

**HOUSE . . . . . No. 690**

The Commonwealth of Massachusetts

PRESENTED BY:

*Carolyn C. Dykema*

To the Honorable Senate and House of Representatives of the Commonwealth of Massachusetts in General Court assembled:

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

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

PETITION OF:

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

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

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

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The Commonwealth of Massachusetts

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In the Year Two Thousand Thirteen  
\_\_\_\_\_

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

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

1 SECTION 1.

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

7 SECTION 2.

8 Massachusetts Water Pollution Abatement Trust

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

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

25 SECTION 3. To meet the expenditures necessary in carrying out section 2, the state  
26 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an  
27 amount to be specified by the governor from time to time but not exceeding, in the aggregate,  
28 [\$200,000,000] per year. All such bonds issued by the commonwealth shall be designated on  
29 their face, Maintenance and Improvement of Municipal Water Infrastructure Act of 20[...], and  
30 shall be issued for a maximum term of years, not exceeding 30 years, as the governor may  
31 recommend to the general court under section 3 of Article LXII of the Amendments to the  
32 Constitution; provided, however, that all such bonds shall be payable not later than June 30, [...].  
33 All interest and payments on account of principal on these obligations shall be payable from the  
34 General Fund. Notwithstanding any other provision of this act, bonds and interest thereon issued  
35 under this section shall be general obligations of the commonwealth.

36 SECTION 4.

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

47 SECTION 5.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

104 (i) projects involving multiple municipalities;

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

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

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

#### 110 SECTION 6.

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

113 “No later than February 1, 2014, the department, after consulting with the division of  
114 local services and the board, shall establish and publish guidelines and standards for best  
115 management practices in water infrastructure management, which shall include but not be  
116 limited to the following: (i) practice of full cost pricing consistent with MGL Chapter 40, Section  
117 39J; (ii) use of an asset management plan; (iii) use of green construction principles; (iv)  
118 implementation affordability guidelines; (v) implementation of conservation water pricing.”

#### 119 SECTION 7.

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

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