

**SENATE . . . . . No. 1880**

The Commonwealth of Massachusetts

PRESENTED BY:

***James B. Eldridge***

*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 improving drinking water and wastewater infrastructure.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
<i>James B. Eldridge</i>	<i>Middlesex and Worcester</i>
<i>Therese Murray</i>	<i>Plymouth and Barnstable</i>
<i>Bruce E. Tarr</i>	<i>First Essex and Middlesex</i>
<i>Katherine M. Clark</i>	<i>Fifth Middlesex</i>
<i>Karen E. Spilka</i>	<i>Second Middlesex and Norfolk</i>
<i>Richard T. Moore</i>	<i>Worcester and Norfolk</i>
<i>Michael J. Barrett</i>	<i>Third Middlesex</i>
<i>William N. Brownsberger</i>	<i>Second Suffolk and Middlesex</i>
<i>Joan B. Lovely</i>	<i>Second Essex</i>
<i>Michael J. Rodrigues</i>	<i>First Bristol and Plymouth</i>
<i>Jennifer L. Flanagan</i>	<i>Worcester and Middlesex</i>
<i>Daniel A. Wolf</i>	<i>Cape and Islands</i>
<i>Benjamin B. Downing</i>	<i>Berkshire, Hampshire, Franklin and Hampden</i>
<i>Patricia D. Jehlen</i>	<i>Second Middlesex</i>
<i>Cynthia S. Creem</i>	<i>First Middlesex and Norfolk</i>
<i>Thomas M. McGee</i>	<i>Third Essex</i>
<i>Barry R. Finegold</i>	<i>Second Essex and Middlesex</i>

*Stephen M. Brewer*

*Worcester, Hampden, Hampshire and  
Middlesex*

*Stanley C. Rosenberg*

*Hampshire, Franklin and Worcester*

*Sonia Chang-Diaz*

*Second Suffolk*

*Kathleen O'Connor Ives*

*First Essex*

**SENATE . . . . . No. 1880**

By Mr. Eldridge, a petition (subject to Joint Rule 12) of James B. Eldridge, Therese Murray, Bruce E. Tarr, Katherine M. Clark and other members of the Senate for legislation to improve drinking water and wastewater infrastructure. Environment, Natural Resources and Agriculture.

**The Commonwealth of Massachusetts**

**In the Year Two Thousand Thirteen**

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  
10 chapter 21 of 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”, energy and water efficiency, sustainability, environmentally  
37 innovative technologies and water management measures that use the natural environment to  
38 mitigate the use of water and wastewater infrastructure; provided that, in cities and towns, green  
39 infrastructure practices may consist of site-specific practices, including but not limited to:  
40 decentralized wastewater infrastructure, rain gardens, porous pavement at drinking water utility  
41 facilities, green roofs, water efficient appliances and landscaping, infiltration planters, trees and  
42 tree boxes and rainwater harvesting systems; provided, further, that regionally, green  
43 infrastructure practices may consist of preservation and restoration of natural landscape features,  
44 including but not limited to: forests, floodplains, wetlands and water supply protected land, as  
45 well as onsite wastewater treatment and reuse, coupled with policies such as infill and  
46 redevelopment that reduces overall imperviousness in a watershed.

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

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

52 SECTION 8. Section 31 of said chapter 21, as so appearing, is hereby amended by  
53 striking out the first sentence and inserting in place thereof the following sentence:- A public  
54 entity may apply to the division for a planning or a technical assistance grant by the

55 commonwealth for the following purposes: assisting a public entity in developing a  
56 comprehensive water pollution abatement plan for the public entity; assisting a public entity in  
57 developing an integrated water asset management plan for the public entity; or assisting a public  
58 entity identify and plan for green infrastructure opportunities, as defined in section 26A, for the  
59 public entity.

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

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

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

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

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

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

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

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

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

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

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

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

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

118 (1) Grade 1. A leak that is hazardous or potentially hazardous to persons or property. A  
119 grade 1 leak requires repair and continuous action until the conditions are no longer hazardous. A  
120 public water system shall schedule repairs immediately and shall keep the grade 1 leak under  
121 continuous surveillance until the hazard or source of the leak is eliminated. A public water  
122 system shall immediately notify the fire department and chief law enforcement officer in each  
123 city or town where a grade 1 leak is identified.

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

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

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

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

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

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

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

151 Section 22. (a) The department shall adopt, and may amend, regulations that require  
152 system interruption devices for newly installed or renovated irrigation systems to override and  
153 suspend the programmed operation of the irrigation system during periods of sufficient moisture.  
154 The department shall specify the criteria that devices are required to meet under this section. The  
155 regulations shall: (i) be in accordance with generally accepted standards of irrigation practice;  
156 (ii) include a requirement that all such devices be inspected at least every 3 years by an irrigation  
157 contractor certified and in good standing with a nationally recognized association; and (iii)  
158 require each irrigation contractor to complete and submit documentation, along with a minimal  
159 fee which shall reflect the costs of accepting and processing such documentation, to the

160 municipality or the municipality’s board of water commissioners for each newly installed or  
161 renovated irrigation system in that municipality. The department may impose reasonable fines  
162 for a violation of the regulations promulgated under this section.

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

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

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

167 SECTION 16. Section 2L of chapter 29 of the General Laws, as so appearing, is hereby  
168 amended by striking out, in line 5, the words “water pollution abatement trust” and inserting in  
169 place thereof the words:- Massachusetts Clean Water Trust.

170 SECTION 17. Section 2QQ of said chapter 29, as so appearing, is hereby amended by  
171 striking out, in line 5, the words “water pollution abatement trust” and inserting in place thereof  
172 the words:- Massachusetts Clean Water Trust.

173 SECTION 18. Chapter 29C of the General Laws, as so appearing, is hereby amended by  
174 striking out the title and inserting in place thereof the following title:- MASSACHUSETTS  
175 CLEAN WATER TRUST.

176 SECTION 19. Section 1 of said chapter 29C, as so appearing, is hereby amended by  
177 striking out, in line 3, the words “water pollution abatement trust”, each time they appear, and  
178 inserting in place thereof the following words:- Massachusetts Clean Water Trust.

179 SECTION 20. Said section 1 of said chapter 29C, as so appearing, is hereby further  
180 amended by inserting after the definition of “Bonds” the following definition:-

181 “Committed contract assistance”, in any year, the sum of (i) the amount of contract  
182 assistance that the commonwealth has committed to provide in such year with respect to bonds  
183 of the trust issued, subsidy funds established, and all other board-approved financial assistance  
184 established or committed prior to such year; and (ii) the amount of contract assistance that the  
185 board determines will be required to be so committed in such year to provide a subsidy or other  
186 financial assistance, including without limitation with respect to bonds of the trust expected to be  
187 issued in such year.

188 SECTION 21. Said section 1 of said chapter 29C of the General Laws, as so appearing, is  
189 hereby amended by striking out the definition of “Trust” and inserting in place thereof the  
190 following definition:-

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



193 SECTION 22. Section 2 of said chapter 29C, as so appearing, is hereby amended by  
194 striking out, in lines 5 and 6, the words “water pollution abatement trust” and inserting in place  
195 thereof the following words:- Massachusetts Clean Water Trust.

196 SECTION 23. Said chapter 29C is hereby amended by striking out section 6, as so  
197 appearing, and inserting in place thereof the following section:-

198 Section 6. (1) Subject to limitations in other laws respecting the use of particular monies  
199 in the fund and any trust agreement for bonds of the trust, the board may also apply and disburse  
200 monies and revenues in the fund or segregated accounts therein: (i) after taking account of any  
201 grant made by the department under section 33E of chapter 21, to provide, and enter into binding  
202 commitments to provide, a subsidy for, or to otherwise assist local governmental units in the  
203 payment of, debt service costs on loans and other forms of financial assistance made by the trust;  
204 and (ii) to provide reserves for, or to otherwise secure, amounts payable by local governmental  
205 units on loans and other forms of financial assistance made by the trust under this chapter.

206 (2) The board shall apply and disburse monies in the fund and in the Drinking Water  
207 Revolving Fund, established under section 18, as applicable, including contract assistance  
208 provided in this section, or shall otherwise structure the debt service costs on loans and other  
209 forms of financial assistance made by the trust to provide a subsidy or other assistance to local  
210 governmental units or other eligible borrowers in the payment of debt service costs on such loans  
211 and other forms of financial assistance that shall be the financial equivalent of a loan made at an  
212 interest rate equal to 2 per cent. Notwithstanding the foregoing, but subject to the limit on  
213 contract assistance provided in this section and the availability thereof after taking into account  
214 committed contract assistance, the board may commit such available contract assistance to  
215 provide additional financial assistance to local governmental units in compliance with paragraph  
216 (9) of this section or other eligible borrowers that shall be the financial equivalent of a loan made  
217 at an interest rate less than 2 per cent and which assistance may include principal forgiveness;  
218 provided that principal forgiveness committed under this section in any year shall not exceed  
219 25% of all financial assistance committed under this section for such year.

220 (3)The board shall promulgate regulations under section 7 of this chapter establishing  
221 criteria that the department shall use to evaluate applications for additional financial assistance  
222 equivalent to a loan made at an interest rate of less than 2 per cent. The criteria shall be reflective  
223 of the board’s current priorities and of best management practices and may include, but shall not  
224 be limited to: (i) adoption of systematic, coordinated asset management planning by the local  
225 governmental unit or other eligible borrower; (ii) progress made by the local governmental unit  
226 or other eligible borrower toward implementation of full-cost pricing; (iii) the median income or  
227 equalized valuation within the service area of the local governmental unit or other eligible  
228 borrower; and (iv) qualification of the local governmental unit as a regional local governmental  
229 unit. Notwithstanding the foregoing regulations, all permanent loans and other forms of  
230 financial assistance made by the trust, which finance the costs of certain water pollution

231 abatement projects on the department’s intended use plan for calendar year 2009 to calendar year  
232 2069, inclusive, and meet the criteria listed below, shall provide for a subsidy or other assistance  
233 in the payment of debt service such that the loans and other forms of financial assistance shall be  
234 the financial equivalent of a loan made at a 0 per cent rate of interest; provided, that the costs of  
235 water pollution abatement projects on an intended use plan that are eligible for a permanent loan  
236 or other financial assistance from the trust at the financial equivalent of a loan made at a 0 per  
237 cent rate of interest shall not exceed 35 per cent of the total costs of all water pollution abatement  
238 projects on the intended use plan.

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

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

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

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

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

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

259 (5) The board shall promulgate regulations under section 7 of this chapter establishing  
260 criteria that the department shall use to evaluate applications for additional financial assistance,  
261 including principal forgiveness. Such criteria shall include, but not be limited to, the following  
262 requirements, any 1 of which shall be sufficient to qualify the project for assistance: (i) the  
263 project is pursuant to a regional wastewater management plan that has been adopted by a  
264 regional planning agency with regulatory authority; (ii) the project is necessary to connect a local  
265 or regional local governmental unit to a facility of the Massachusetts Water Resources Authority,  
266 if the local or regional local governmental unit has paid or committed to pay the entry fee of that

267 authority; (iii) the project is a green infrastructure project, as defined in section 26A of chapter  
268 21, that is more cost-effective or less expensive than traditional infrastructure in providing an  
269 equivalent amount of wastewater or drinking water capacity; (iv) the project uses regional water  
270 resources to offset, by at least 100 per cent, the impact of water withdrawals on local water  
271 resources in the watershed basin of the receiving community; or (v) the project is a direct result  
272 of a disaster affecting the service area that is the subject of a declaration of emergency by the  
273 governor.

274 (6) To provide for such subsidy or assistance, the state treasurer acting on behalf of the  
275 commonwealth shall enter into an agreement with the trust. Under the agreement, the  
276 commonwealth shall provide contract assistance for debt service obligations on loans and other  
277 forms of financial assistance made by the trust, up to a maximum amount of \$138,000,000 per  
278 fiscal year. The agreement shall provide for payments by the commonwealth to the trust at such  
279 times during each fiscal year and upon such terms and under such conditions as the trust may  
280 stipulate. The trust may pledge such agreement and the rights of the trust to receive amounts  
281 thereunder as security for payment of debt obligations issued to the trust. Such agreement shall  
282 constitute a general obligation of the commonwealth, for which the faith and credit of the  
283 commonwealth shall be pledged for the benefit of the trust and of the holders of any debt  
284 obligations of the trust which may be secured by the pledge of such agreement or of amounts to  
285 be received by the trust under such agreement.

286 (7) Notwithstanding any general or special law to the contrary, the commonwealth, by  
287 and through the state treasurer and subject to appropriation, shall reimburse the Massachusetts  
288 Water Resources Authority for its costs in providing cities and towns, within its sewer service  
289 area, financial assistance in the form of interest free grants and loans to rehabilitate their  
290 collection systems, to structurally reduce infiltration and inflow that is the tributary to the  
291 treatment facilities owned by the authority and located on Deer Island and Nut Island. Such  
292 reimbursement shall be in addition to the contract assistance amounts subject to the limit set  
293 forth in the preceding paragraph, but shall not be greater than 10 per cent of the maximum  
294 amount set forth in that paragraph.

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

303 (9) With respect to projects appearing on the department's intended use plan for calendar  
304 year 2016 and subsequent years, (1) the board shall not commit contract assistance to provide for

305 the additional subsidy or other form of financial assistance referred to in paragraphs (3), (4), or  
306 (5) of this section to any local governmental unit unless it has established a sewer enterprise fund  
307 or water enterprise fund, as applicable, under section 53F1/2 of chapter 44, and (2) any local  
308 government unit that transfers or otherwise uses money from its enterprise fund to support its  
309 operating budget will not be eligible to seek new commitments of contract assistance to provide  
310 for the additional subsidy or other form of financial assistance referred to in paragraphs (3), (4),  
311 or (5) of this section for a period of 10 years following the date of such transfer or other use.

312 SECTION 24. Section 6A of said chapter 29C is hereby repealed.

313 SECTION 25. Section 18 of said chapter 29C, as appearing in the 2012 Official Edition,  
314 is hereby amended by striking out subsection (g).

315 SECTION 26. Chapter 40 of the General Laws is hereby amended by inserting after  
316 section 39L the following section:-

317 Section 39M. (a)Notwithstanding any general or special law to the contrary, a city, town,  
318 water district, wastewater district, stormwater utility or statutory authority created to operate a  
319 water distribution or wastewater collection system or stormwater system which accepts this  
320 section may collect a reasonable fee to be used exclusively for measures to remedy and offset the  
321 impacts on the natural environment of new or increased water withdrawals, sewerage,  
322 wastewater discharges, stormwater discharges or impairment of recharge of groundwater through  
323 depletion of ground or surface waters and to sustain the quantity, quality and ecological health of  
324 waters of the commonwealth. Such measures to remedy and offset these impacts include, without  
325 limitation, local recharge of stormwater and wastewater; redundant water sources; reductions in  
326 loss from drinking water systems; treatment of drinking water or interconnections with other  
327 systems for the purposes of optimizing water supply sources for environmental benefit;  
328 expansion of stormwater treatment and wastewater treatment systems; reuse of water; removal of  
329 sewer infiltration and inflow; water conservation; retrofits of existing buildings and parking lots  
330 with low impact development methods; removal of dams; improvements to aquatic habitat;  
331 development of integrated water resources management plans, studies and planning to mitigate  
332 environmental impacts; and land acquisition for the protection of public water supply sources,  
333 siting of decentralized wastewater facilities, stormwater recharge sites or riparian habitat. The  
334 fee, which may be based on retaining within the basin or saving at least 1 gallon, but no more  
335 than 10 gallons, for every gallon of increased water or sewer demand or net impairment of  
336 recharge shall be assessed in a fair and equitable manner and separate fees may be established for  
337 different types of uses, such as residential and commercial uses.

338 (b) When adopting this section, the city, town, district or statutory authority shall  
339 designate the board, commission or official responsible for assessing, collecting and expending  
340 the fee. Fees assessed under this section shall be deposited by the designated board, commission  
341 or official in separate accounts, established under section 53F1/2 of chapter 44, and classified as

342 "Sustainable Water Resource Funds" for drinking water, wastewater or stormwater. The principal  
343 and interest thereon shall be expended at the direction of the designated board, commission or  
344 official without further appropriation. These funds shall not be used for any purpose not provided  
345 in this section. These funds may also receive monies from public and private sources as gifts,  
346 grants and donations to further water conservation, water return or water loss prevention; from  
347 the federal government as reimbursements, grants-in-aid or other receipts on account of water  
348 infrastructure improvements; or fines, penalties or supplemental environmental projects. Any  
349 interest earned from whatever source shall be credited to and become part of the fund.

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

353 SECTION 27. Chapter 44 of the General Laws is hereby amended by adding the  
354 following section:-

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

360 SECTION 28. Sections 26 and 27 of chapter 203 of the acts of 1992 are hereby repealed.

361 SECTION 29. Section 420 of chapter 194 of the acts of 1998 is hereby amended by  
362 striking out, in line 2, the words "water pollution abatement trust" and inserting in place thereof  
363 the words:- Massachusetts Clean Water Trust .

364 SECTION 30. Said section 420 of said chapter 194 is hereby further amended by striking  
365 out, in line 11, the words "or section 6A".

366 SECTION 31. Said section 420 of said chapter 194 is hereby further amended by striking  
367 out, in lines 13 to 16, inclusive, the words "or said section 6A; provided, however, that the total  
368 amount of contract assistance paid by the commonwealth over the life of such loan shall not  
369 exceed the amount of contract assistance that would have been paid if such loan had been made  
370 for a 20-year period".

371 SECTION 32. Section 32 of chapter 312 of the acts of 2008 is hereby amended by  
372 striking out, in line 7, the words "or section 6A".

373 SECTION 33. Notwithstanding any general or special law to the contrary, not later than  
374 June 30, 2014, the board of the Massachusetts Clean Water Trust established in chapter 29C, in  
375 consultation with the division of local services within the department of revenue, established in  
376 section 1 of chapter 14 of the General Laws, shall establish and publish guidelines for best

377 management practices in water management. These guidelines shall include, but not be limited  
378 to, the practice of full cost pricing, including which direct and indirect costs shall be included in  
379 full cost pricing, sound financial management, the use and protection of enterprise funds, the  
380 coordination of intra-municipal and inter-municipal projects involving inter-related infrastructure  
381 to reduce project costs, the adoption of an asset management plan and a plan for leak mitigation.  
382 The demonstration of adoption of these best management practices shall be considered favorably  
383 in decisions about wastewater and drinking water project funding made under that chapter.

384 SECTION 34. Notwithstanding any general or special law to the contrary, nothing in this  
385 act is intended to, or shall be construed to, affect in any way the existing commitments of  
386 contract assistance or other amounts heretofore provided by the Water Pollution Abatement Trust  
387 under general or special law. All agreements and obligations heretofore made under sections 6 or  
388 6A, subsection (g) of section 18 or any other provision of chapter 29C of the General Laws,  
389 sections 26 and 27 of chapter 203 of the acts of 1992, section 420 of chapter 194 of the acts of  
390 1998 or any other general or special law shall remain in full force and effect under their terms.

391 SECTION 35. Subsection (c) of section 21 of chapter 21G of the General Laws shall take  
392 effect on March 1, 2014.

393 SECTION 36. Except as otherwise provided, this act shall take effect upon its passage.