

SENATE No. 401

The Commonwealth of Massachusetts

In the Year Two Thousand Nine

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

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

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

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

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

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

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