

HOUSE No. 690**The Commonwealth of Massachusetts**

PRESENTED BY:

Carolyn C. Dykema*To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:*

The undersigned legislators and/or citizens respectfully petition for the adoption of the accompanying bill:

An Act relative to municipal assistance for clean water and economic development infrastructure.

PETITION OF:

NAME:	DISTRICT/ADDRESS:	DATE ADDED:
<i>Carolyn C. Dykema</i>	<i>8th Middlesex</i>	<i>1/18/2013</i>
<i>John J. Mahoney</i>	<i>13th Worcester</i>	
<i>Paul McMurtry</i>	<i>11th Norfolk</i>	
<i>David M. Nangle</i>	<i>17th Middlesex</i>	
<i>Anne M. Gobi</i>	<i>5th Worcester</i>	
<i>Kay Khan</i>	<i>11th Middlesex</i>	
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>	
<i>Jonathan Hecht</i>	<i>29th Middlesex</i>	
<i>Denise Provost</i>	<i>27th Middlesex</i>	
<i>Todd M. Smola</i>	<i>1st Hampden</i>	
<i>James T. Welch</i>	<i>Hampden</i>	
<i>John V. Fernandes</i>	<i>10th Worcester</i>	
<i>Ann-Margaret Ferrante</i>	<i>5th Essex</i>	
<i>Kate Hogan</i>	<i>3rd Middlesex</i>	
<i>Chris Walsh</i>	<i>6th Middlesex</i>	
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>	
<i>Thomas P. Conroy</i>	<i>13th Middlesex</i>	

<i>James Arciero</i>	<i>2nd Middlesex</i>	
<i>Elizabeth A. Poirier</i>	<i>14th Bristol</i>	
<i>Cory Atkins</i>	<i>14th Middlesex</i>	
<i>Ellen Story</i>	<i>3rd Hampshire</i>	
<i>Thomas A. Golden, Jr.</i>	<i>16th Middlesex</i>	
<i>Sean Garballey</i>	<i>23rd Middlesex</i>	

HOUSE No. 690

By Ms. Dykema of Holliston, a petition (accompanied by bill, House, No. 690) of Carolyn C. Dykema and others for legislation to establish a capital outlay program for maintenance and improvements to municipal drinking, waste and storm water infrastructure assets . Environment, Natural Resources and Agriculture.

The Commonwealth of Massachusetts

In the Year Two Thousand Thirteen

An Act relative to municipal assistance for clean water and economic development 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.

2 To provide for a capital outlay program of maintenance and improvements to municipal
3 drinking, waste and storm water infrastructure assets of the commonwealth, the sum set forth in
4 section 2 for the several purposes and subject to the conditions specified in this act, is hereby
5 made available, subject to the laws regulating the disbursement of public funds, which sum is in
6 addition to any other amounts previously appropriated for these purposes.

7 SECTION 2.

8 Massachusetts Water Pollution Abatement Trust

9 For the Water Pollution Abatement Trust established in section 2 of chapter 29C of the
10 General Laws for deposit in the Water Infrastructure Improvement Fund established in section
11 2FFFF of chapter 29 of the General Laws for application by the trust to the purposes specified in
12 section 19 of said chapter 29C; provided, that a local government unit shall comply with the
13 procedures established by the Water Pollution Abatement Trust; provided further, that any such
14 local government unit may appropriate for such projects amounts not in excess of the amount
15 provided to the local government unit under this item, preliminary notice of which shall be
16 provided by the Water Pollution Abatement Trust to the local government unit not later than
17 April 1 of each year; provided further, that the Water Pollution Abatement Trust shall reimburse
18 any such local government unit under this item within 30 days after receipt by the Water

Pollution Abatement Trust of a request for reimbursement from the local government unit, which request shall include certification by the local government unit that actual expenses have been incurred on projects eligible for reimbursement under this item, and that the work has been completed to the satisfaction of the local government unit according to the specifications of the project and in compliance with applicable laws and procedures established by the Water Pollution Abatement Trust.....[\$2,000,000,000]

SECTION 3. To meet the expenditures necessary in carrying out section 2, the state treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an amount to be specified by the governor from time to time but not exceeding, in the aggregate, [\$200,000,000] per year. All such bonds issued by the commonwealth shall be designated on their face, Maintenance and Improvement of Municipal Water Infrastructure Act of 20[...], and shall be issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to the general court under section 3 of Article LXII of the Amendments to the Constitution; provided, however, that all such bonds shall be payable not later than June 30, [...]. All interest and payments on account of principal on these obligations shall be payable from the General Fund. Notwithstanding any other provision of this act, bonds and interest thereon issued under this section shall be general obligations of the commonwealth.

SECTION 4.

The following provision is added after section 2EEEE of Chapter 29 of the General Laws: "Section 2FFFF. Water Infrastructure Improvement Fund. There shall be established and set up on the books of the commonwealth a separate fund, to be known as the Water Infrastructure Improvement Fund, consisting of amounts credited to the fund in accordance with section 19 of chapter 29C. The fund shall be administered in accordance with the provisions of said chapter 29C by the board of trustees of the Water Pollution Abatement Trust created thereunder and shall be held in trust exclusively for the purposes and the beneficiaries described therein. The state treasurer shall be treasurer and custodian of the fund and shall have the custody of its moneys and securities. Said amounts shall be used solely for the administration of the provisions of section 19 of said chapter 29C."

SECTION 5.

Chapter 29C of the General Laws, as appearing in the 2010 Official Edition, is hereby amended by adding the following after section 18: "Section 19. Commonwealth Water Infrastructure Improvement Programs. (a) In addition to the powers and duties of the board otherwise provided in this chapter, the trust is hereby designated as the instrumentality of the commonwealth to establish and administer the Water Infrastructure Improvement Fund. The monies in the fund, which shall be under the control of the board and not subject to appropriation, shall be used as provided in subsection (b) of this section.

(b) The board shall apply monies in the Water Infrastructure Improvement Fund for the purpose of providing grants and loans to local governmental units in accordance with the following:

(i) 40 percent of the monies contained in the fund will be applied, on an annual basis, to the [Water Infrastructure Capital Grant Program], as provided in subsection (c)(i) of this section.

(ii) 20 percent of the monies contained in the fund will be applied, on an annual basis, to the [Municipal Water Infrastructure Maintenance Program], as provided in subsection (c)(ii) of this section.

(iii) 40 percent of the monies contained in the fund will be applied, on an annual basis, to the Water Infrastructure Loan Program, as provided in subsection (c)(iii) of this section.

(c) The board shall use the Water Infrastructure Improvement Fund to organize and administer the following programs:

(i) The Water Infrastructure Capital Grant Program shall apply monies contained in the Water Infrastructure Improvement Fund, as provided in subsection (b)(i) of this section, and shall be used to make grants to local governmental units for drinking water projects or water pollution abatement projects, as deemed appropriate by the board; provided that (A) the board may not issue a grant under this program to a local governmental unit unless such local governmental unit has complied with the applicable requirements contained in subsection (d) of this section; and (B) the board gives priority to projects based on the criteria listed in subsection (e) of this section.

(ii) The [Municipal Water Infrastructure Maintenance Program], shall apply monies contained in the Water Infrastructure Improvement Fund, as provided in subsection (b)(ii) of this section, and shall be used to make grants to local governmental units for drinking water projects or water pollution abatement projects, as deemed appropriate by the board; provided however that the board shall not issue a grant under this program unless such grant is the product of an equitable distribution formula determined by the board.

(iii) The Water Infrastructure Loan Program shall apply monies contained in the Water Infrastructure Improvement Fund, as provided in subsection (b)(iii) of this section, and shall be used to supplement, at the board's discretion, either the Water Pollution Abatement Revolving Loan Program, as provided in section 4 of chapter 29C, and the Drinking Water Revolving Fund, as provided in section 18, of chapter 29C; however, in no event shall the loans or subsidies made pursuant to this subsection be required to conform with the requirements of the Clean Water State Revolving Fund (CWSRF) or the Drinking Water State Revolving Fund (DWSRF). For necessary and convenient administration of this program, the board shall direct the state treasurer to establish one or more accounts and sub-accounts within the applicable fund in order to segregate monies assigned to this program and avoid any federal law requirement applicable to

monies received from federal capitalization grants made pursuant to the Clean Water Act or the Safe Drinking Water Act.

(d) In order to receive grants under the Water Infrastructure Capital Grant Program, as provided in subsection (c)(i) of this chapter, a local governmental unit must do or conform with the following:

(i) develop and maintain an asset management plan approved by the department;

(ii) implement a full cost pricing program, as prescribed and approved by the department; provided however that such prescription is consistent with section 39J of chapter 40 of the General Laws.

(iii) comply with department regulations to achieve compliance with Water Management Act permits and National Pollutant Discharge Elimination (NPDES) permits, as applicable.

(e) In distributing grants under the Water Infrastructure Capital Grant Program, as provided in subsection (c)(i) of this chapter, the board shall give priority to the following:

(i) projects involving multiple municipalities;

(ii) projects using green construction principles, as determined by the department;

(iii) projects submitted by governmental units that have set local rates that adhere to affordability guidelines, as determined by the department;

(iv) projects submitted by governmental units that have implemented conservation water pricing, as defined by the department.

SECTION 6.

Section 6 of chapter 29C of the general laws, as appearing in the 2010 Official Edition, is hereby amended by adding, after line 84, the following paragraph:-

“No later than February 1, 2014, the department, after consulting with the division of local services and the board, shall establish and publish guidelines and standards for best management practices in water infrastructure management, which shall include but not be limited to the following: (i) practice of full cost pricing consistent with MGL Chapter 40, Section 39J; (ii) use of an asset management plan; (iii) use of green construction principles; (iv) implementation affordability guidelines; (v) implementation of conservation water pricing.”

SECTION 7.

Section 18 of Chapter 29C of the general laws, as appearing in the 2010 Official Edition, is hereby amended by adding at the end of subsection (d), the following sentence:-

122 “The Drinking Water Revolving Fund shall be subject to the last paragraph of section 6
123 of this chapter.”