

# SENATE . . . . . No. 401

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## The Commonwealth of Massachusetts

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In the Year Two Thousand Nine  
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An Act to establish a water infrastructure finance commission.

*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. (a) There shall be a special water infrastructure finance commission to  
2   develop a comprehensive, long-range water infrastructure finance plan for the commonwealth  
3   and its municipalities.

4           SECTION 2. The commission shall consist of the commissioner of environmental  
5   protection or his designee, the state treasurer or his designee, 1 member of the senate; 1 member  
6   of the house of representatives; 1 person to be appointed by the president of the senate and 1  
7   person to be appointed by the speaker of the house of representatives, each of whom shall be a  
8   representative of a planning organization, environmental consumer organization or other public  
9   interest organization; 1 person to be appointed by the minority leader of the senate and 1 person  
10   to be appointed by the minority leader of the house, each of whom shall be from different  
11   geographic regions of the commonwealth and who shall be representatives of the business  
12   community; a representative of the Boston Water and Sewer Commission; and 9 persons to be  
13   appointed by the governor who shall not be employees of the executive branch and who shall  
14   reside in different geographic regions of the commonwealth, 1 of whom shall be a representative

15 of the American Council of Engineering Companies of Massachusetts, 1 of whom shall be a  
16 representative of the Utility Contractors Association of New England, 1 of whom shall be a  
17 representative of the Massachusetts Waterworks Association, 1 of whom shall be a  
18 representative of the Massachusetts Municipal Association, 1 of whom shall be a representative  
19 of Clean Water Action, 1 of whom shall be a representative of Associated Industries of  
20 Massachusetts, 1 of whom shall be a representative of the Environmental League of  
21 Massachusetts, 1 of whom shall be a representative of the Conservation Law Foundation and 1 of  
22 whom shall be a representative of the Massachusetts Water Pollution Control Association. The  
23 aforementioned organizations shall provide a list of at least 3 but not more than 5 candidates for  
24 consideration by the governor. Each of the members shall be an expert or shall have experience  
25 in the field of law or public policy, water, wastewater or storm water planning, design and  
26 construction of water, wastewater or storm water projects, utility management, management  
27 consulting or organizational finance; provided, however, that at least 1 member shall have  
28 expertise in organizational finance. The governor shall designate a member to serve as the  
29 chairperson of the commission but the chairperson shall not be the commissioner of  
30 environmental protection, the state treasurer or their designees. The members of the commission  
31 shall be appointed not later 90 days after the effective date of this act and serve until the  
32 completion of the long-range infrastructure finance plan.

33         SECTION 3. In the course of its deliberations, the commission shall make it a priority to  
34 examine the technical and financial feasibility of sustaining, integrating and expanding public  
35 water systems, conservation and efficiency programs, wastewater systems and storm water  
36 systems of municipalities and the commonwealth, including regional or district systems. Further,  
37 the commission shall: (1) examine the water infrastructure needs of the commonwealth for the

next 25 years as they relate to the funding gap between the water infrastructure needs of the commonwealth and the existing, available sources of funding; (2) develop mechanisms for additional funding for water infrastructure by increasing investment in critical water, wastewater, storm water and water conservation infrastructure; (3) provide mechanisms for improvements in the handling and management of water programs; (4) examine the potential threats to public health and public safety from the existing shortfalls in funding for water infrastructure; (5) examine and develop recommendations on ways in which the commonwealth and its municipalities may meet operation and maintenance, and capital improvement and reconstruction needs for the next 25 years including, without limitation, recommendations regarding debt reduction, enhancing existing sources of revenues, developing new sources of revenues, establishing new incentives for public-private partnerships in the development of real property resources and funding resources; and (6) examine the expanded use of full accounting systems and enterprise funding, asset management systems and best management practices, compliance with chapter 21G of the General Laws and Massachusetts water policy, and current federal and state funding programs. The commission shall examine the finances of the various municipalities and regional water districts, including state and federal aid levels, and make recommendations for improvements to financial policies and procedures. The commission shall identify areas where cost savings can be achieved across water agencies by consolidation, coordination and reorganization. The commission shall examine the projected federal funding, projected state funding, projected local funding, projected fee-based funding, debt financing and any other sources of projected funding to finance water infrastructure needs identified by the commission.

SECTION 4. The commission shall develop recommendations as to what funding or finance measures the commonwealth or its municipalities may pursue to satisfy any unmet

funding needs identified by the commission. The recommendations shall also include any recommendation for interagency agreements, intermunicipal agreements, consolidations or mergers to enable the commonwealth and its municipalities to make the most effective use of water funding resources. The recommendations shall identify fair and equitable means of financing water infrastructure investments through taxes, fees, user charges or other sources.

SECTION 5. The commission may hold public hearings to assist in the collection and evaluation of data and testimony.

SECTION 6. The commission shall prepare a written report detailing its financials relative to identified funding sources and its recommendations, if any, together with drafts of legislation necessary to carry those recommendations into effect. The commission shall submit its initial report to the governor, the secretary of environmental affairs, the clerks of the senate and house of representatives, the house and senate committees on ways and means and the joint committee on the environment not later than 2 years after the effective date of this act.

SECTION 7. Any research, analysis or other staff support that the commission reasonably requires shall be provided by the executive office of environmental affairs and its agencies, with assistance from the Massachusetts Water Resources Authority.