

HOUSE No.

The Commonwealth of Massachusetts

PRESENTED BY:

Jeffrey Sánchez

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 passage of the accompanying bill:

An Act to establish the water infrastructure finance commission.

PETITION OF:

NAME:	DISTRICT/ADDRESS:
Jeffrey Sánchez	15th Suffolk
Stephen L. DiNatale	3rd Worcester
Louis L. Kafka	8th Norfolk
Kate Hogan	3rd Middlesex

[SIMILAR MATTER FILED IN PREVIOUS SESSION
SEE HOUSE, NO. 855 OF 2007-2008.]

The Commonwealth of Massachusetts

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In the Year Two Thousand and Nine
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AN ACT TO ESTABLISH THE WATER INFRASTRUCTURE FINANCE COMMISSION.

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.** (a) There shall be a special water infrastructure finance commission to
2 develop a comprehensive, long-range water infrastructure finance plan for the commonwealth and its
3 municipalities.
4 Section 2. The commission shall consist of the commissioner of environmental protection or his
5 designee, the state treasurer or his designee, 1 member of the senate; 1 member of the house of
6 representatives; 1 person to be appointed by the president of the senate and 1 person to be appointed
7 by the speaker of the house of representatives, each of whom shall be a representative of a planning
8 organization, environmental consumer organization or other public interest organization; 1 person to be
9 appointed by the minority leader of the senate and 1 person to be appointed by the minority leader of
10 the house, each of whom shall be from different geographic regions of the commonwealth and who
11 shall be representatives of the business community; a representative of the Boston Water and Sewer
12 Commission; and 9 persons to be appointed by the governor who shall not be employees of the
13 executive branch and who shall reside in different geographic regions of the commonwealth, 1 of whom
14 shall be a representative of the American Council of Engineering Companies of Massachusetts, 1 of
15 whom shall be a representative of the Utility Contractors Association of New England, 1 of whom shall
16 be a representative of the Massachusetts Waterworks Association, 1 of whom shall be a representative
17 of the Massachusetts Municipal Association, 1 of whom shall be a representative of Clean Water Action,
18 1 of whom shall be a representative of Associated Industries of Massachusetts, 1 of whom shall be a
19 representative of the Environmental League of Massachusetts, 1 of whom shall be a representative of
20 the Conservation Law Foundation and 1 of whom shall be a representative of the Massachusetts Water
21 Pollution Control Association. The aforementioned organizations shall provide a list of at least 3 but not

22 more than 5 candidates for consideration by the governor. Each of the members shall be an expert or
23 shall have experience in the field of law or public policy, water, wastewater or storm water planning,
24 design and construction of water, wastewater or storm water projects, utility management,
25 management consulting or organizational finance; provided, however, that at least 1 member shall have
26 expertise in organizational finance. The governor shall designate a member to serve as the chairperson
27 of the commission but the chairperson shall not be the commissioner of environmental protection, the
28 state treasurer or their designees. The members of the commission shall be appointed not later 90 days
29 after the effective date of this act and serve until the completion of the long-range infrastructure
30 finance plan.

31 Section 3. In the course of its deliberations, the commission shall make it a priority to examine the
32 technical and financial feasibility of sustaining, integrating and expanding public water systems,
33 conservation and efficiency programs, wastewater systems and storm water systems of municipalities
34 and the commonwealth, including regional or district systems. Further, the commission shall: (1)
35 examine the water infrastructure needs of the commonwealth for the next 25 years as they relate to the
36 funding gap between the water infrastructure needs of the commonwealth and the existing, available
37 sources of funding; (2) develop mechanisms for additional funding for water infrastructure by increasing
38 investment in critical water, wastewater, storm water and water conservation infrastructure; (3) provide
39 mechanisms for improvements in the handling and management of water programs; (4) examine the
40 potential threats to public health and public safety from the existing shortfalls in funding for water
41 infrastructure; (5) examine and develop recommendations on ways in which the commonwealth and its
42 municipalities may meet operation and maintenance, and capital improvement and reconstruction
43 needs for the next 25 years including, without limitation, recommendations regarding debt reduction,
44 enhancing existing sources of revenues, developing new sources of revenues, establishing new
45 incentives for public-private partnerships in the development of real property resources and funding
46 resources; and (6) examine the expanded use of full accounting systems and enterprise funding, asset
47 management systems and best management practices, compliance with chapter 21G of the General
48 Laws and Massachusetts water policy, and current federal and state funding programs.

49 The commission shall examine the finances of the various municipalities and regional water districts,
50 including state and federal aid levels, and make recommendations for improvements to financial policies
51 and procedures. The commission shall identify areas where cost savings can be achieved across water
52 agencies by consolidation, coordination and reorganization. The commission shall examine the
53 projected federal funding, projected state funding, projected local funding, projected fee-based funding,
54 debt financing and any other sources of projected funding to finance water infrastructure needs
55 identified by the commission.

56 Section 4. The commission shall develop recommendations as to what funding or finance measures the
57 commonwealth or its municipalities may pursue to satisfy any unmet funding needs identified by the
58 commission. The recommendations shall also include any recommendation for interagency agreements,
59 intermunicipal agreements, consolidations or mergers to enable the commonwealth and its
60 municipalities to make the most effective use of water funding resources. The recommendations shall
61 identify fair and equitable means of financing water infrastructure investments through taxes, fees, user
62 charges or other sources.

63 Section 5. The commission may hold public hearings to assist in the collection and evaluation of data and

64 testimony.

65 Section 6. The commission shall prepare a written report detailing its financials relative to identified
66 funding sources and its recommendations, if any, together with drafts of legislation necessary to carry
67 those recommendations into effect. The commission shall submit its initial report to the governor, the
68 secretary of environmental affairs, the clerks of the senate and house of representatives, the house and
69 senate committees on ways and means and the joint committee on the environment not later than 2
70 years after the effective date of this act.

71 Section 7. Any research, analysis or other staff support that the commission reasonably requires shall be
72 provided by the executive office of environmental affairs and its agencies, with assistance from the
73 Massachusetts Water Resources Authority.