

**SENATE . . . . . No. 2013**

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**The Commonwealth of Massachusetts**

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Senate, February 19, 2014.

BILL #: S1947

BILL STATUS: Favorable with Amendment

DISSENTERS:

None

ACCOMPANIED BILLS:

None

For the committee,

BRIAN A. JOYCE

# SENATE . . . . . No. 2013

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The committee on Senate Committee on Bonding, Capital Expenditures and State Assets, to whom was referred the Senate Bill improving drinking water and wastewater infrastructure (Senate, No. 1947); reports, recommending that the same ought to pass with an amendment substituting a new draft of the same title (Senate, No. 2013).

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## The Commonwealth of Massachusetts

In the Year Two Thousand Fourteen

An Act improving drinking water and wastewater infrastructure.

*Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:*

1           SECTION 1. To provide for certain unanticipated obligations of the commonwealth and  
2 to meet certain requirements of law for fiscal year 2014 the sums set forth in section 2A are  
3 hereby appropriated from the General Fund, for the several purposes and subject to the  
4 conditions specified in said section 2A, subject to laws regulating the disbursement of public  
5 funds.

6           SECTION 2A.

7                   EXECUTIVE OFFICE OF ENERGY AND ENVIRONMENTAL AFFAIRS

8                           Department of Environmental Protection

9           2200-0135 For planning or technical assistance grants under section 31 of chapter 21 of  
10 the General Laws.....\$1,500,000

11           SECTION 3. Section 8B of chapter 21 of the General Laws, as appearing in the 2012  
12 Official Edition, is hereby amended by adding the following definition:-

13           “Transfer to address stressed basins”, an interbasin transfer of water to a basin that is  
14 determined by the commission, after consultation with the department of environmental  
15 protection, to experience ecological stress from degraded stream flows from a basin that is  
16 determined by the commission not to be significantly and adversely affected by the transfer.

17           SECTION 4. Section 8C of said chapter 21, as so appearing, is hereby amended by  
18 adding the following 3 paragraphs:-

19 Transfers to address stressed basins shall be exempt from the approval requirements in  
20 section 8D; provided, that the municipality requesting the transfer has received a determination  
21 of public benefit from the department of environmental protection. In requesting a public benefit  
22 determination, a municipality requesting a transfer shall demonstrate to that department which  
23 sources in the receiving basin that it will discontinue upon receipt of the transfer. If such a  
24 request is not denied within 20 business days of the date the department receives the request, it  
25 shall be deemed approved.

26 Operators of sources in donor basins proposing to provide water to stressed basins may  
27 request a determination in advance from the commission as to the volume of withdrawals  
28 available without affecting stream flow in the donor basin. A determination by the commission  
29 of volume available from the donor basin will be effective for 3 years from date of issuance.  
30 Proposed transfers to stressed basins below the volume established by the commission shall be  
31 deemed not to have an impact on that basin.

32 The commission may promulgate regulations specifying the procedures to be followed in  
33 obtaining the exemption set forth in the previous 2 paragraphs.

34 SECTION 5. Section 26A of said chapter 21, as so appearing, is hereby amended by  
35 inserting after the definition of “FWPCA” the following definition:-

36 “Green infrastructure”, sustainability, restoration of sustainable habitats, environmentally  
37 innovative technologies and water management measures, energy and water efficiency and  
38 renewable energy that use the natural environment to mitigate the use of water and wastewater  
39 infrastructure; provided that, in cities and towns, green infrastructure practices may consist of  
40 site-specific practices, including but not limited to: decentralized wastewater infrastructure, rain  
41 gardens, bioswales, porous pavement at drinking water utility facilities, green roofs, water  
42 efficient appliances and landscaping, infiltration planters, trees and tree boxes, rainwater  
43 harvesting systems, and restoration of saltmarsh, oyster reefs and eelgrass beds; provided,  
44 further, that regionally, green infrastructure practices may consist of preservation and restoration  
45 of natural landscape features, including but not limited to: forests, floodplains, wetlands and  
46 water supply protected land, restoration of saltmarsh, oyster reefs and eelgrass beds, as well as  
47 onsite wastewater treatment and reuse, coupled with policies such as infill and redevelopment  
48 that reduces overall imperviousness in a watershed.

49 SECTION 6. Section 27A of said chapter 21, as so appearing, is hereby amended by  
50 striking out, in lines 2 and 3, the words “water pollution abatement trust” and inserting in place  
51 thereof the following words:- Massachusetts Clean Water Trust.

52 SECTION 7. Said section 27A of said chapter 21, as so appearing, is hereby further  
53 amended by striking out, in lines 10 and 12, the words “or section 6A” each time they appear.

54 SECTION 8. Section 31 of said chapter 21, as so appearing, is hereby amended by  
55 striking out the first sentence and inserting in place thereof the following sentence:- A public  
56 entity may apply to the division for a planning or a technical assistance grant by the  
57 commonwealth for the following purposes: assisting a public entity in developing a  
58 comprehensive water pollution abatement plan for the public entity; assisting a public entity in  
59 developing an integrated water asset management plan for the public entity; or assisting a public  
60 entity identify and plan for green infrastructure opportunities, as defined in section 26A, for the  
61 public entity.

62 SECTION 9. Said section 31 of said chapter 21, as so appearing, is hereby further  
63 amended by inserting after the word “Planning”, in line 12, the following words:- or technical  
64 assistance.

65 SECTION 10. Said chapter 21 is hereby further amended by inserting after section 31 the  
66 following section:-

67 Section 31A. Subject to appropriation, the department of environmental protection shall  
68 administer a matching grant program for communities who desire to join the Massachusetts  
69 Water Resources Authority or any other regional system for wastewater, drinking water or for  
70 both wastewater and drinking water. Each grant shall match, on a 1:1 basis, money committed by  
71 a local government unit or a regional local governmental unit, as defined in section 1 of chapter  
72 29C, to pay the entry fee established by the Massachusetts Water Resources Authority under  
73 section 8 of chapter 372 of the acts of 1984. The department shall award grants only to a local  
74 governmental unit or regional local governmental unit that satisfies the department that it has  
75 committed funds to join said Authority. Should the local governmental unit or regional local  
76 governmental unit fail to join said Authority after receiving a grant under this section, the local  
77 governmental unit or regional local governmental unit shall return money granted under this  
78 section to the department.

79 SECTION 11. Section 38 of said chapter 21, as appearing in the 2012 Official Edition, is  
80 hereby amended by inserting after the word “control”, in line 4, the following words:- innovative  
81 water technologies, green infrastructure.

82 SECTION 12. Section 13 of chapter 21A of the General Laws, as so appearing, is hereby  
83 amended by inserting after the first paragraph, the following 3 paragraphs:-

84 In promulgating regulations regarding the enforcement of this section, including  
85 regulations requiring any forms utilized by septic system inspectors or local boards of health, the  
86 commissioner shall minimize the paperwork burden for individuals, small businesses,  
87 contractors, state and local governments and their agents and strive to ensure the greatest  
88 possible public benefit from and maximize the utility of information collected, created,  
89 maintained, used, shared and disseminated by or for the purpose of said code and to reduce the  
90 number of copies required for official use. The commissioner shall promulgate regulations

91 establishing a reasonable fee, which may be charged by septic system inspectors and boards of  
92 health, for copies of inspection reports and other paperwork.

93 For the purposes of this section, the term "burden" shall mean the time, effort or financial  
94 resources expended by persons to generate, maintain or provide information to or for a  
95 governmental agency, including the resources expended for: reviewing instructions; acquiring,  
96 installing and utilizing technology and systems; adjusting the existing ways to comply with any  
97 previously applicable instructions and requirements; searching data sources; completing and  
98 reviewing the collection of information; and transmitting or otherwise disclosing the information.

99 For the purposes of this section, the term "information collected" shall mean requiring the  
100 disclosure to third parties or the public of facts or opinions by an agency or obtaining, causing to  
101 be obtained or soliciting facts or opinions for an agency, regardless of form or format; provided,  
102 that the facts or opinions constitute either: (i) answers to identical questions posed to, or identical  
103 reporting or recordkeeping requirements imposed on, ten or more persons, other than agencies,  
104 instrumentalities or employees of the commonwealth or its political subdivisions; or (ii) answers  
105 to questions posed to agencies, instrumentalities or employees of the commonwealth or its  
106 political subdivisions which are to be used for general statistical purposes.

107 SECTION 13. Section 2 of chapter 21G of the General Laws, as so appearing, is hereby  
108 amended by inserting after the definition of "Existing withdrawal" the following definition:-

109 "Irrigation system", any assemblage of components, materials or special equipment that  
110 is constructed and installed underground or on the surface for controlled dispersion of water from  
111 any safe and suitable source for the purpose of irrigating landscape vegetation or the control of  
112 dust and erosion on landscaped areas; including, integral pumping systems and required wiring  
113 within that system and connections to a public or private water supply system; provided,  
114 however, that an irrigation system shall not include plumbing, as defined in section 1 of chapter  
115 142, or a plumbing system.

116 SECTION 14. Said chapter 21G is hereby further amended by adding the following 2  
117 sections:-

118 Section 21. (a) There shall be a water leak classification standard in the commonwealth  
119 for all public water systems.

120 (b) All reported water leaks shall be graded using the following system:

121 (1) Grade 1. A leak that is hazardous or potentially hazardous to persons or  
122 property. A grade 1 leak requires repair and continuous action until the conditions are no longer  
123 hazardous. A public water system shall schedule repairs immediately and shall keep the grade 1  
124 leak under continuous surveillance until the hazard or source of the leak is eliminated. A public

125 water system shall immediately notify the fire department and chief law enforcement officer in  
126 each city or town where a grade 1 leak is identified.

127 (2) Grade 2. A leak that is non-hazardous to persons or property at the time of  
128 detection but justifies scheduled repair because of a potential future hazard. A public water  
129 system shall repair grade 2 leaks within 12 months from the date the grade 2 leak was detected.  
130 The frequency of reevaluation shall be determined by the location and magnitude of the leak, but  
131 shall be reevaluated by the public water system at least once every 6 months until eliminated.

132 (3) Grade 3. A leak that is non-hazardous at the time of detection and can be  
133 reasonably expected to remain non-hazardous. Grade 3 leaks shall be reevaluated during the next  
134 scheduled survey or within 15 months of the last evaluation date, whichever occurs first, until the  
135 grade 3 leak is eliminated or the main is replaced.

136 (c) Each public water system shall report annually to the department, as part of the annual  
137 statement of withdrawal, the following information: (i) the location of each grade 1, grade 2 and  
138 grade 3 leak that has been classified by the public water system; (ii) the date each grade 1, grade  
139 2 and grade 3 leak was classified; and (iii) the date of repair performed on each grade 1, grade 2  
140 and grade 3 leak.

141 (d) A public water system shall not downgrade a grade 1 or grade 2 leak unless the leak is  
142 repaired.

143 (e) The department shall make water leak information required by subsection (c)  
144 available, upon request, to any municipal or state public safety official or any member of the  
145 General Court.

146 (f) The department shall promulgate regulations necessary to implement the uniform leak  
147 classification standards, as specified in this section, and shall continue to oversee and monitor  
148 public water systems' responses and reporting.

149 (g) Public water systems may establish procedures that exceed the minimum uniform  
150 procedures established by the department. The department shall file a report of the findings, not  
151 later than January 1, 2014, with the clerks of the house of representatives and the senate, who  
152 shall forward a copy of the report to the chairs of the joint committee on environment, natural  
153 resources and agriculture.

154 Section 22. (a) The department shall adopt, and may amend, regulations that require  
155 system interruption devices for newly installed or renovated irrigation systems to override and  
156 suspend the programmed operation of the irrigation system during periods of sufficient moisture.  
157 The department shall specify the criteria that devices are required to meet under this section. The  
158 regulations shall: (i) be in accordance with generally accepted standards of irrigation practice;  
159 (ii) include a requirement that all such devices be inspected at least every 3 years by an irrigation

160 contractor certified and in good standing with a nationally recognized association; and (iii)  
161 require each irrigation contractor to complete and submit documentation, along with a minimal  
162 fee which shall reflect the costs of accepting and processing such documentation, to the  
163 municipality or the municipality's board of water commissioners for each newly installed or  
164 renovated irrigation system in that municipality. The department may impose reasonable fines  
165 for a violation of the regulations promulgated under this section.

166 (b) This section shall not apply to systems operating on golf courses or agricultural lands.

167 SECTION 15. Section 10 of chapter 23L of the General Laws, as appearing in the 2012  
168 Official Edition, is hereby amended by adding the following subsection:-

169 (c) This chapter shall not apply to section 39M of chapter 40.

170 SECTION 16. Chapter 29 of the General Laws is hereby amended by inserting after  
171 Section 2III, the following sections:-

172 Section 2JJJJ. There shall be established and set up on the books of the commonwealth a  
173 separate fund to be known as the Regional Water Entity Reimbursement Fund, herein called the  
174 Fund. The fund shall be administered by the department of revenue and shall be funded by the  
175 commonwealth, by and through the state treasurer and subject to appropriation, to reimburse the  
176 Massachusetts Water Resources Authority for its costs in providing cities and towns, within its  
177 sewer service area, financial assistance in the form of interest free grants and loans to rehabilitate  
178 their collection systems, to structurally reduce infiltration and inflow that is the tributary to the  
179 treatment facilities owned by the authority and located on Deer Island and Nut Island. Such  
180 reimbursement shall be in addition to the contract assistance amounts in section 6 of chapter  
181 29C, subject to the limit set forth in that chapter, but shall not be greater than 10 per cent of the  
182 maximum amount set forth in that chapter.

183 SECTION 17. Section 11(i) of chapter 25A of the General Laws, as so appearing, is  
184 hereby amended by striking out subsection (j) and inserting in place thereof the following  
185 subsection:-

186 (j) Payments under a contract for energy management services may be based in whole or  
187 in part on any cost savings attributable to a reduction in energy and water consumption, or any  
188 improved system accuracy, due to the contractor's performance or revenues gained as a result of  
189 the contractor's services which are aimed at energy and water cost savings, to metering or related  
190 equipment, or to energy or water conservation-related improvements or equipment.

191 SECTION 18. Section 2L of chapter 29 of the General Laws, as so appearing, is hereby  
192 amended by striking out, in line 5, the words "water pollution abatement trust" and inserting in  
193 place thereof the words:- Massachusetts Clean Water Trust.

194 SECTION 19. Section 2QQ of said chapter 29, as so appearing, is hereby amended by  
195 striking out, in line 5, the words “water pollution abatement trust” and inserting in place thereof  
196 the words:- Massachusetts Clean Water Trust.

197 SECTION 20. Chapter 29C of the General Laws, as appearing in the 2012 Official  
198 Edition, is hereby amended by striking out the title and inserting in place thereof the following  
199 title:- MASSACHUSETTS CLEAN WATER TRUST.

200 SECTION 21. Section 1 of said chapter 29C, as so appearing, is hereby amended by  
201 striking out, in line 3, the words “water pollution abatement trust”, each time they appear, and  
202 inserting in place thereof the following words:- Massachusetts Clean Water Trust.

203 SECTION 22. Said section 1 of said chapter 29C, as so appearing, is hereby further  
204 amended by inserting after the definition of “Bonds” the following definition:-

205 “Committed contract assistance”, in any year, the sum of (i) the amount of contract  
206 assistance that the commonwealth has committed to provide in such year with respect to bonds  
207 of the trust issued, subsidy funds established, and all other board-approved financial assistance  
208 established or committed prior to such year; and (ii) the amount of contract assistance that the  
209 board determines will be required to be so committed in such year to provide a subsidy or other  
210 financial assistance, including without limitation with respect to bonds of the trust expected to be  
211 issued in such year.

212 SECTION 23. Said section 1 of said chapter 29C of the General Laws, as so appearing, is  
213 hereby further amended by striking out the definition of “Trust” and inserting in place thereof the  
214 following definition:-

215 “Trust”, the Massachusetts Clean Water Trust; provided, however, that the Massachusetts  
216 Clean Water Trust shall be the successor to the water pollution abatement trust.

217 SECTION 24. Section 2 of said chapter 29C, as so appearing, is hereby amended by  
218 striking out, in lines 5 and 6, the words “water pollution abatement trust” and inserting in place  
219 thereof the following words:- Massachusetts Clean Water Trust.

220 SECTION 25. Said chapter 29C is hereby amended by striking out section 6, as so  
221 appearing, and inserting in place thereof the following section:-

222 Section 6. (1) Subject to limitations in other laws respecting the use of particular monies  
223 in the fund and any trust agreement for bonds of the trust, the board may also apply and disburse  
224 monies and revenues in the fund or segregated accounts therein: (i) after taking account of any  
225 grant made by the department under section 33E of chapter 21, to provide, and enter into binding  
226 commitments to provide, a subsidy for, or to otherwise assist local governmental units in the  
227 payment of, debt service costs on loans and other forms of financial assistance made by the trust;

228 and (ii) to provide reserves for, or to otherwise secure, amounts payable by local governmental  
229 units on loans and other forms of financial assistance made by the trust under this chapter.

230 (2) The board shall apply and disburse monies in the fund and in the Drinking  
231 Water Revolving Fund, established under section 18, as applicable, including contract assistance  
232 provided in this section, or shall otherwise structure the debt service costs on loans and other  
233 forms of financial assistance made by the trust to provide a subsidy or other assistance to local  
234 governmental units or other eligible borrowers in the payment of debt service costs on such loans  
235 and other forms of financial assistance that shall be the financial equivalent of a loan made at an  
236 interest rate equal to 2 per cent. Notwithstanding the foregoing, but subject to the limit on  
237 contract assistance provided in this section and the availability thereof after taking into account  
238 committed contract assistance, the board may commit such available contract assistance to  
239 provide additional financial assistance to local governmental units or other eligible borrowers  
240 that shall be the financial equivalent of a loan made at an interest rate less than 2 per cent and  
241 which additional subsidy may include principal forgiveness; provided that principal forgiveness  
242 committed under this section in any year shall not exceed 25 per cent of the total costs of all  
243 projects on that year's applicable clean water or drinking water intended use plan; and provided  
244 further that a loan or other form of financial assistance that qualifies for an additional subsidy  
245 shall receive such additional subsidy in the amount and at a rate as determined by the board,  
246 which shall not exceed the financial equivalent of a 75 per cent subsidy as compared to a market  
247 rate loan as calculated at the time of board approval of such loan or other form of financial  
248 assistance.

249 (3) The department of environmental protection shall promulgate regulations  
250 under section 7 of this chapter establishing criteria that the department shall use to evaluate  
251 applications for additional subsidies equivalent to a loan made at an interest rate of less than 2  
252 per cent. The criteria shall be reflective of the board's current priorities and of best management  
253 practices. Notwithstanding the foregoing regulations, all permanent loans and other forms of  
254 financial assistance made by the trust, which finance the costs of certain water pollution  
255 abatement projects on the department's intended use plan for calendar year 2009 to calendar year  
256 2069, inclusive, and meet the criteria listed below, shall provide for an additional subsidy or  
257 other assistance in the payment of debt service such that the loans and other forms of financial  
258 assistance shall be the financial equivalent of a loan made at a 0 per cent rate of interest;  
259 provided, that the costs of water pollution abatement projects on an intended use plan that are  
260 eligible for a permanent loan or other financial assistance from the trust at the financial  
261 equivalent of a loan made at a 0 per cent rate of interest shall not exceed 35 per cent of the total  
262 costs of all water pollution abatement projects on the intended use plan.

263 (4) Projects shall be eligible for 0 percent rate of interest loans if the department  
264 verifies that:

265 (i) the project is primarily intended to remediate or prevent nutrient  
266 enrichment of a surface water body or a source of water supply;

267 (ii) the applicant is not currently, due to a violation of a nutrient-related  
268 total maximum daily load standard or other nutrient based standard, subject to a department  
269 enforcement order, administrative consent order or unilateral administrative order, enforcement  
270 action by the United States Environmental Protection Agency or subject to a state or federal  
271 court order relative to the proposed project;

272 (iii) the applicant has a Comprehensive Wastewater Management Plan  
273 (“CWMP”) approved under regulations adopted by the department;

274 (iv) the project has been deemed consistent with the regional water  
275 resources management plans, including, but not limited to, a current area-wide water resources  
276 management plan adopted under section 208 of the federal Clean Water Act, if such a plan  
277 exists; and

278 (v) the applicant has adopted land use controls, subject to the review and  
279 approval of the department in consultation with the executive office of housing and economic  
280 development and, where applicable, any regional land use regulatory entity, intended to limit  
281 wastewater flows to the amount authorized under zoning and wastewater regulations as of the  
282 date of the approval of the CWMP.

283 (5) The department of environmental protection shall promulgate regulations  
284 under section 7 of this chapter establishing criteria that the department shall use to evaluate  
285 applications for additional financial assistance, including principal forgiveness. Such criteria  
286 shall include, but not be limited to, the following requirements, any 1 of which shall be sufficient  
287 to qualify the project for assistance: (i) the project is pursuant to a regional wastewater  
288 management plan that has been adopted by a regional planning agency with regulatory authority;  
289 (ii) the project is necessary to connect a local or regional local governmental unit to a facility of  
290 the Massachusetts Water Resources Authority, if the local or regional local governmental unit  
291 has paid or committed to pay the entry fee of that authority; (iii) the project is a green  
292 infrastructure project, as defined in section 26A of chapter 21, or a combination project that  
293 includes green infrastructure and waste water infrastructure; (iv) the project uses regional water  
294 resources to offset, by at least 100 per cent, the impact of water withdrawals on local water  
295 resources in the watershed basin of the receiving community; (v) the project is a direct result of a  
296 disaster affecting the service area that is the subject of a declaration of emergency by the  
297 governor; or (vi) the program is an innovative water project utilizing new technology that  
298 improves environmental or treatment quality, reduces cost, increases access and availability of  
299 water, conserves water or energy, or improves management, in the areas of drinking water, waste  
300 water, storm water, ground water, or coastal resources; provided, such project has not been fully  
301 implemented, other than as a pilot project, previously in the commonwealth.

302 (6) To provide for such subsidy or assistance, the state treasurer acting on behalf  
303 of the commonwealth shall enter into an agreement with the trust. Under the agreement, the  
304 commonwealth shall provide contract assistance for debt service obligations on loans and other  
305 forms of financial assistance made by the trust, up to a maximum amount of \$138,000,000 per  
306 fiscal year. The agreement shall provide for payments by the commonwealth to the trust at such  
307 times during each fiscal year and upon such terms and under such conditions as the trust may  
308 stipulate. The trust may pledge such agreement and the rights of the trust to receive amounts  
309 thereunder as security for payment of debt obligations issued to the trust. Such agreement shall  
310 constitute a general obligation of the commonwealth, for which the faith and credit of the  
311 commonwealth shall be pledged for the benefit of the trust and of the holders of any debt  
312 obligations of the trust which may be secured by the pledge of such agreement or of amounts to  
313 be received by the trust under such agreement.

314 (7) Each year, the trust shall commit contract assistance for debt service  
315 obligations on loans and other forms of financial assistance made by the trust in an amount that  
316 is at least 80 per cent of the limit set forth in paragraph (6). If, in any year, the trust is unable to  
317 satisfy the 80 per cent threshold, the trust shall file a written report with the office of the state  
318 treasurer, the department, the chairs of the house and senate committees on ways and means, and  
319 the house and senate chairs of the joint committee on the environment, natural resources and  
320 agriculture, not later than January 1 of that fiscal year, explaining the reasons why the 80 per  
321 cent threshold was not satisfied in that year.

322 (8) With respect to projects appearing on the department's intended use plan for  
323 calendar year 2016 and subsequent years, (i) the board shall not commit contract assistance to  
324 provide for the additional subsidy or other form of financial assistance referred to in paragraphs  
325 (3), (4), or (5) of this section to any local governmental unit unless it has established a sewer  
326 enterprise fund or water enterprise fund, as applicable, under section 53F1/2 of chapter 44, or in  
327 lieu of the applicable enterprise fund has established a separate restricted account that is the  
328 equivalent of such fund; and (ii) any local government unit that transfers or otherwise uses  
329 money from its enterprise fund or restricted account for its local governmental operating budget,  
330 other than to pay or reimburse, valid expenses or obligations related to such fund or restricted  
331 account, will not be eligible to seek new commitments of contract assistance to provide for the  
332 additional subsidy or other form of financial assistance referred to in paragraphs (3), (4), or (5) of  
333 this section for a period of 5 years following the date of such transfer or other use; provided  
334 however, the disqualifying event occurred after January 1, 2015.

335 SECTION 26. Section 6A of said chapter 29C is hereby repealed.

336 SECTION 27. Section 18 of said chapter 29C, as appearing in the 2012 Official Edition,  
337 is hereby amended by striking out subsection (g).

338 SECTION 28. Chapter 40 of the General Laws is hereby amended by inserting after  
339 section 39L the following section:-

340 Section 39M. (a) Notwithstanding any general or special law to the contrary, a city, town,  
341 water district, wastewater district, stormwater utility or statutory authority created to operate a  
342 water distribution or wastewater collection system or stormwater system which accepts this  
343 section may collect a reasonable fee to be used exclusively for measures to remedy and offset the  
344 impacts on the natural environment of new or increased water withdrawals, sewerage,  
345 wastewater discharges, including those from onsite disposal systems, stormwater discharges or  
346 impairment of recharge of groundwater through depletion of ground or surface waters and to  
347 sustain the quantity, quality and ecological health of waters of the commonwealth. Such  
348 measures to remedy and offset these impacts include, without limitation, local recharge of  
349 stormwater and wastewater; redundant water sources; reductions in loss from drinking water  
350 systems; treatment of drinking water or interconnections with other systems for the purposes of  
351 optimizing water supply sources for environmental benefit; expansion of stormwater treatment  
352 and wastewater treatment systems; reuse of water; removal of sewer infiltration and inflow;  
353 water conservation; retrofits of existing buildings and parking lots with low impact development  
354 methods; removal of dams; improvements to aquatic habitat; the pumping, repair, maintenance  
355 and replacement of onsite subsurface disposal systems installed pursuant to Title V of the State  
356 Environmental Code as well as systems considered to be cesspools; development of integrated  
357 water resources management plans, studies and planning to mitigate environmental impacts; and  
358 land acquisition for the protection of public water supply sources, siting of decentralized  
359 wastewater facilities, stormwater recharge sites or riparian habitat. The fee, which may be based  
360 on retaining within the basin or saving at least 1 gallon, but no more than 10 gallons, for every  
361 gallon of increased water or sewer demand or net impairment of recharge shall be assessed in a  
362 fair and equitable manner and separate fees may be established for different types of uses, such  
363 as residential and commercial uses. Any fees charged to mitigate the impact of onsite disposal  
364 systems may be based on the expected cost to pump, maintain and replace such systems as  
365 determined by the governmental unit assessing the fee.

366 (b) When adopting this section, the city, town, district or statutory authority shall  
367 designate the board, commission or official responsible for assessing, collecting and expending  
368 the fee. Fees assessed under this section shall be deposited by the designated board, commission  
369 or official in separate accounts, established under section 53F1/2 of chapter 44, and classified as  
370 "Sustainable Water Resource Funds" for drinking water, wastewater or stormwater. The principal  
371 and interest thereon shall be expended at the direction of the designated board, commission or  
372 official without further appropriation. These funds shall not be used for any purpose not provided  
373 in this section. These funds may also receive monies from public and private sources as gifts,  
374 grants and donations to further water conservation, water return or water loss prevention; from  
375 the federal government as reimbursements, grants-in-aid or other receipts on account of water

376 infrastructure improvements; or fines, penalties or supplemental environmental projects. Any  
377 interest earned from whatever source shall be credited to and become part of the fund.

378 (c) A city, town, district or authority that has accepted this section may in the same  
379 manner revoke its acceptance. Monies remaining in the fund shall be expended in a manner  
380 consistent with this section.

381 SECTION 29. Chapter 44 of the General Laws is hereby amended by adding the  
382 following section:-

383 Section 73. Any design and construction services included in a public-private partnership  
384 development agreement seeking assistance under chapter 29C shall receive input from the  
385 public-private partnership infrastructure oversight commission, established in section 73 of  
386 chapter 6C, on all requests for proposals for design-build-finance-operate-maintain or design-  
387 build-operate-maintain services.

388 SECTION 30. Sections 26 and 27 of chapter 203 of the acts of 1992 are hereby repealed.

389 SECTION 31. Section 420 of chapter 194 of the acts of 1998 is hereby amended by  
390 striking out, in line 2, the words “water pollution abatement trust” and inserting in place thereof  
391 the words:- Massachusetts Clean Water Trust.

392 SECTION 32. Said section 420 of said chapter 194 is hereby further amended by striking  
393 out, in line 11, the words “or section 6A”.

394 SECTION 33. Said section 420 of said chapter 194 is hereby further amended by striking  
395 out, in lines 13 to 16, inclusive, the words “or said section 6A; provided, however, that the total  
396 amount of contract assistance paid by the commonwealth over the life of such loan shall not  
397 exceed the amount of contract assistance that would have been paid if such loan had been made  
398 for a 20-year period”.

399 SECTION 34. Section 32 of chapter 312 of the acts of 2008 is hereby amended by  
400 striking out, in line 7, the words “or section 6A”.

401 SECTION 35. The department of environmental protection, in consultation with the  
402 Massachusetts Clean Water Trust established in chapter 29C, may develop and administer a  
403 matching grant program for the purpose of assisting local and regional governmental units with  
404 projects eligible for assistance under section 6 of Chapter 29C.

405 SECTION 36. The comptroller shall transfer \$250,000 from the General Fund to the  
406 Department of Conservation and Recreation to assist with water and other operational costs at  
407 the Blue Hills Ski Area.

408 SECTION 37. Notwithstanding any general or special law to the contrary, not later than 1  
409 year from the passage of this act, the board of the Massachusetts Clean Water Trust established

410 in chapter 29C, in consultation with the division of local services within the department of  
411 revenue, established in section 1 of chapter 14 of the General Laws, shall establish and publish  
412 guidelines for best management practices in water management. These guidelines shall include,  
413 but not be limited to, the practice of full cost pricing, including which direct and indirect costs  
414 shall be included in full cost pricing, sound financial management, the use and protection of  
415 enterprise funds, the coordination of intra-municipal and inter-municipal projects involving inter-  
416 related infrastructure to reduce project costs, the adoption of an asset management plan and a  
417 plan for leak mitigation. The demonstration of adoption of these best management practices shall  
418 be considered favorably in decisions about wastewater and drinking water project funding made  
419 under that chapter.

420 SECTION 38. Notwithstanding any general or special law to the contrary, nothing in this  
421 act is intended to, or shall be construed to, affect in any way the existing commitments of  
422 contract assistance or other amounts heretofore provided by the Water Pollution Abatement Trust  
423 under general or special law. All agreements and obligations heretofore made under sections 6 or  
424 6A, subsection (g) of section 18 or any other provision of chapter 29C of the General Laws,  
425 sections 26 and 27 of chapter 203 of the acts of 1992, section 420 of chapter 194 of the acts of  
426 1998 or any other general or special law shall remain in full force and effect under their terms.

427 SECTION 40. Except as otherwise provided, this act shall take effect upon its passage.