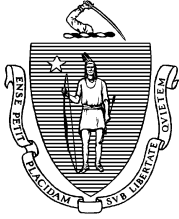


SENATE, No. 2694

[SIMILAR MATTER FILED DURING PAST SESSION
SEE NO. OF]



The Commonwealth of Massachusetts

IN THE YEAR OF TWO THOUSAND AND EIGHT

AN ACT TO PRESERVE DRINKING WATER QUALITY AND RELIABILITY

*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: Findings

2 Whereas water is vital to life and comprises an invaluable natural resource which is not to
3 be abused by any segment of the Commonwealth's population or its economy

4 Whereas the waters of the Commonwealth are a critical renewable resource which must
5 be protected to insure the availability of safe and potable drinking water for present and
6 future needs

7 Therefore it is the policy of the Commonwealth to restore, enhance, and maintain the
8 chemical, physical, and biological integrity of its waters.

9 SECTION 2: The Secretary of Energy and Environmental Affairs shall set up a program
10 to assist municipalities, water districts and water commissions with preserving drinking
11 water quality and reliability. The program shall do the following:

- 12 a) provide grant money to water suppliers (including municipalities, districts and
13 commissions) to upgrade or replace their water infrastructure, and
- 14 b) require that any water supplier seeking such funding that is also a municipality
15 has a water quality and infrastructure enterprise fund adopted pursuant to section
16 2, and
- 17 c) any water supplier seeking such funding has a comprehensive upgrade and
18 maintenance plan for its water infrastructure

19 SECTION 3: Notwithstanding the provisions of section fifty-three of chapter 44 or any
20 other provision of law to the contrary, a city or town which accepts the provisions of this
21 section may establish a separate account classified as a “Water Quality and Infrastructure
22 Enterprise Fund”, for any improvement or replacement of any public works project
23 encompassing water infrastructure and all other operating and capital costs relating to
24 water supply, as the city or town may designate, hereinafter referred to as the enterprise.
25 Such account shall be maintained by the treasurer, and all receipts, revenues and funds
26 from any source derived from all activities of the enterprise shall be deposited in such
27 separate account. The treasurer may invest the funds in such separate account in the
28 manner authorized by sections fifty-five and fifty-five A of chapter forty-four. Any

29 interest earned thereon shall be credited to and become part of such separate account. The
30 books and records of the enterprise shall be maintained in accordance with generally
31 accepted accounting principles and in accordance with the requirements of section thirty-
32 eight of chapter 44.

33 Each Water Quality and Infrastructure Enterprise Fund may be dissolved every five
34 years.

35 No later than one hundred and twenty days prior to the beginning of each fiscal year, an
36 estimate of the income for the ensuing fiscal year and a proposed line item budget of the
37 enterprise shall be submitted to the mayor, board of selectmen or other executive
38 authority of the city or town by the appropriate local entity responsible for operations of
39 the enterprise. Said board, mayor or other executive authority shall submit its
40 recommendation to the town meeting, town council or city council, as the case may be,
41 which shall act upon the budget in the same manner as all other budgets.

42 The city or town shall include in its water rate for the fiscal year the amount appropriated
43 for the total expenses of the enterprise and an estimate of the income to be derived by the
44 operations of the enterprise. If the estimated income is less than the total appropriation,
45 the difference shall be added to the price of water and raised by increasing the water rate.
46 If the estimated income is more than the total appropriation, the excess shall be
47 appropriated to a separate reserve fund and used for capital expenditures of the enterprise,
48 subject to appropriation, or to reduce user charges if authorized by the appropriate entity
49 responsible for operations of the enterprise. If during a fiscal year the enterprise incurs a

50 loss, such loss shall be included in the succeeding water quality and infrastructure
51 enterprise fund budget.

52 Funds from the fund shall only be used for activities directly related to the operation,
53 maintenance, and improvement of and any capital costs related to the drinking water
54 supply for that municipality.

55 If during a fiscal year the enterprise produces a surplus, such surplus shall be kept in such
56 separate reserve fund and used for the purposes provided therefore in this section.

57 For the purposes of this section, acceptance in a city shall be by vote of the city council
58 and approval of the mayor, in a town, by vote of a special or annual town meeting and in
59 any other municipality by vote of the legislative body.