

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,

21 that a local government unit shall comply with the procedures established by the Massachusetts
22 Clean Water Trust; provided further, that any such local government unit may appropriate for
23 such projects amounts not in excess of the amount provided to the local government unit under
24 this item, preliminary notice of which shall be provided by the Massachusetts Clean Water Trust
25 to the local government unit not later than April 1 of each year; provided further, that the
26 Massachusetts Clean Water Trust shall reimburse any such local government unit under this item
27 within 30 days after receipt by the Massachusetts Clean Water Trust of a request for
28 reimbursement from the local government unit, which request shall include certification by the
29 local government unit that actual expenses have been incurred on projects eligible for
30 reimbursement under this item, and that the work has been completed to the satisfaction of the
31 local government unit according to the specifications of the project and in compliance with
32 applicable laws and procedures established by the Massachusetts Clean Water
33 Trust.....\$250,000,000

34 SECTION 4A. To meet the expenditures necessary in carrying out section 3, the state
35 treasurer shall, upon request of the governor, issue and sell bonds of the commonwealth in an
36 amount to be specified by the governor from time to time but not exceeding, in the aggregate,
37 \$250,000,000. All such bonds issued by the commonwealth shall be designated on their face,
38 Maintenance and Improvement of Municipal Water Infrastructure Act of 2045, and shall be
39 issued for a maximum term of years, not exceeding 30 years, as the governor may recommend to
40 the general court under section 3 of Article LXII of the Amendments to the Constitution;
41 provided, however, that all such bonds shall be payable not later than June 30, 2045. All interest
42 and payments on account of principal on these obligations shall be payable from the General
43 Fund. Notwithstanding any other provision of this act, bonds and interest thereon issued under
44 this section shall be general obligations of the commonwealth.

45 SECTION 5. Section 26A of said chapter 21, as so appearing, is hereby amended by
46 inserting after the definition of “FWPCA” the following definition:-

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

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

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

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

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

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

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

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

82 Section 31A. Subject to appropriation, the department of environmental protection shall
83 administer a matching grant program for communities who desire to join the Massachusetts
84 Water Resources Authority or any other regional system for wastewater, drinking water or for
85 both wastewater and drinking water. Each grant shall match, on a 1:1 basis, money committed by
86 a local government unit or a regional local governmental unit, as defined in section 1 of chapter
87 29C, to pay the entry fee established by the Massachusetts Water Resources Authority under
88 section 8 of chapter 372 of the acts of 1984. The department shall award grants only to a local
89 governmental unit or regional local governmental unit that satisfies the department that it has
90 committed funds to join said Authority. Should the local governmental unit or regional local
91 governmental unit fail to join said Authority after receiving a grant under this section, the local
92 governmental unit or regional local governmental unit shall return money granted under this
93 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 33A^{1/2}. 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.

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

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

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

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

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

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

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

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

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

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

170 Section 2JJJJ. There shall be established and set up on the books of the commonwealth a
171 separate fund to be known as the Regional Water Entity Reimbursement Fund, herein called the
172 Fund. The fund shall be administered by the department of revenue and shall be funded by the
173 commonwealth, by and through the state treasurer and subject to appropriation, to reimburse the
174 Massachusetts Water Resources Authority for its costs in providing cities and towns, within its
175 sewer service area, financial assistance in the form of interest free grants and loans to rehabilitate
176 their collection systems, to structurally reduce infiltration and inflow that is the tributary to the
177 treatment facilities owned by the authority and located on Deer Island and Nut Island. Such
178 reimbursement shall be in addition to the contract assistance amounts in section 6 of chapter
179 29C, subject to the limit set forth in that chapter, but shall not be greater than 10 per cent of the
180 maximum amount set forth in that chapter.

181 Section 2KKKK. There shall be established and set up on the books of the
182 commonwealth a separate fund, to be known as the Water Infrastructure Improvement Fund,
183 consisting of amounts credited to the fund in accordance with section 19 of chapter 29C. The
184 fund shall be administered in accordance with the provisions of said chapter 29C by the board of
185 trustees of the Massachusetts Clean Water Trust and shall be held in trust exclusively for the
186 purposes and the beneficiaries described therein. The state treasurer shall be treasurer and
187 custodian of the fund and shall have the custody of its moneys and securities. Said amounts shall
188 be used solely for the administration of the provisions of section 19 of said chapter 29C.

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

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

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

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

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

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

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

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

236 Section 19. (a) In addition to the powers and duties of the board otherwise provided in
237 this chapter, the trust is hereby designated as the instrumentality of the commonwealth to
238 establish and administer the Water Infrastructure Improvement Fund as established under section

239 2KKKK of chapter 29. The monies in the fund, which shall be under the control of the board and
240 not subject to appropriation, shall be used as provided in subsection (b) of this section. The trust
241 shall develop rules and regulations to carry out the provisions of this section. For necessary and
242 convenient administration of this program, the state treasurer shall segregate monies assigned to
243 this program and avoid any federal law requirement applicable to monies received from federal
244 capitalization grants made pursuant to the Clean Water Act or the Safe Drinking Water Act.

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

250
$$((\text{Road Miles Factor} \times 58.33\%) + (\text{Population Factor} \times 20.83\%) + (\text{Employment Factor} \times$$

251
$$20.83\%)) / \text{Base Allocation} = \text{Percentage of Funds Available to Municipality, where:}$$

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

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

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

256 (iv) Base Allocation = $((\text{the total number of road miles in Massachusetts} \times$
257 $58.33\%) + (\text{the population of Massachusetts} \times 20.83\%) + (\text{the total number of persons employed}$
258 $\text{in Massachusetts} \times 20.83\%)) / \text{total number of municipalities in Massachusetts.}$

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

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

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

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

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

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

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

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

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

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

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

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

312 (3) The department of environmental protection shall promulgate regulations
313 under section 7 of this chapter establishing criteria that the department shall use to evaluate
314 applications for additional subsidies equivalent to a loan made at an interest rate of less than 2
315 per cent. The criteria shall be reflective of the board's current priorities and of best management
316 practices. . Notwithstanding the foregoing regulations, all permanent loans and other forms of
317 financial assistance made by the trust, which finance the costs of certain water pollution
318 abatement projects on the department's intended use plan for calendar year 2009 to calendar year
319 2069, inclusive, and meet the criteria listed below, shall provide for an additional subsidy or
320 other assistance in the payment of debt service such that the loans and other forms of financial
321 assistance shall be the financial equivalent of a loan made at a 0 per cent rate of interest;
322 provided, that the costs of water pollution abatement projects on an intended use plan that are
323 eligible for a permanent loan or other financial assistance from the trust at the financial
324 equivalent of a loan made at a 0 per cent rate of interest shall not exceed 35 per cent of the total
325 costs of all water pollution abatement projects on the intended use plan.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

408 (9) With respect to projects appearing on the department’s intended use plan for
409 calendar year 2016 and subsequent years, (i) the board shall not commit contract assistance to
410 provide for the additional subsidy or other form of financial assistance referred to in paragraphs
411 (3), (4), or (5) of this section to any local governmental unit unless it has established a sewer
412 enterprise fund or water enterprise fund, as applicable, under section 53F1/2 of chapter 44, or in
413 lieu of the applicable enterprise fund has established a separate restricted account that is the
414 equivalent of such fund and (ii) any local government unit that transfers or otherwise uses money
415 from its enterprise fund or restricted account for its local governmental operating budget, other
416 than to pay or reimburse, valid expenses or obligations related to such fund or restricted account,
417 will not be eligible to seek new commitments of contract assistance to provide for the additional
418 subsidy or other form of financial assistance referred to in paragraphs (3), (4), or (5) of this

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

507 SECTION 42. Notwithstanding any general or special law to the contrary, nothing in this
508 act is intended to, or shall be construed to, affect in any way the existing commitments of
509 contract assistance or other amounts heretofore provided by the Water Pollution Abatement Trust
510 under general or special law. All agreements and obligations heretofore made under sections 6 or
511 6A, subsection (g) of section 18 or any other provision of chapter 29C of the General Laws,
512 sections 26 and 27 of chapter 203 of the acts of 1992, section 420 of chapter 194 of the acts of
513 1998 or any other general or special law shall remain in full force and effect under their terms.

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

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

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