SENATE No. 3116

Senate, September 8, 2022 -- Substituted as a new draft (Senator Comerford) for the Senate Bill authorizing the town of Northfield to establish the Grandin Water District (Senate, No. 2938).

The Commonwealth of Alassachusetts

In the One Hundred and Ninety-Second General Court (2021-2022)

An Act authorizing the town of Northfield to establish the Grandin water district.

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Be it enacted by the Senate and House of Representatives in General Court assembled, and by the authority of the same, as follows:

SECTION 1. As used in this act, the following words shall have the following meanings unless the context requires otherwise:-

"Bond", general obligation bonds, notes or other obligations or evidences of indebtedness that the commission has authorized or issued to finance the acquisition of, and improvements to, any water works system that is or shall be operated and managed by the district prior to the effective date of this act, or that the commission authorizes and issues after the effective date of this act by a 2/3 vote, to pay for capital costs of the district, including land acquisition within the district service area, which shall be issued for a term not to exceed 50 years and otherwise be issued in accordance with chapter 44 of the General Laws. A bond issued in accordance with this act shall be arranged so that the amounts payable over a term of years for principal and interest combined shall be as equal as practicable in the opinion of the officers authorized to issue the bonds or, in the alternative, in accordance with a schedule that provides a more rapid amortization of the principal.

A bond issued by the district shall not be included in any debt or other limitation of the town pursuant to any general or special law. A bond issued in accordance with this act not paid by the district when it becomes due and payable shall constitute a pledge of the full faith and credit of the district and shall be a debt of the district within the meaning of section 23 of chapter 59 of the General Laws. A bond issued pursuant to this act shall be signed by a majority of the commission.

"Capital costs", costs of acquisition, extension, improvement or enlargement of the water works system of the district or any other project of the district financed under this act; all or any part of the cost of acquisition, construction, reconstruction, alteration or remodeling of such works including, but not limited to, the costs of labor, materials, machinery, equipment and supplies, demolition removal or relocation of any public utilities facilities or advance training of operating personnel; the acquisition of interests in land, structures and rights of any kind in real and personal property; financing charges and expenses; interest prior to, during and for a period not to exceed 6 months after completion of such work; reserves for debt service and other capital and current expenses; costs of architectural, engineering, financial, legal, environmental or consulting services, including costs of plans, specifications, appraisals, surveys, inspections, analysis or financial and feasibility studies; administrative and operational expenses incurred prior to the commencement of and during such work; and other expenses of completing and commencing operation of such work, working capital and other necessary or incidental expenses related to the acquisition, construction, financing and placing in operation of such work.

"Commission", the water district commission established in section 4; provided, however, that "commission" shall include, if the water district commission shall terminate, the

succeeding person, board, body or commission to which the powers granted to the commission by this act shall have been transferred by law.

"Current expenses", the district's current expenses, whether or not annually recurring, for maintaining, repairing and operating the water works system and any other properties of the district including, but not limited to, administrative costs; debt service on bonds; payroll and employee benefits; engineering expenses for maintenance, operation and repairs; legal, financial and auditing expenses; insurance and surety bond premiums; fees and expenses of trustees and paying agents; payments to others for services rendered to the district; taxes or fees which may be lawfully imposed upon the district or its income or operations or property under its control; and other current expenses required or permitted by law to be paid by the district, including the funding of reasonable reserves for maintenance, repair, replacements or operations.

"District", the Grandin Water District established in section 2; provided, however, that the "district" may include additional customers added by a majority vote of the commission.

"District service area", the area described in section 2 in which the District has acquired or shall acquire real or personal property, including all the assets necessary to operate a water system and to serve the customers of the District, which shall include all the customers formerly served by East Northfield Water Company; provided, however, that the "district service area" may be amended by a majority vote of the commission and the town by majority vote of its town meeting.

"Revenues", all revenues, rates, fees, charges, rents and other receipts derived from the operation of the water works system and the other properties of the district including, but not

limited to, proceeds of bonds, proceeds of any grant or loan to the district, investment earnings and the proceeds of insurance, condemnation, sale or other disposition of properties.

"Town", the town of Northfield.

"Water works system", the water treatment and distribution system in the district service area and under the jurisdiction, ownership, control and regulation of the district including, but not limited to, the plants, works, instrumentalities or parts thereof; lands, easements, rights in land, water and flowage rights, approaches, water courses, rights of way, contract rights, franchises and privileges, all connections, dams, wells, reservoirs, water mains and pipe lines, equipment, buildings, structures, pressure boosting components, vehicles, standpipes, tanks, conduits, meters, hydrants, fire connections and fixtures of the system; purification, filtration and treatment works and other adjuncts thereto; other real or personal property interests incidental to and included in the system; and all facilities, betterment, extensions, improvements and enlargements thereto and to or for the system hereafter constructed or acquired.

SECTION 2. There shall be within the town of Northfield a political subdivision to be known as the Grandin water district that shall be comprised of all real and personal property that the district may acquire from time to time for the purpose of this act only.\

SECTION 3. The purpose of the district shall be obtaining, treating and distributing water for fair consideration for domestic use, extinguishing fires and other purposes. The district shall have all the rights and powers necessary or convenient to carry out and effectuate its purpose as described herein, including making such payments and incurring such obligations as may be deemed necessary to obtain the water supply and distribution system described in section 2.

SECTION 4. The powers conferred upon the district by this act shall be exercised by a water district commission, which shall consist of 3 members who shall be residents of the town, 1 of whom shall be appointed by the selectboard of the town and may be a member of the board, 1 of whom shall be appointed by the largest water user in the district and 1 of whom shall be elected by the owners of the property located in the district. When the district is first established, the 3 members shall be appointed as follows: (i) 1 member shall be appointed by the selectboard of the town to a 2-year term; (ii) 1 member shall be appointed by the selectboard of the town to a 1-year term, which shall expire upon the election of a commissioner at the next town election at which the seat shall be for a 3-year term; and (iii) 1 member shall be appointed by the largest water user in the district to a 3-year term. The successors to the initial members shall each serve for 3-year terms. Vacancies on the commission shall be filled in the same manner as their appointment and a person appointed to fill a vacancy shall serve until the expiration of the term of the vacant seat. Any commissioner may be removed prior to the expiration of their term by the appointing authority for good cause.

SECTION 5. The commission shall expend the money raised and borrowed by the district and shall annually prepare and approve a budget. Approval of the budget shall be deemed to constitute an appropriation for the expenses enumerated therein. The commission shall have the same powers and duties relative to the assessment, collection and abatement or granting of exemptions relative to money voted by the district as provided by the General Laws. The district shall, at the request of the town, include in each budget compensation to the town for any services rendered and expenses incurred by town officers with respect to the district. The fiscal year of the district shall be the same fiscal year established by the General Laws or otherwise for the town.

SECTION 6. The district and all of its revenue, income and real property shall be exempt from taxation and from betterments and special assessments and the district shall not be required to pay any tax, excise or assessment to or for the commonwealth or any political subdivision thereof. Bonds issued by the district, their transfer and the income therefrom, including any profit made on the sale thereof, shall be exempt from taxation within the commonwealth.

SECTION 7. Except as provided herein, the installation, ownership, operation and maintenance of all real and personal property of the district shall be subject to state and local laws and regulations.

SECTION 8. The commission is hereby constituted and shall exercise the powers conferred by this act, which shall be deemed to be the performance of an essential public function. The commission shall not be subject to the supervision of the town or of any department, commission, board, bureau or agency of the town except as provided in this act.

The commission shall be a public body subject to sections 18 to 25, inclusive, of chapter 30A of the General Laws and chapter 66 of the General Laws.

The commission shall annually elect 1 of its members to be its chair. The commission may establish a reasonable annual compensation for its members, subject to applicable law.

The commission may reimburse any member for the reasonable and necessary expenses incurred in the discharge of the member's official duties as approved by the commission.

The district shall be a public employer and its members, officers and employees shall be public employees as defined in section 1 of chapter 258 of the General Laws and section 1 of chapter 268A of the General Laws.

SECTION 9. The commission may appoint, employ and determine the compensation, duties and conditions of employment of or contract for a superintendent or entity providing operational and management functions for the district. The superintendent or entity shall not be a member of the commission or an entity controlled by any member of the commission and shall serve at the pleasure of the commission.

The commission may designate a superintendent to be the chief operating officer of the district to administer and direct its affairs as authorized or approved by the commission. The chief operating officer may have and execute the powers and duties of the commission as the commission may have delegated to the superintendent and not recalled.

The clerk of the commission shall keep a record of the proceedings of the commission and shall be custodian of the books, documents and papers filed with the district. The superintendent or any member or person designated by the commission as clerk may cause copies to be made of the minutes and other records and documents of the district and may certify that such copies are true copies and a person dealing with the district may rely upon such certification.

The commission may hire, contract with or otherwise appoint or employ legal counsel, financial advisors and other experts, engineers, agents, accountants, clerks, consultants, operators and employees as it deems necessary and may indemnify its members, officers, employees or agents against liability.

The commission may purchase insurance for itself or a member, officer, employee or agent against liability that may arise out of an individual's status as such, whether or not the

commission would have the power to indemnify such member, officer, employee or agent against such liability.

SECTION 10. The district may, through its commissioners, contract with a municipality, water company, water district or other entity for the purchase, acquisition by other means or sale of whatever water or waterworks that may be required, furnish or purchase the same and enter into such other contracts as may be necessary to effectuate the purposes of this act, including, but not limited to, collection of revenue, data processing and other means of management, administration and operation, subject to the district's financial means.

SECTION 11. The commission shall have all the rights and powers necessary or convenient to carry out and implement this act, including, but not limited to, the rights and powers to:

- (i) adopt by-laws regulating the call of district meetings and administrative procedures to operate the commission;
- (ii) adopt rules, regulations and procedures in connection with the performance of its functions and duties;
- (iii) provide by regulation for civil penalties not to exceed \$300 per day, which shall inure to the district, for the violation of its rule, order or regulation and to assess fines for violation of its rules and regulations;
 - (iv) maintain an office in the town;
- (v) on behalf of the district, apply for, receive, accept, administer, expend or comply with the conditions, obligations or requirements of, a grant, gift or loan, including, but not limited to,

a grant, gift or loan from local, state or federal government agencies, donation or appropriation of property or money to support the purposes of the commission or contributions of money, property, labor or other things of value;

- (vi) acquire, in the name of the district, by purchase, lease, lease-purchase, sale and leaseback, gift or devise or obtain options for the acquisition of any property, or any interest therein, in the exercise of its powers and the performance of its duties;
- (vii) sell, lease, mortgage, exchange, transfer or otherwise dispose of, or grant options for any such purpose relative to, any property held by it, including real or personal, tangible or intangible property, or any interest therein, consistent with the General Laws;
- (viii) enter onto any land within the district service area to make surveys, borings, soundings and examinations thereon, provided that the commission shall make reimbursements for any injury or actual damage resulting to such lands and premises or caused by any act of its authorized agents or employees and shall, so far as possible, restore the land to its condition prior to making such surveys, borings, soundings or examinations;
- (ix) acquire, in the name of the district, by purchase, lease, lease-purchase, sale and leaseback, gift or devise or the exercise of eminent domain upon unanimous vote of the commission any interest in real property within the district service area in the name of the commission for purposes of the district, including the protection of the water distribution system, in accordance with chapters 79 and 80A of the General Laws or any alternative method provided by law;
- (x)(A) order the removal or relocation of any conduits, pipes, wires, poles, structures or other property located in a public way or place or in or upon private lands that the commission

deems to interfere with the laying out, construction or operation of any water system project and such order, to the extent specified therein, shall be deemed a revocation of the right or license to maintain such tracks, pipes, conduits, wires, poles, structures or other property in such public ways or places; (B) insure that the proper authorities grant a new location for the structure so removed or relocated; and (C) compensate the owner of such property for the reasonable costs of the removal or relocation;

(xi) discontinue, remove or relocate such tracks, conduits, pipes, wires, poles, structures or other property and charge the owner the cost of such discontinuance, removal or relocation. If an owner fails to comply with an order of the commission relating to any such structure within a reasonable time to be fixed in the order, the commission may discontinue and remove the tracks, conduits, pipes, wires, poles or other property and may relocate them, and the cost of the discontinuance, removal or relocation shall be repaid to the commission by the owner; provided, however, that no discontinuance, removal or relocation shall entitle the owner of the affected property to any damages on account thereof, except for reimbursement of costs as provided in this section; and provided further, that this section shall not apply to facilities on property of the town or commonwealth under the control of the department of highways or the department of conservation and recreation or installed under licenses or permits granted by those departments, except with the department's approval;

(xii) contract for and purchase water supply, treatment and distribution services and provide such services to a person, private or public corporation or public instrumentality within the district service area or another town, as the commission shall determine to be in the best interests of the district, or to the commonwealth or the federal government when necessary or convenient for the operation of the water system;

(xiii) construct, improve, extend, enlarge, maintain or repair the water works system and
occupy and operate, extend, enlarge, maintain or repair any portion of the water works system
owned by the district within the district service area, upon the terms and conditions determined
by the commission;

(xiv) use monies borrowed or appropriated by the district for the purposes of this act;

(xv) make contracts for the purchase of supplies, materials and services and for the purchase or lease of land, buildings and equipment, as considered necessary by the commission, and execute and deliver all instruments necessary or convenient for carrying out any of its purposes;

(xvi) create an overall water policy and plan for the district;

(xvii) do all things necessary, convenient or desirable for carrying out the purposes of this act or the powers expressly granted or necessarily implied in this act;

(xviii) consistent with the constitution and laws of the commonwealth, have any other power necessary for or incident to carrying out the foregoing powers and accomplishing the purposes of this act; provided, however, that nothing in this act shall impose a duty on the commission to maintain groundwater levels within or without the boundaries of the district; and

(xix) enter into 1 or more intermunicipal agreements with the town and other governmental entities for the provision of water services in accordance with section 4A of chapter 40 of the General Laws.

SECTION 12. In addition to the powers of the commission otherwise provided in this act, the commission shall have the powers and be subject to the limitations established in this section.

(a) The commission may fix, revise, charge, collect and abate fees, rates, rents, assessments, delinquency charges, liens or other charges for water supply, treatment and distribution and other services, facilities and commodities it furnishes or supplies. Subject to subsection (c), fees, rates, rents, assessments, delinquency charges and other charges of general application shall be adopted and, as necessary, revised by the commission at least annually in accordance with procedures to be established by the commission for ensuring that interested persons are afforded notice and an opportunity to present data, views and arguments. The commission shall hold at least 1 public hearing on its schedule of fees, rates and charges or any revision thereof prior to its adoption, notice of which shall be delivered to the selectboard of the town and published on the town's municipal website and in a newspaper of general circulation in the town not less than 10 days in advance of the hearing. Not later than the date of such hearing, the commission shall make the proposed schedule available to the public. The commission may combine its fees, rates and other charges for services provided by it in a single schedule. Fees, rates, rents, assessments, abatements and other charges established by the commission shall not be subject to supervision of or regulation by any department, division, commission, board, bureau or agency of the town, commonwealth or any political subdivision. In order to provide for the collection and enforcement of any charges for fees, rates and other charges, the commission shall have the benefit, without further acceptance of sections 42A to 42F, inclusive, of chapter 40 of the General Laws or filing of any certificate relating thereto, of liens for unpaid fees, rates, rents, assessments and other charges as provided in sections 42A and 42B of said chapter 40 to the extent applicable and consistent with this act. The commission shall certify to the town tax collector any fee, rate or charge for which a lien has arisen and the assessors shall add them to the property tax assessed on the property to which it relates when the annual assessment of town

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property taxes is made. The town tax collector shall act as collector for the district and collect the rate, fee or charge as provided in section 42D of said chapter 40. The collector or town treasurer shall pay over to the district any amounts collected on account of such rates, fees or charges.

- (b) Subject to subsection (e), the fees, rates, rents, assessments and other charges established by the commission in accordance with subsection (a) shall be fixed and adjusted relative to the aggregate thereof so as to provide revenues sufficient to: (i) pay the current expenses of the commission; (ii) pay the principal, premium and interest on bonds for costs as they become due and payable; (iii) create and maintain such reasonable reserves as may be reasonably required by the commission or by any trust agreement or resolution securing bonds issued by the district on account of capital costs; (iv) provide funds for paying the costs of all necessary repairs, replacements and renewals of the water system; and (v) pay or provide for any amounts which the commission may be obligated to pay or provide for by law or contract, including a resolution or contract with or for the benefit of the holders of bonds issued for the commission. The commission shall issue an annual operating budget and may allocate the use of such amounts as the commission shall determine in its sole discretion.
- (c) The commission shall undertake a study and examination of its estimated expenses and costs of constructing, maintaining, operating and improving the system and shall, 1 year after the effective date of this act, promulgate, in accordance with subsections (a) and (b), a schedule of fees, rents, rates and other charges. The schedule shall become effective upon promulgation and shall provide for the metering, monitoring and other measuring of and charging for water supply, treatment and distribution services provided by the commission to consumers of such services in the district.

(d) The district may make special assessments under sections 42G to 42I, inclusive, and 42K of chapter 40 of the General Laws by vote of the commission. The commission shall certify any district special assessment or betterment to the town assessors and the assessors shall commit them to the town tax collector as provided in chapter 80 of the General Laws. The town tax collector shall act as collector for the district and collect any betterments or special assessments as provided in said chapter 80. The collector shall include on municipal lien certificates of the town any district water rates, fees or charges that are liens and issue certificates under section 12 of said chapter 80 to dissolve liens for special assessments or betterments of the district when such assessments or betterments have been paid in full or abated.

- (e) For purposes of operation of the water treatment and distribution system, the district is hereby authorized upon majority vote of the commission to establish and maintain: (i) a reserve fund, which may carry over the remaining balance of such fund into the ensuing fiscal year; and (ii) an Enterprise Fund in accordance with the provisions of section 53F1/2 of chapter 44 of the General Laws.
- (f) A water treatment and distribution system shall be subject to the applicable rules and regulations of the town and the applicable laws of the commonwealth and shall comply with any approval required thereunder.
- SECTION 13. Notwithstanding section 13 of chapter 80 of the General Laws or any other general or special law to the contrary, an assessment on account of a betterment project of the district may be apportioned into such number of equal portions as may be determined by the district.

SECTION 14. Insofar as this act is inconsistent with any general or special law, administrative order or regulation of the commonwealth to the contrary, this act shall be controlling.

SECTION 15. This act, being necessary for the welfare of the town and its inhabitants, shall be liberally construed to effect its purposes.

SECTION 16. This act shall be construed in all respects so as to meet all constitutional requirements. In carrying out the purposes and provisions of this act, all steps shall be taken that are necessary to meet constitutional requirements whether or not such steps are required by statute.

SECTION 17. This act shall take effect upon its passage."