

SENATE No. 1947

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 the department to administer planning or technical assistance
10 grants under section 31 of chapter 21 of the General Laws ...\$1,500,000; provided, not less than
11 40 percent of such funds shall be expended for grants to municipalities of not more than 15,000
12 inhabitants.

13 SECTION 3.

14 Massachusetts Clean Water Trust

15 To provide for a capital outlay program of maintenance and improvements to municipal
16 drinking, waste and storm water infrastructure assets of the commonwealth and its municipalities
17 the following sum shall be appropriated, in addition to any other amounts previously
18 appropriated, to the Massachusetts Clean Water Trust established in section 2 of chapter 29C for
19 deposit in the Water Infrastructure Improvement Fund established in section 2KKKK of chapter
20 for application by the trust to the purposes specified in section 19 of said chapter 29C; provided,

that a local government unit shall comply with the procedures established by the Massachusetts Clean Water Trust; provided further, that any such local government unit may appropriate for such projects amounts not in excess of the amount provided to the local government unit under this item, preliminary notice of which shall be provided by the Massachusetts Clean Water Trust to the local government unit not later than April 1 of each year; provided further, that the Massachusetts Clean Water Trust shall reimburse any such local government unit under this item within 30 days after receipt by the Massachusetts Clean Water 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 Massachusetts Clean Water Trust.....\$250,000,000

SECTION 4A. To meet the expenditures necessary in carrying out section 3, 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, \$250,000,000. All such bonds issued by the commonwealth shall be designated on their face, Maintenance and Improvement of Municipal Water Infrastructure Act of 2045, 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, 2045. 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 5. Section 26A of said chapter 21, as so appearing, is hereby amended by inserting after the definition of "FWPCA" the following definition:-

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

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

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

SECTION 8. Subsection (a) of said section 27A of said chapter 21, as so appearing, is hereby amended by inserting at the end of said subsection the following sentence:-

The department shall modify the loan and financial assistance application process for towns with not more than 10,000 inhabitants, to achieve greater efficiency and to reduce application costs for applicants while maintaining accountability for such financial assistance.

SECTION 9. Section 31 of said chapter 21, as so appearing, is hereby amended by striking out the first sentence and inserting in place thereof the following sentence:- A public entity may apply to the division for a planning or a technical assistance grant by the commonwealth for the following purposes: assisting a public entity in developing a comprehensive water pollution abatement plan for the public entity; assisting a public entity in developing an integrated water asset management plan for the public entity; or assisting a public entity identify and plan for green infrastructure opportunities, as defined in section 26A, for the public entity.

SECTION 10. Said section 31 of said chapter 21, as so appearing, is hereby further amended by inserting after the word “Planning”, in line 12, the following words:- or technical assistance.

SECTION 11. Said chapter 21 is hereby further amended by inserting after section 31 the following section:-

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

94 SECTION 12. Said chapter 21 is hereby further amended by inserting after
95 section 33A the following section:-

96 Section 33A½. Notwithstanding the provisions of section 33, if a town having a
97 population of not greater than 20,000 inhabitants according to the latest federal census, has
98 received a grant from the division equal to 60 per cent of the cost of construction, the division
99 shall make an additional grant to said town to ensure a total of 90 per cent federal and state
100 funding on the eligible portions of the project or projects of said town.

101 SECTION 13. Section 38 of said chapter 21, as appearing in the 2012 Official Edition, is
102 hereby amended by inserting after the word “control”, in line 4, the following words:- innovative
103 water technologies, green infrastructure.

104 SECTION 14. Section 13 of chapter 21A of the General Laws, as so appearing, is hereby
105 amended by inserting after the first paragraph, the following 3 paragraphs:-

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

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

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

SECTION 15. Chapter 21G of the General Laws is hereby amended by inserting after section 20 the following section:

Section 22. (a) The department of environmental protection shall adopt, and may amend, regulations that require that an irrigation system shall not be operated without a functioning interruption device to suspend the programmed or automated operation of the irrigation system during periods of sufficient moisture from rainwater. The department shall specify the criteria that such devices are required to meet under this section, which shall be in accordance with generally accepted standards of irrigation practice..

The regulations shall require that no irrigation system shall be operated that is not so equipped with a required interruption device for: (i) all newly installed irrigation systems or established irrigation systems that are expanded, beginning on January 1, 2015; and provided that no person shall install or expand an irrigation system, on or after said date, without such device; and, (ii) all existing irrigation systems that are not equipped with a required device, beginning on July 1, 2016.

The regulations shall further require that each municipality notify owners of property within the municipality of the restriction with respect to the operation of irrigation systems without such interruption device.

(b) A municipality, public water supply system or water district, may adopt reasonable by-laws, regulations or rules providing for non-criminal penalties for a violation of said regulations under subsection (a); provided any monetary civil penalty or assessment for a violation of such bylaw, regulation or rule shall not exceed \$50 for such violation per calendar day.

(c) For the purposes of this section the term "Irrigation system", shall mean, any assemblage of components, materials or special equipment that is permanently constructed and installed underground or on the surface, for controlled dispersion of water from any safe and suitable source for the purpose of irrigating planted turf, ornamental plants and other similar types of landscape vegetation or the control of dust and erosion on landscaped areas; including, integral pumping systems and required wiring within that system and connections to a public water supply system, or private water supply system or well; provided, however, that an irrigation system shall not include: plumbing, as defined in section 1 of chapter 142 or a plumbing system; irrigation systems that are designed and installed in a temporary manner with common garden hoses or other similar materials, which are easily connected to, and disconnected from, a hose spigot of a plumbing system.

(d) This section shall not apply to irrigation systems that are installed or operated on land primarily used for: tree farms and nurseries, farming or agriculture for the growing of crops for harvest, and community gardens and fields used to grow local food crops.

SECTION 16. Section 10 of chapter 23L of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by adding the following subsection:-

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

SECTION 17. Chapter 29 of the General Laws is hereby amended by inserting after Section 2III, the following sections:-

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

Section 2KKKK. 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 Massachusetts Clean Water Trust 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 2LLLL. There shall be set up on the books of the commonwealth a separate fund to be known as the Water Infrastructure Small Communities Grant Fund, which shall be deposited amounts credited and transferred to the fund under section 5G of chapter 29, any appropriations and authorizations of the general court, and other such amounts to be credited to the fund from any other source. The state treasurer as the custodian and treasurer of the fund shall receive and deposit in accordance with state law, all monies credited to such fund to provide the highest rate of interest consistent with the safety of the monies so deposited. All accrued fund investment income shall be credited to the fund. Monies deposited into the fund that are expended are unexpended at the end of the fiscal year shall not revert to the General Fund and shall be available in the following fiscal year.

Expenditure from the fund shall be made by the commissioner of the department of environmental protection solely to provide financial assistance to eligible municipalities and local governmental units, as defined under section 1 of chapter 29C, for: (i) additional grants for

the planning, design or construction for abatement facilities under section 33 of chapter 21; (ii) grants for the planning, design or construction for water pollution abatement facilities as provided under section 33E of chapter 21; (iii) additional financial assistance, including grants to subsidize the reduction of principal balance of loans or debt service costs for projects financed by the Clean Water Trust under chapter 29C; (iv) grants and other financial assistance for infrastructure, repairs, improvements, equipment and technical assistance directly related to drinking water and sewer and septic systems, storm water systems, and water systems for fire control ; and (v) grants to municipalities and local governmental units to provide technical and limited financial assistance to local residential property owners, including owners of mobile homes, relating to drinking water wells and septic on-site disposal systems. Notwithstanding, no expenditure shall be made from the fund for the benefit of a municipality with more than 20,000 inhabitants or the benefit of a local governmental unit, not to include a municipality, with more than 20,000 service recipients.

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

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

SECTION 20. The third paragraph of section 5G of said chapter 29, as so appearing, is hereby amended by inserting after the words “section 22 of chapter 32”, in lines 29 and 30, the following words:-

; and 10 per cent of any amount transferred to the Commonwealth Stabilization Fund under this section, not to exceed an amount of \$80,000,000 in a fiscal year, shall be transferred to the Water Pollution Abatement Revolving Fund under section 2L of chapter 29, subject to the provisions of chapter 29C; and 5 per cent of any amount transferred to the Commonwealth Stabilization Fund under this section, not to exceed an amount of \$40,000,000 in a fiscal year, shall be transferred to the Drinking Water Revolving Fund under section 2QQ of chapter 29, subject to the provisions of chapter 29C; and 10 per cent of any amount transferred to the Commonwealth Stabilization Fund under this section, not to exceed an amount of \$80,000,000 in a fiscal year, shall be transferred to the Water Infrastructure For Small Communities Grant Fund under section 2KKKK of chapter 29.

SECTION 21..Chapter 29C of the General Laws is hereby amended by inserting after section 18, the following section:-

Section 19. (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 as established under section

2KKKK of chapter 29. 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. The trust shall develop rules and regulations to carry out the provisions of this section. For necessary and convenient administration of this program, the state treasurer shall 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.

(b) The board shall apply monies in the Water Infrastructure Improvement Fund for the purpose of providing grants to local governmental units to provide for a capital outlay program of maintenance and improvements to municipal drinking, waste and storm water infrastructure assets. The amount of fund assets to be allocated as a grant funding for municipalities shall be determined using the following formula:

$$((\text{Road Miles Factor} \times 58.33\%) + (\text{Population Factor} \times 20.83\%) + (\text{Employment Factor} \times 20.83\%)) / \text{Base Allocation} = \text{Percentage of Funds Available to Municipality, where:}$$

(i) Road Miles Factor = the number of road miles contained within a municipality.

(ii) Population Factor = the population of a municipality.

(iii) Employment Factor = the number of persons employed within the borders of the municipality.

(iv) Base Allocation = $((\text{the total number of road miles in Massachusetts} \times 58.33\%) + (\text{the population of Massachusetts} \times 20.83\%) + (\text{the total number of persons employed in Massachusetts} \times 20.83\%)) / \text{total number of municipalities in Massachusetts}.$

SECTION 22. Chapter 29C of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking out the title and inserting in place thereof the following title:- MASSACHUSETTS CLEAN WATER TRUST.

SECTION 23. Section 1 of said chapter 29C, as so appearing, is hereby amended by striking out, in line 3, the words “water pollution abatement trust”, each time they appear, and inserting in place thereof the following words:- Massachusetts Clean Water Trust.

SECTION 24. Said section 1 of said chapter 29C, as so appearing, is hereby further amended by inserting after the definition of “Bonds” the following definition:-

“Committed contract assistance”, in any year, the sum of (i) the amount of contract assistance that the commonwealth has committed to provide in such year with respect to bonds of the trust issued, subsidy funds established, and all other board-approved financial assistance established or committed prior to such year; and (ii) the amount of contract assistance that the board determines will be required to be so committed in such year to provide a subsidy or other

financial assistance, including without limitation with respect to bonds of the trust expected to be issued in such year.

SECTION 25. Said section 1 of said chapter 29C of the General Laws, as so appearing, is hereby further amended by striking out the definition of “Trust” and inserting in place thereof the following definition:-

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

SECTION 26. Section 2 of said chapter 29C, as so appearing, is hereby amended by striking out, in lines 5 and 6, the words “water pollution abatement trust” and inserting in place thereof the following words:- Massachusetts Clean Water Trust.

SECTION 27. Said chapter 29C is hereby amended by striking out section 6, as so appearing, and inserting in place thereof the following section:-

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

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

which shall not exceed the financial equivalent of a 75 per cent subsidy as compared to a market rate loan as calculated at the time of board approval of such loan or other form of financial assistance. a.

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

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

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

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

(iii) the applicant has a Comprehensive Wastewater Management Plan ("CWMP") approved under regulations adopted by the department;

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

(v) the applicant has adopted land use controls, subject to the review and approval of the department in consultation with the executive office of housing and economic development and, where applicable, any regional land use regulatory entity, intended to limit

wastewater flows to the amount authorized under zoning and wastewater regulations as of the date of the approval of the CWMP.

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

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

(7) Each year, the trust shall commit contract assistance for debt service obligations on loans and other forms of financial assistance made by the trust in an amount that is at least 80 per cent of the limit set forth in paragraph (6). If, in any year, the trust is unable to satisfy the 80 per cent threshold, the trust shall file a written report with the office of the state treasurer, the department, the chairs of the house and senate committees on ways and means, and the house and senate chairs of the joint committee on the environment, natural resources and

agriculture, not later than January 1 of that fiscal year, explaining the reasons why the 80 per cent threshold was not satisfied in that year.

(8) The board shall apply and disburse monies in the fund and the Drinking Water Revolving Fund, established under section 18, including contract assistance, principal forgiveness, subsidies and other forms of financial assistance, subject to the following criteria:

(i) Priority with respect to 40 per cent of the monies available for a calendar year, in each particular fund, shall be disbursed to local governmental units that provide waste water collection or treatment services or water services to no greater than 20,000 service recipients, provided the local governmental unit meets the particular program specifications and qualifies in all respects for such financial assistance;

(ii) Priority with respect to 60 per cent of the monies available for a calendar year, in each particular fund, shall be disbursed to local governmental units that provide waste water collection or treatment services or water services to more than 20,000 service recipients, provided the local governmental unit meets the particular program specifications and qualifies in all respects for such financial assistance;

(iii) In the event that a local governmental unit has been newly formed or is planned to be formed, including a regional local governmental unit, and is without service recipients for a calendar year, then the board shall determine such priority with respect to the planned recipient service area of the local unit; and, in making such determination, the board shall consider the number of intended service recipients of such project; and,

(iv) If during a calendar year, all approved financial assistance has been awarded to qualified local governmental units in a particular priority category, then such priority restrictions under clauses (i) and (ii) shall not be in effect for the remainder of such year.

The term “monies available” as used in clauses (i) and (ii), shall not include existing obligations to provide financial assistance of the trust.

(9) With respect to projects appearing on the department’s intended use plan for calendar year 2016 and subsequent years, (i) the board shall not commit contract assistance to provide for the additional subsidy or other form of financial assistance referred to in paragraphs (3), (4), or (5) of this section to any local governmental unit unless it has established a sewer enterprise fund or water enterprise fund, as applicable, under section 53F1/2 of chapter 44, or in lieu of the applicable enterprise fund has established a separate restricted account that is the equivalent of such fund and (ii) any local government unit that transfers or otherwise uses money from its enterprise fund or restricted account for its local governmental operating budget, other than to pay or reimburse, valid expenses or obligations related to such fund or restricted account, will not be eligible to seek new commitments of contract assistance to provide for the additional subsidy or other form of financial assistance referred to in paragraphs (3), (4), or (5) of this

section for a period of 5years following the date of such transfer or other use; provided however, the disqualifying event occurred after January 1, 2015.

SECTION 28. Section 6A of said chapter 29C is hereby repealed.

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

SECTION 30. Chapter 40 of the General Laws is hereby amended by inserting after section 39L the following section:-

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

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

the federal government as reimbursements, grants-in-aid or other receipts on account of water infrastructure improvements; or fines, penalties or supplemental environmental projects. Any interest earned from whatever source shall be credited to and become part of the fund.

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

SECTION 31. Chapter 44 of the General Laws is hereby amended by adding the following section:-

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

SECTION 32. Subsection (i) of section 6 of chapter 62 of the General Laws, as appearing in the 2012 Official Edition, is hereby amended by striking out, in line 257, the figure “\$15,000” and inserting in place thereof, the figure:- “25,000”.

SECTION 33. Said subsection (i) of said section 6 of said chapter 62, is hereby further amended by striking out, in line 260, the figure “\$1,500” and inserting in place thereof, the figure:- “\$4,000” .

SECTION 34. Said subsection (i) of said section 6 of said chapter 62, is hereby further amended by striking out, in line 263, the figure “\$6,000” and inserting in place thereof, the figure:- “\$10,000” .

SECTION 35. Sections 26 and 27 of chapter 203 of the acts of 1992 are hereby repealed.

SECTION 36. Section 420 of chapter 194 of the acts of 1998 is hereby amended by striking out, in line 2, the words “water pollution abatement trust” and inserting in place thereof the words:- Massachusetts Clean Water Trust .

SECTION 37. Said section 420 of said chapter 194 is hereby further amended by striking out, in line 11, the words “or section 6A”.

SECTION 38. Said section 420 of said chapter 194 is hereby further amended by striking out, in lines 13 to 16, inclusive, the words “or said section 6A; provided, however, that the total amount of contract assistance paid by the commonwealth over the life of such loan shall not exceed the amount of contract assistance that would have been paid if such loan had been made for a 20-year period”.

SECTION 39. Section 32 of chapter 312 of the acts of 2008 is hereby amended by striking out, in line 7, the words “or section 6A”.

SECTION 40. The department of environmental protection shall develop a technical assistance grant program to promote farms and other agriculture to utilize innovative water technologies that improve environmental and treatment quality, reduce costs, conserve water or energy, or improve management in the areas of wastewater, storm water or ground water.

SECTION 41. Notwithstanding any general or special law to the contrary, not later than 1 year from the passage of this act, , the board of the Massachusetts Clean Water Trust established in chapter 29C, in consultation with the division of local services within the department of revenue, established in section 1 of chapter 14 of the General Laws, shall establish and publish guidelines for best management practices in water management. These guidelines shall include, but not be limited to, the practice of full cost pricing, including which direct and indirect costs shall be included in full cost pricing, sound financial management, the use and protection of enterprise funds, the coordination of intra-municipal and inter-municipal projects involving inter-related infrastructure to reduce project costs, the adoption of an asset management plan and a plan for leak mitigation. The demonstration of adoption of these best management practices shall be considered favorably in decisions about wastewater and drinking water project funding made under that chapter.

SECTION 42. Notwithstanding any general or special law to the contrary, nothing in this act is intended to, or shall be construed to, affect in any way the existing commitments of contract assistance or other amounts heretofore provided by the Water Pollution Abatement Trust under general or special law. All agreements and obligations heretofore made under sections 6 or 6A, subsection (g) of section 18 or any other provision of chapter 29C of the General Laws, sections 26 and 27 of chapter 203 of the acts of 1992, section 420 of chapter 194 of the acts of 1998 or any other general or special law shall remain in full force and effect under their terms.

SECTION 43. Subsection (c) of section 21 of chapter 21G of the General Laws shall take effect on March 1, 2014.

SECTION 44. Sections 28, 29 and 30 shall take effect on January 1, 2014.

SECTION 45. Except as otherwise provided, this act shall take effect upon its passage.