or for the use of water facilities, and the state, the other municipal or quasi-municipal corporations, and the owners of privately owned water systems are authorized to enter into contracts with the district. Notwithstanding Section 39-1-2(20) of the general laws, neither the district nor its governing body shall be deemed to be a public utility, and the district and its governing body shall not be subject to chapters 1-5 of title 39 of the general laws.

SECTION 11. Condemnation Power. - (a) If for any of the purposes of this act, the board shall find it necessary to acquire any real property within the district and within the town of Foster, whether for immediate or future use, the district may find and determine that such property, whether a fee simple absolute or a lesser interest, is required for the acquisition, construction or operation of a water supply facility, and upon such determination, the said property shall be deemed to be required for such public use until otherwise determined by the board; and with the exceptions hereinafter specifically noted, the said determination shall not be affected by the fact that such property has theretofore been taken for, or is then devoted to, a public use; but the public use in the hands or under the control of the district shall be deemed superior to the public use in the hands of any other person, association or corporation; provided further, however, that no real property or interest, estate or right therein belonging to the state shall be acquired without consent of the state; and no real property or interest, estate or right therein belonging to any municipality shall be acquired without the consent of such municipality.

- (b) The board may proceed to acquire and is hereby authorized to and may proceed to acquire such property, within the district and within the town of Foster, whether a fee simple absolute or a lesser interest, by the exercise of the right of eminent domain in the manner prescribed in this act.
- (c) Nothing herein contained shall be construed to prohibit the board from bringing any proceedings to remove a cloud on title or such other proceedings as it may, in its discretion, deem proper and necessary, or from acquiring any such property by negotiation or purchase.
- (d) The necessity for the acquisition of property under this act shall be conclusively presumed upon the adoption of a vote by the board and a vote of the Foster town council determining that the acquisition of such property or any interest therein described in such vote is necessary for the acquisition, construction or operation of a water supply facility. Within six (6)

months after the passage of the vote of the town council, the board shall cause to be filed in the appropriate land evidence records a copy of the two votes together with a statement signed by the chairperson of the district that such property is taken pursuant to this act, and also a description of such real property indicating the nature and extent of the estate or interest therein taken as aforesaid and a plat thereof, which copies of the votes and statement of the chairperson shall be certified by the clerk of the district and the description and plat shall be certified by the Foster town clerk.

- (e) Forthwith thereafter the board shall cause to be filed in the superior court in and for the county within which the real property lies a statement of the sum of money estimated to be just compensation for the property taken, and shall deposit in said superior court to the use of the persons entitled thereto the sum set forth in such statement. The board shall satisfy the court that the amount so deposited with the court is sufficient to satisfy the just claims of all persons having an estate or interest in such real property. Whenever the board satisfies the court that the claims of all persons interested in the real property taken have been satisfied, the unexpended balance shall be ordered repaid forthwith to the district.
- (f) Upon the filing of the copy of the votes, statement, description and plat in the land evidence records and upon the making of the deposit in accordance with the order of the superior court, title to said real property in fee simple absolute or such lesser estate or interest therein specified in said resolution shall vest in the district, and said real property shall be deemed to be condemned and taken for the use of the district and the right to just compensation for the same shall vest in the persons entitled thereto, and the district thereupon may take possession of said real property. No sum so paid into the court shall be charged with clerks' fees of any nature.
- (g) After the filing of the copy of the votes, statement, description and plat, notice of the taking of such land or other real property shall be served upon the owners or persons having any estate or interest in such real property by the sheriff or his deputies of the county in which the real estate is situated by leaving a true and attested copy of the vote, statement, description and plat with each of such persons personally, or at the last and usual place of abode in this state with some person living there, and in case of any such persons are absent, from this state and have no last and usual place of abode therein occupied by any person, such copy shall be left with the person or persons, if any, in charge of, or having possession of such real property taken of such absent persons, and another copy thereof shall be mailed to the address of such person as shown on the records of the assessor of the municipality where the premises is located.
- (h) After the filing of such votes, description and plat, the board shall cause a copy of the vote and description to be published in some newspaper having general circulation in the town of

Foster at least once a week for three (3) successive weeks.

(i) If any party shall agree with the board upon the price to be paid for the value of the real property so taken and of appurtenant damage to any remainder or for the value of his estate, right or interest therein, the court, upon application of the parties in interest, may order that the sum agreed upon be paid forthwith from the money deposited, as the just compensation to be awarded in said proceedings; provided, however, that no payment shall be made to any official or employee of the district for any property or interest therein acquired from such official or employee unless the amount of such payment is determined by the court to constitute just compensation to be awarded in said proceedings.

- (j) Any owner of, or person entitled to any estate or right in, or interested in any part of the real property so taken, who cannot agree with the board upon the price to be paid for his estate, right or interest in such real property so taken and the appurtenant damage to the remainder, may, within three (3) months after personal notice of said taking, or if he has no personal notice, may within one year from the time the sum of money estimated to be just compensation is deposited in the superior court to the use of the persons entitled thereto, apply by petition to the superior court for the county in which said real property is situated, setting forth the taking of his land or his estate or interest therein and paying for an assessment or damages by the court or by a jury. Upon the filing of such petition the court shall cause twenty (20) days' notice of the pendency thereof to be given to the district by serving the chairperson of the district with a certified copy thereof.
- (k) After the service of such notice the court may proceed to the trial thereof. Such trial shall be conducted as other civil actions at law are tried. Such trial shall determine all questions of fact relating to the value of such real property, and any estate or interest therein, and the amount thereof and the appurtenant damage to any remainder and the amount thereof, and such trial and decision or verdict of the court or jury shall be subject to all rights to except to rulings, to move for new trial, and to appeal, as are provided by law. Upon the entry of judgment in such proceedings execution shall be issued against the money so deposited in court and in default thereof against any other property of the district.
- (1) In case two (2) or more petitioners make claim to the same real property, or to any estate or interest therein, or to different estates or interests in the same real property, said court shall, upon motion, consolidate their several petitions for trial at the same time, and may frame all necessary issues for the trial thereof.
- (m) If any real property or any estate or interest therein, in which any infant or other person not capable in law to act in his own behalf is interested, is taken under the provisions of

this act, said superior court, upon the filing therein of a petition by or in behalf of such infant or person or by the board may appoint a guardian ad litem for such infant or other person. Guardians may, with the advice and consent of said superior court, and upon such terms as said superior court may prescribe, release to the district all claims for damages for the land of such infant or other person or for any such estate or interest therein. Any lawfully appointed, qualified and acting guardian or other fiduciary of the estate of any such infant or other person, with the approval of the court of probate within this state having jurisdiction to authorize the sale of lands and properties within this state of such infant or other person, may before the filing of any such petition, agree with such infant or other person for any taking of his real property or of his interest or estate therein, and may upon receiving such amount, release to the district all claims for damages for such infant or other person for such taking.

- (n) In case any owner of or any person having an estate or interest in such real property shall fail to file his petition as above provided, the superior court for the county in which the real property is situated, in its discretion, may permit the filing of such petition within one year subsequent to the year following the time of the deposit in the superior court of the sum of money estimated to be just compensation for the property taken; provided, such person shall have had no actual knowledge of the taking of such land in season to file such petition; and provided, no other person or persons claiming to own such real property or estate or interest therein shall have been paid the value thereof; and provided, no judgment has been rendered against the district for the payment of such value to any other person or persons claiming to own such real estate.
- (o) If any real property or any estate or interest therein is unclaimed or held by a person or persons whose whereabouts are unknown, after making inquiry satisfactory to the superior court for the county in which the real property lies, the board, after the expiration of two (2) years from the first publication of the copy of the votes, statement and description, may petition such court that the value of the estate or interest or such unknown person or persons be determined. After such notice by publication to such person or persons as the court in its discretion may order, and after hearing on said petition, the court shall fix the value of said estate or interest and shall order said sum to be deposited in the registry of such court in a special account to accumulate for the benefit of the person or persons, if any, entitled thereto. The receipt of the clerk of the superior court therefor shall constitute a discharge of the district from all liability in connection with such taking. When the person entitled to the money deposited shall have satisfied the superior court of his right to receive the same, the court shall cause it to be paid over to him, with all accumulations thereon.
  - (p) The superior court shall have power to make such orders with respect to

encumbrances, liens, taxes and other charges on the land, if any, as shall be just and equitable.

(q) Whenever in the opinion of the board a substantial saving in the cost of acquiring title can be effected by conveying other real property, title to which is in the district, to the person or persons from whom the estate or interest in real property is being purchased or taken, or by the construction or improvement by the district of any work or facility upon the remaining real property of the person or persons from whom the estate or interest in real property is being purchased or taken, the board shall be and hereby is authorized to convey such other real property to the person or persons from whom the estate or interest in real property is being purchased or taken and to construct or improve any work or facility upon the remaining land of such person or persons.

(r) At any time during the pendency of any proceedings for the assessment of damages for property or interests therein taken or to be taken by eminent domain by the district, the board or any owner may apply to the court for an order directing an owner or the board, as the case may be, to show cause why further proceedings should not be expedited, and the court may upon such application make an order requiring that the hearings proceed and that any other steps be taken with all possible expedition.

SECTION 12. Construction and maintenance of pipes, aqueducts, and other structures — Tax exemption. - The board may within and without the district, and without the consent of any municipality, drive, lay, make, construct, and maintain pipes, aqueducts, conduits, machinery, or other equipment or appliances, or authorize the construction and maintenance to be done, and regulate their use; and may carry any works to be constructed, or authorized to be constructed by it, over or under any highway, turnpike, railroad, or street, in any manner so as not to permanently obstruct or impede travel; and may enter upon and dig up any highway, turnpike, road, or street for the purpose of laying down pipes or building aqueducts, upon or beneath the surface or for the purpose of repairing the pipes or aqueducts, and, if in the course of the making, constructing, or repairing, any pipe, conduit, or other structure lawfully located in a highway, turnpike, road, or street is damaged, or if the location of the pipe, conduit, or other structure is changed, the district shall reimburse the owner of the pipe, conduit, or other structure for the damage, or for the expense of the change of location. The board shall restore the highway, turnpike, road, or street so dug up, to as good a condition as before the work was done. In connection with construction in any municipality, the board shall obtain such consents, approvals and permits as shall be required by the municipality for such construction.

SECTION 13. Taxes - Assessments - Penalty for nonpayment. - The qualified electors of the district, at any of the meetings of the district, have power to order taxes, and provide for

assessing and collecting the taxes on the ratable real estate and tangible personal property of the district, as they deem necessary for the purpose of obtaining and maintaining a supply of water and distributing the water for the extinguishing of fire; for power, domestic, and other uses; for establishing and maintaining and constructing water works and driving wells, and operating the water works and wells; for acquiring and leasing real estate and other property and property rights necessary for a water supply, and laying and maintaining pipes, conduits, aqueducts, and other structures connected with them, and purchasing implements, machinery, and other appliances; for the payment of the current expenses of district; for the payment of officers, employees, and other agents as the board is authorized to elect, appoint, or otherwise choose under this act; and for the payment of any indebtedness that has been or may be incurred by the district; and the taxes so ordered shall be assessed by the assessor of the district on the taxable inhabitants and the property in the district according to the last valuation made by the assessor of the district on the taxable inhabitants and the property in the district according to the last valuation made by the Foster tax assessor, next previous to the assessment, adding, however, any taxable property which may have been omitted by the town assessor or afterwards acquired, using the assessed valuation made by the Foster tax assessor. In all cases where the town assessor has included property within and without the district in one valuation, the assessor of the district shall make an equitable valuation of that portion of the property lying within the district; and in the assessing and collecting of the taxes proceedings shall be had by the officers of the district, as near as may be, as are required to be held by the officer of the town in assessing and collecting town taxes. All taxes assessed against any person in the district shall constitute a lien upon his or her real estate therein for a period of 3 years after the assessment, and if the real estate be not alienated, then until the taxes are collected, as provided in chapter 9-1, et seq., of title 44 of the general laws. The collector of taxes for the district shall, for the purpose of collecting taxes assessed by the district, have the same powers and authority as are now by law conferred on collectors of taxes for towns in this state. The qualified electors of the district may provide for a deduction, from the tax assessed against any person if paid by an appointed time, or for a penalty, by way of percentage on the tax if not paid at the appointed time, not exceeding twelve percent (12%) per annum, as they deem necessary to insure punctual payment.

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SECTION 14. Issuance of bonds and notes. - For the purpose of raising money to carry out the provisions of this chapter, the board is authorized and empowered to issue bonds and notes in anticipation of bonds. Such bonds and notes may be issued hereunder as general obligations of the district or as special obligations payable solely from particular funds. Without limiting the generality of the foregoing, such bonds and notes may be issued to pay or refund

notes issued in anticipation of the issuance of bonds, to pay the cost of any acquisition, extension, (40) years from their dates of issue, as may be determined by the board of the district, and may be made redeemable before maturity at a price or prices and under terms and conditions that may be fixed by the board of the district prior to the issue of the bonds. The board shall determine the form of the bonds and notes, including interest coupons, if any, to be attached to them, and the manner of their execution, and shall fix the denomination or denominations of the bonds and notes and the place or places of payment of the principal and interest, which may be at any bank or trust company within or without the state. The bonds shall bear the seal of the district or a facsimile of the seal. In case any officer whose signature or a facsimile of whose signature shall appear on any notes, bonds or coupons shall cease to be such officer before the delivery thereof, such signature or such facsimile shall nevertheless be valid and sufficient for all purposes as if such officer had remained in office until after such delivery. The board may also provide for authentication of bonds or notes by a trustee or fiscal agent. Bonds may be issued in bearer or in registered form, or both, and, if notes, may be made payable to bearer or to order, as the district may determine, and provision may be made for the registration of any coupon bonds as to principal alone and also as to both principal and interest, for the reconversion into coupon bonds of bonds registered as to both principal and interest and for the interchange of bonds registered as to both principal and interest and for the interchange of registered and coupon bonds. The issue of notes shall be governed by the provisions of this chapter relating to the issue of bonds in anticipation of bonds as the same may be applicable. Notes issued in anticipation of the issuance of bonds including any renewals, shall mature no later than five (5) years from the date of the original issue of such notes. The board may by resolution delegate to any member of the board or any combination of them the power to determine any of the matters set forth in this section including the power to award such bonds or notes to a purchaser or purchasers at public sale. The board may sell bonds and notes of the district in such manner, either at public or private sale, for such price, at such rate or rates of interest, or at such discount in lieu of interest, as it may determine will best effect the purposes of this chapter.

The district may issue interim receipts or temporary bonds, with or without coupons exchangeable for definitive bonds when such bonds shall have been executed and are available for delivery. The board may also provide for the replacement of any bonds which shall have been destroyed or lost.

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SECTION 15. Issuance of notes in anticipation of revenue or receipt of grants or other aid. - The board may also provide by resolution for the issuance from time to time of temporary notes in anticipation of the revenues to be collected or received by the district in any year, or in

anticipation of the receipt of federal, state or local grants or other aid. Notes issued in anticipation of revenues, including any renewals thereof, shall mature no later than one year from their respective dates, and that notes issued in anticipation of federal, state or local grants or other aid including any renewals thereof, shall mature no later than three (3) years from their respective dates. The issue of such notes shall be governed by the provisions of this chapter relating to the issue of bonds or other notes as the same may be applicable.

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SECTION 16. Payment of bonds and notes. - The principal of, premium, if any, and interest on all bonds and notes issued under the provisions of this chapter, unless otherwise provided herein, shall be general obligations of the district or shall be payable solely from the funds provided therefor from revenues as herein provided.

In the discretion of the board, any bonds and notes issued hereunder may be secured by a resolution of the board or by a trust agreement between the district and a corporate trustee, which may be any trust company or bank having the powers of a trust company within or without the state, and such trust agreement shall be in such form and executed in such manner as may be determined by the board. Such trust agreement or resolution may pledge or assign, in whole or in part, the revenues and other moneys held or to be received by the district, including the revenues from any facilities already existing when the pledge or assignment is made, and any 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. Such trust agreement or resolution may contain such provisions for protecting and enforcing the rights, security and remedies of the bondholders or noteholders as may, in the discretion of the board, be reasonable and proper and not in violation of law, including, without limiting the generality of the foregoing, provisions defining defaults and providing for remedies in the event thereof which may include the acceleration of maturities and covenants setting forth the duties of, and limitations on, the district in relation to the acquisition, construction, improvement, enlargement, alteration, equipping, furnishing, maintenance, use, operation, repair, insurance and disposition of the water works system, or other property of the district, the custody, safeguarding, investment and application of moneys, the issue of additional or refunding bonds and notes, the fixing, revision and collection of fees, rates, rents, assessments or other charges, the use of any surplus bond and note proceeds, the establishment of reserves, and the making and amending of contracts.

In the discretion of the board any bonds or notes issued under authority of this chapter, may be issued in the form of lines of credit, loans, or other banking arrangements and under such terms and conditions, not inconsistent with this chapter, and under such agreements with the

purchasers or makers thereof, as the board may determine to be in the best interest of the district. In addition to other security provided herein or otherwise by law, bonds or notes issued by the district under any provision of this chapter may be secured, in whole or in part, by insurance or letters or lines of credit or other credit facilities, and the board may pledge or assign any of its revenues as security for the reimbursement by the district to the issuers of such insurance, letters or lines of credit or other credit facilities of any payments made under the insurance or letters or lines of credit or other credit facilities.

It shall be lawful for any bank or trust company to act as a depository or trustee of the proceeds of bonds, notes, revenues or other moneys under any such trust agreement or resolution and to furnish such indemnification or to pledge such securities and issue such letters of credit as may be required by the district. Any pledge of revenues or other property made by the board under this chapter shall be valid and binding and shall be deemed continuously perfected from the time when the pledge is made; the revenues, moneys, rights and proceeds so pledged and then held or thereafter acquired or received by the district shall immediately be subject to the lien of such pledge without any physical delivery or segregation thereof or further act; and the lien of any such pledge shall be valid and binding against all parties having claims of any kind in tort, contract or otherwise against the district, irrespective of whether such parties have notice thereof. Neither the resolution, any trust agreement nor any other agreement by which a pledge is created need be filed or recorded except in the records of the district.

Any holder of a bond or note issued by the district under the provisions of this chapter or of any of the coupons appertaining thereto and any trustee under a trust agreement or resolution securing the same, except to the extent the rights herein given may be restricted by such trust agreement or resolution securing the same, may bring suit upon the bonds or notes or coupons and may, either at law or in equity, by suit, action, mandamus, or other proceedings for legal or 2 equitable relief, including proceedings for the appointment of a receiver to take possession and control of the business and properties of the district, to operate and maintain the same, to make any necessary repairs, renewals and replacements in respect thereof and to *fix*, revise and collect fees and charges, protect and enforce any and all rights under such trust agreement, resolution or 6 other agreement, and may enforce and compel the performance of all duties required by this act or by such trust agreement or resolution to be performed by the board or by any officer of the district.

SECTION 17. Refunding bonds and notes. - The board may issue refunding bonds and notes for the purpose of paying any of its bonds or notes at maturity or upon acceleration or redemption. Refunding bonds and notes may be issued at such time prior to the maturity or

redemption of the refunded bonds or notes as the board deems to be in the public interest. Refunding bonds and notes may be issued in sufficient amounts to pay or provide the principal of the bonds or notes being refunded, together with any redemption premium thereon, any interest accrued or to accrue to the date of payment of such bonds or notes, the expenses of issue of refunding bonds or notes, the expenses of redeeming bonds or notes being refunded and such reserves for debt service or other capital or current expenses from the proceeds of such refunding bonds or notes as may be required by a trust agreement or resolution securing bonds or notes. The issue of refunding bonds or notes, 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 provisions of this chapter relating to the issue of bonds or notes other than refunding bonds or notes insofar as the same may be applicable.

SECTION 18. Defeasance of bonds or notes. - The board may at any time deposit with a trustee, a sum sufficient, with amounts then on deposit, including the debt service reserve fund, to purchase direct or guaranteed obligations of the United States of America which are adequate to pay the entire principal amount of the bonds or notes of a series, together with the interest to maturity, or to an applicable redemption date specified by the board to the trustee an any applicable redemption premium; or the board may deposit direct or guaranteed obligations of the United States of America in lieu of money for the purchase. The obligations are deemed adequate if the principal and interest payable on them are sufficient to pay the previously mentioned sums when due. Upon any deposit of money and a request by the board, the trustee shall purchase direct or guaranteed obligations of the United States of America. When adequate direct or guaranteed obligations of the United States of America are held by the trustee pursuant to this section, the bond resolution or indenture shall cease to be in effect with respect to such series of bonds or notes. The obligations and their proceeds shall be held in trust for the benefit of the bondholders or noteholders, and the trustee shall, on behalf of the district, call bonds or notes for redemption on the applicable redemption date. Any compensation or expenses of the trustee in carrying out this section shall be paid by the district, and any surplus funds held by the

SECTION 19. Credit of state and municipality not pledged. - Bonds, notes and other evidences of indebtedness issued or entered into under the provisions of this chapter shall not be deemed to be a debt or a pledge of the faith and credit of the state or of any city or town, but shall be payable solely from the revenues of the district. All bonds, notes and other evidences of indebtedness, shall contain on the face thereof a statement to the effect that neither the state nor any city or town shall be obligated to pay the same and that neither the faith and credit nor the taxing power of the state or of any city or town is pledged to the payment of the principal of or

interest on such bonds or notes. Each bond or note shall also recite whether it is a general obligation of the district or a special obligation thereof payable solely from particular funds pledged to its payment.

SECTION 20. Moneys received deemed to be trust funds. -All moneys received pursuant to the provisions of this chapter, whether as proceeds from the issue of bonds or notes or as revenues or otherwise, shall be deemed to be trust funds to be held and applied solely as provided in this chapter.

SECTION 21. Bonds eligible for investment. - Bonds and notes issued under the provisions of this chapter are hereby made securities in which all public officers and public bodies of the state and its political subdivisions, all insurance companies, trust companies in their commercial departments, savings banks, co-operative banks, banking associations, investment companies, executors, administrators, trustees and other fiduciaries may properly and legally invest funs, including capital in their control or belonging to them. Such bonds and notes are hereby made securities which may be deposited with and received by any state or municipal officer or any agency or political subdivision, of the state for any purpose for which the deposit of bonds or obligations of the state is now or may hereafter be authorized by law.

SECTION 22. Bonds and notes issued without consent of other entities - Bonds and notes may be issued under this chapter without obtaining the consent of any department, division, commission, board, bureau or agency of the state or any municipality, including the public utilities commission and the division of public utilities pursuant to Chapters 1-5 of title of the general laws, and without any other proceedings or the happening of any other conditions or things than those proceedings, conditions or things which are specifically required therefor by this chapter, and the validity of and security for any bonds and notes issued by the district shall not be affected by the existence or nonexistence of any such consent or other proceedings, conditions or things.

SECTION 23. Tax exemption. - The district and all its revenues, income and real and personal property shall be exempt from taxation and from betterments and special assessments and the district shall not be required to pay any tax, excise or assessment to or for the state or any of its political subdivisions; provided, however, that the board is authorized to enter into agreements to make annual payments in lieu of taxes with respect to property of the district located outside the district. Bonds and notes issued under this act and their transfer and the income therefrom, including any profit made on the sale or exchange thereof, shall at all times be exempt from taxation by the state and all political subdivisions of the state. The district shall not be required to pay any transfer tax of any kind on account of instruments recorded by it or on its

behalf.

SECTION 24. Malicious damage - Civil and criminal penalties. - If any person maliciously or wantonly destroys or damages any hydrant, pipe, aqueduct, conduit, machinery, equipment, appliance, or other property of the district used for the purposes provided for in this chapter, that person, whether principal or accessory, forfeits to the district, to be recovered by an action of trespass o the case, treble the amount of damages which appear to have been sustained, and shall also be liable to indictment, and upon conviction, shall be fined not more than one thousand dollars (\$1,000) or imprisoned not more than one year, or shall suffer both fine and imprisonment.

SECTION 25. Records; reports; inspection. - The district shall at all times keep flail and accurate accounts of its receipts, expenditures, disbursements, assets and liabilities, which shall be open to inspection by any officer or duly appointed agent of the state.

SECTION 26. Termination or dissolution of district. -Upon termination or dissolution of the district, the title to all finds and other properties owned by it which remain after payment of all bonds and notes and other obligations of the district shall vest in the town of Foster.

SECTION 27. Inconsistent laws or ordinances inoperative. - Except as otherwise provided herein, any provisions of any special law and part of any special law and all ordinances and parts of ordinances pertaining to the water works system which are inconsistent with the provisions of this chapter shall be inoperative and cease to be effective.

SECTION 28. Provisions of act controlling. - The provisions of this chapter shall be deemed to provide an exclusive, additional, alternative and complete method for the doing of the things authorized hereby and shall be deemed and construed to be supplemental and additional to, and not in derogation of, powers conferred upon the district by law; provided, however, that insofar as the provisions of this chapter are inconsistent with the provisions of any general or special law, administrative order or regulation, or law of any municipality, the provisions of this chapter shall be controlling.

SECTION 29. Pledge not to alter rights of district. -The state does hereby pledge to and agree with the holders of the bonds, notes, and other evidences of indebtedness of the district that the state will not limit or alter rights hereby vested in the district until the bonds, notes, or other evidences of indebtedness, together with interest thereon, with interest on any unpaid installment of interest and all costs and expenses in connection with any actions or proceedings by or on behalf of the bondholders and noteholders, are fully met and discharged. All action of the Abbey Lane Community Association Inc. Water District taken pursuant to this act becoming effective and hereby ratified and confirmed.

SECTION 30. Construction of act. – This chapter, being necessary for the welfare of the district and its inhabitants, shall be liberally construed to effect the purpose hereof.

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SECTION 31. Severability. – This chapter shall be construed in all respects to meet all constitutional requirements. In carrying out the purposes and provisions of this chapter, all steps shall be taken which are necessary to meet constitutional or other legal requirements whether or not these steps are expressly required by statute. If, after the application of the provisions of this section, any of the provisions of this chapter, or its application to any circumstances, shall be held unconstitutional by any court of competent jurisdiction, that decision shall not affect or impair the validity of the application of those provisions to other circumstances or the validity of any of the other provisions of this chapter.

SECTION 32. Open meetings law <u>"Access to Public Records"</u>. - The district shall be subject to chapter 46 of title 42 of the general laws entitled <del>"Open Meetings."</del> <u>"Open Meetings."</u> The district shall be subject to chapter 2 of title 38 of the general laws entitled "Access to Public Records".

SECTION 33. The first meeting shall be called by any five (5) qualified electors of the district for purposes of this Section 33 and shall be held at such time and place as is specified in the notice of the call of the meeting, provided that said date shall occur not later than twelve months from the date of the passage of this act. A vote by ballot shall be taken at said first meeting upon the proposition, "Shall the Abbey Lane Community Water District be established according to the act of incorporation passed by the general assembly of the state?" If a majority of the persons so voting shall vote in the affirmative then said Abbey Lane Community Water District shall be established according to the provisions of this act, but if a majority of the persons so voting shall vote in the negative, then this act shall become null and void. Said first meeting shall be organized election of a moderator, a clerk, and a committee of three (3) persons, qualified electors in the district for purposes of this Section 33, who shall act at the meeting as a board of canvassers. Said board of canvassers shall be provided by the board of canvassers of the town of Foster with lists of the persons who are registered voters within the district and such persons shall be the qualified electors of the district for the purposes of this Section 33. The name of any person whose right to vote at said meeting is challenged shall be referred by the moderator to the committee who shall forthwith determine the question as to whether said person is qualified to vote and take part in the proceedings of the meeting and shall so report forthwith to said moderator. At said meeting said district after acceptance of the act may proceed to adopt bylaws and effect a permanent organization or it may adjourn to a date determined by vote.

- 1 SECTION 34. Sections 33 and 34 of this act shall take effect upon the passage of the act.
- 2 The remainder of this act shall take effect upon the approval of a majority of those voting on the
- 3 question as prescribed by section 33.

LC02609

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# **EXPLANATION**

### BY THE LEGISLATIVE COUNCIL

OF

# AN ACT

### AUTHORIZING THE ESTABLISHMENT OF THE ABBEY LANE COMMUNITY WATER DISTRICT

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This act would authorize the establishment of the Abbey Lane Community Water 1 District. 2 3 Sections 33 and 34 of this act would take effect upon the passage of the act. The remainder of this act would take effect upon the approval of a majority of those voting on the 4 question as prescribed by section 33. 5 LC02609