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STATE OF RHODE ISLAND

IN GENERAL ASSEMBLY

JANUARY SESSION, A.D. 2007

A N A C T

RELATING TO TOWNS AND CITIES - PASCOAG UTILITY DISTRICT

Introduced By: Senators P Fogarty, Gallo, and Connors

Date Introduced: February 07, 2007

Referred To: Senate Housing & Municipal Government

It is enacted by the General Assembly as follows:

1 SECTION 1. Sections 45-58-2 and 45-58-6 of the General Laws in Chapter 45-58
2 entitled "Pascoag Utility District" are hereby amended to read as follows:

3 **45-58-2. Definitions.** -- Terms used in this chapter shall be construed as follows, unless
4 another meaning is expressed or is clearly apparent from the language or context:

5 (1) "Utility district" means the Pascoag utility district, a quasi-municipal corporation,
6 district and political subdivision of the state established and empowered by this chapter to:

7 (i) Succeed to and fulfill the electric and water utility functions, powers, rights, property
8 and obligations heretofore held and fulfilled by the Pascoag fire district created by the act passed
9 at the May session 1887, entitled "An Act to Incorporate the Pascoag Fire District" as thereafter
10 amended and supplemented from time to time;

11 (ii) Exercise certain additional powers as a ~~utility~~ [water supplier, an electric distribution](#)
12 [company](#) and as a nonregulated power producer; and

13 (iii) To provide additional utility services not inconsistent with the duties, powers and
14 obligations of the utility district as defined in this section.

15 (2) "Fire district" means the Pascoag fire district created by the act passed at the May
16 session 1887, entitled "An Act to Incorporate the Pascoag Fire District" as thereafter amended
17 and supplemented from time to time.

18 (3) "Utility assets" means that real property, personal property, rights in any real and
19 personal property, facilities, equipment, contract rights, statutory rights and privileges, franchises

1 and other tangible or intangible property of any kind whatever used in, or useful to, the conduct
2 of the electric and water utility operations conducted prior to April 4, 2001 by the fire district, and
3 on and after April 4, 2001 by the utility district.

4 (4) "Fire protection assets" means that real property, facilities, equipment, statutory
5 rights and privileges, and other tangible or intangible property of any kind whatever used in, or
6 useful to, the conduct of the fire protection and prevention operations conducted prior to, on and
7 after April 4, 2001 by the fire district.

8 (5) "Utility service area" means that geographic area located within the boundaries of the
9 Pascoag fire district, as established under the act passed at the May session 1887, entitled "An
10 Act to Incorporate the Pascoag Fire District" as thereafter amended and supplemented from time
11 to time.

12 (6) "Utility bond obligations" means the obligations represented by and inherent in any
13 revenue or general obligation bond issued by the Pascoag fire district prior to April 4, 2001 for
14 the purpose of financing any aspect of its electric or water utility system or operations, which
15 obligations remain outstanding in any part as of April 4, 2001.

16 (7) "Qualified voter" means any person whose name appears on an active account with
17 the Pascoag utility district and who resides in the village of Pascoag or owns property in the
18 village of Pascoag.

19 **45-58-6. Membership of board of commissioners.** -- (a) The board of utility
20 commissioners shall consist of seven (7) members. Four (4) members of the board shall constitute
21 a quorum and a vote of four (4) members shall be necessary for all action taken by the board. No
22 vacancy in the membership of the board shall impair the right of a quorum to exercise all the
23 rights and perform all the duties of the board. The initial members of the board of utility
24 commissioners shall be the utility commissioners currently holding office under the auspices of
25 the Pascoag fire district, who shall continue to serve until their current terms expire. Thereafter,
26 the members of the board of utility commissioners of the Pascoag utility district shall be elected
27 for a term of three (3) years by ballot of voters otherwise eligible to vote in the general election in
28 succeeding years in the village of Pascoag.

29 (b) The members of the board of utility commissioners, moderator or clerk shall be
30 residents of the village of Pascoag. Any registered voter within the geographic boundaries of the
31 village of Pascoag shall be eligible to run for election to the board of utility commissioners,
32 moderator or clerk provided, however, that he or she shall first have filed a declaration of
33 candidacy with the secretary of the board of utility commissioners not later than thirty (30)
34 calendar days prior to the scheduled date of the election through which such person seeks to be

1 elected to the board of utility commissioners, moderator or clerk. In the event of a vacancy
2 occurring on the board of utility commissioners, moderator or clerk by reason of death,
3 resignation or other cause, the board itself may select an eligible voter to ~~fulfill the unexpired~~
4 ~~portion of the term of office thereby left vacant~~ fill the vacancy until the next annual election.

5 (c) The board of utility commissioners shall elect each year from among its members: (1)
6 a chairperson, who shall chair and moderate meetings of the board of utility commissioners and
7 shall execute such other authorities and duties as the board may provide; (2) a vice chair person
8 who shall assume all duties of the chairperson in the chairperson's absence; and ~~(2)~~ (3) a
9 secretary, who shall maintain minutes of the meetings of the board of utility commissioners,
10 provide notice of the meetings in accordance with law, and shall have such other duties as the
11 board of utility commissioners may determine. The board of utility commissioners shall appoint a
12 treasurer, who may be a member of the board or a general or special employee of the utility
13 district, and who shall have charge and control of the money and deposits of the utility district.

14 (d) The board of utility commissioners shall establish and adopt bylaws for the
15 management and conduct of the utility district's affairs, and other aspects of the governance of the
16 utility district not otherwise controlled by this chapter. Pending the adoption of the bylaws, the
17 board of utility commissioners shall be deemed to have adopted, and shall conduct the board's
18 business in accordance with, those portions of the bylaws of the Pascoag fire district relating to
19 utility matters.

20 (e) In order to ensure that the status of the utility district as a quasi-municipal
21 corporation, district and political subdivision of the state does not prejudice its ability to
22 contribute to the development of effective competition in the electricity and communications
23 industries in the state, it is specifically found and determined that: (1) strategic business planning
24 records of the utility district (including without limitation business plans, draft contracts,
25 proposals, financial analyses and other similar documents) shall not be subject to the disclosure
26 requirements of chapter 2 of title 38 of the general laws unless the same materials in comparable
27 circumstances in the hands of an investor-owned utility would be subject to disclosure under
28 other laws of the state; and (2) strategic business planning discussions of the board of utility
29 commissioners, including such discussions with utility district employees or consultants, are
30 deemed to fall within the circumstances defined in section 42-46-5(a)(7).

31 SECTION 2. Chapter 45-58 of the General Laws entitled "Pascoag Utility District" is
32 hereby amended by adding thereto the following section:

33 **45-58-15. Tax exemption.** – It is hereby declared that the Pascoag utility district, in the
34 carrying out of its quasi-municipal purposes, is in all respects providing essential services to the

1 people of the state of Rhode Island that improves their health, safety and welfare. Accordingly,
2 the district shall not be required to pay taxes, assessments or sums in lieu of taxes to the state of
3 Rhode Island or any political subdivision thereof upon any of the property now owned or
4 acquired in the future by the district, or under its jurisdiction and/or control, possession or
5 supervision or upon its activities or operations, or upon any earnings, revenues, moneys or other
6 income derived by the district. The bonds issued by the district and any income therefrom shall at
7 all times be exempt from taxation; provided, however, nothing in this section shall have any
8 effect upon the water resources board, or the division of public utilities and carriers, and/or the
9 public utilities commission's authority to impose regulation-related assessments and charges on
10 Pascoag.

11 SECTION 3. This act shall take effect upon passage.

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EXPLANATION
BY THE LEGISLATIVE COUNCIL
OF
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RELATING TO TOWNS AND CITIES - PASCOAG UTILITY DISTRICT

1 This act would make changes to the laws relating to the Pascoag Utility District including
2 amending the powers of the district, defining “qualified voter,” amending the membership and
3 operation of the board of utility commissioners, and creating a tax exemption for the district's
4 carrying out of quasi-municipal purposes relative to providing essential services to the people of
5 the state of Rhode Island.

6 This act shall take effect upon passage.

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