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LC02388/SUB A  
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**STATE OF RHODE ISLAND**

**IN GENERAL ASSEMBLY**

**JANUARY SESSION, A.D. 2002**

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A N A C T

RELATING TO WATERS AND NAVIGATION -- WATER SUPPLY FACILITIES

Introduced By: Representative S Anderson

Date Introduced: February 05, 2002

Referred To: Joint Water Resources

It is enacted by the General Assembly as follows:

1           SECTION 1. Section 46-15.1-5 of the General Laws in Chapter 46-15.1 entitled "Water  
2   Supply Facilities" is hereby amended to read as follows:

3           **46-15.1-5. Powers.** -- The board shall carry out its functions and shall have the following  
4   powers:

5           (1) To adopt a seal and to alter the seal from time to time;

6           (2) To sue and be sued;

7           (3) To purchase, hold, and dispose of real and personal property, or interests therein, and  
8   to lease the property as lessee or lessor;

9           (4) To make or cause to be made such surveys and borings as it may deem necessary;

10          (5) To engage engineering, legal, accounting, and other professional services;

11          (6) To make contracts;

12          (7) To employ personnel and fix their rates of compensation;

13          (8) To borrow money and issue its bonds and notes as hereinafter provided;

14          (9) To apply and contract for and to expend assistance from the United States or other  
15   sources, whether in the form of a grant or loan or otherwise;

16          (10) To adopt and amend bylaws for the regulation of its affairs and the conduct of its  
17   business;

18          (11) To invest or deposit funds in demand deposits, savings deposits, and time deposits  
19   in any bank or trust company which is a member of the federal deposit insurance corporation or

1 in any obligations issued or guaranteed by the United States or any agency or instrumentality  
2 thereof, or as provided in section 35-10-11;

3 (12) To establish, operate, and maintain or lease to others, or contract with others for the  
4 use of, such water supply facilities as may be reasonably required for the fulfillment of its  
5 purposes;

6 (13) To purchase and sell water;

7 (14) To exercise such other powers as may be necessary or incidental to the exercise of  
8 the foregoing powers or to the accomplishment of the purposes of the board;

9 (15) To acquire, within the limitation of funds therefor, the sites, appurtenant marginal  
10 lands, dams, waters, water rights, rights of way, easements, and other property in interests in  
11 property for reservoirs, groundwater wells, well sites, and for such pipe lines, aqueducts, pumping  
12 stations, filtration plants, and auxiliary structures as may be necessary or desirable for the  
13 treatment and distribution of water from those reservoirs, groundwater wells, and well sites.  
14 Lands acquired under the provisions of this section shall be acquired with the approval of the  
15 governor by purchase, gift, devise, or otherwise on such terms and conditions as the board shall  
16 determine, or by the exercise of eminent domain, in accordance with the provisions of chapter 6  
17 of title 37, as amended, insofar as those provisions are consistent with the provisions hereof;

18 (16) To construct or purchase water reservoirs, wells and well sites, processing facilities,  
19 transmission or distribution systems, and other facilities, including existing facilities of municipal  
20 water agencies or departments, special water districts, or private water companies, necessary to  
21 accomplish the purposes of this chapter and to implement its plans and program;

22 (17) To acquire the assets, assume the liabilities, or to effect the merger into itself of any  
23 corporation or other organization, including public or private water supply systems incorporated  
24 or organized under the laws of this state, which corporation or organization has as its principal  
25 business the establishment of water supply facilities or provision of related services, all upon such  
26 terms and for such consideration as the board shall deem to be appropriate;

27 (18) To lease, sell, or otherwise convey any reservoir sites or other water supply or  
28 distribution facilities acquired, constructed, or purchased by the board to any municipal water  
29 agency or department or special water district or private water company, upon such terms as the  
30 board shall deem appropriate;

31 (19) To provide for cooperative development, conservation, and use of water resources  
32 by the state, municipal agencies or departments, special water districts or privately owned water  
33 systems, the board may:

34 (i) Authorize publicly or privately owned water supply agencies to build structures or

1 install equipment on land owned or leased by the board.

2 (ii) Enter into contracts with publicly or privately owned water supply agencies for  
3 operation of any facilities owned or leased by the board or operate any such facility by itself.

4 (20) To enter into contracts to supply raw or processed water to publicly or privately  
5 owned water supply agencies, which shall be approved as to substance by the director of  
6 administration and as to form by the attorney general;

7 (21) To review all plans and proposals for construction or installation of facilities for  
8 water supply in accordance with the applicable sections of chapter 15 of this title; and

9 (22) To make loans to publicly owned water supply agencies for acquisition, ~~of land,~~  
10 ~~construction, and renovation of water supply facilities or purchase or installation of equipment or~~  
11 ~~pipes,~~ from funds which may be appropriated for this purpose by the general assembly, from  
12 bonds issued for this purpose, or from other funds which may become available to the board for  
13 this purpose. ~~No loans shall be made for purposes of installing, improving, or extending local~~  
14 ~~distribution systems unless the board requires such a system to contain a greater capacity than~~  
15 ~~immediately necessary in order to provide water for other municipalities at a later date in~~  
16 ~~accordance with the applicable sections of chapter 15 of this title;~~

17 (23) To borrow money temporarily from the water development fund, for the purposes of  
18 this chapter, and to implement its plans and programs relating to reservoir development, exclusive  
19 of the acquisition of sites for the development of surface reservoirs, in anticipation of revenue or  
20 federal aid;

21 (24) To enter into contracts and/or agreements with such departments, divisions,  
22 agencies, or boards of the state as are directed by the governor to regulate, manage, or perform  
23 related functions on any lands or waters acquired under the provisions of the Big River -- Wood  
24 River Reservoir Site Acquisition Act (P.L. of 1964, chapter 133);

25 (25) To compensate the departments, divisions, agencies, or boards from the water  
26 development fund in an amount equal to the cost of providing the functions or services as are  
27 directed to be performed by the governor. The compensation shall be mandatory and shall be  
28 provided according to procedures established by the department of administration.

29 The board as a body politic and corporate and public instrumentality created pursuant to  
30 this chapter is subject to section 46-15.1-5(1) through (25). The board as the state agency  
31 pursuant to chapter 15 of this title is subject to section 46-15.1-5(15) through (25).

32 SECTION 2. Section 35-18-2 of the General Laws in Chapter 35-18 entitled "Public  
33 Corporation Debt Management" is hereby amended to read as follows:

34 **35-18-2. Definitions.** -- The words defined in this section shall have the meanings set

1 forth below whenever they appear in this chapter, unless the context in which they are used  
2 clearly requires a different meaning:

3 (1) "Bond" and "obligation" mean an agreement by any person to repay borrowed  
4 money.

5 (2) "Economic development project" means any project which the Rhode Island  
6 industrial facilities corporation is authorized to undertake, including, without limitation, a project  
7 related to financing the acquisition of any land and any building or other improvement which  
8 shall be suitable for manufacturing, warehousing, or other industrial or commercial purposes,  
9 including research, production, processing, agricultural, and marine commerce; provided,  
10 however, that the project may include, in addition, the construction or improvement of access  
11 roads and utilities, but only access roads and utilities, and only those which are necessary for the  
12 operation of that project.

13 (3) "Essential public facilities" means roads, bridges, airports, prisons, reservoirs, waste  
14 and wastewater treatment facilities, educational facilities, and any other facilities used by any  
15 state agency, department, board, or commission, including the board of governors for higher  
16 education, to provide services to the public pursuant to the requirements of state or federal law,  
17 ~~and~~ all fixtures for any of those facilities and facilities financed or refinanced by bonds or other  
18 obligations of the water resources board corporate. It does not include any personal property.

19 (4) "Financing lease" means an agreement in the form of a lease between the state and  
20 any person which provides that upon payment by the state as lessee of aggregate rent equal to no  
21 less than all of the principal and interest on bonds or other obligations issued by the lessor to  
22 finance the acquisition, construction, or improvement of all or any part of an essential public  
23 facility, the state shall have the right to possess, use and enjoy that facility pursuant to the lease  
24 for a specified period and the option to purchase that facility for a nominal sum at the end of the  
25 period.

26 (5) "Governor" means the governor of the state.

27 (6) "Guarantee" and "guarantee lease" mean an agreement on the part of the state to  
28 guarantee any liability of a public corporation except a liability of the Rhode Island industrial  
29 recreational building authority.

30 (7) "Moral obligation bonds" mean revenue bonds issued under section 42-64-18 (as that  
31 section was in effect on June 1, 1994) or any substantially similar provision in the general laws.

32 (8) "Person" means an individual, partnership, corporation, public corporation, trust, or  
33 association.

34 (9) "Public corporation" means any body corporate and politic created or to be created

1 pursuant to statute, including, without limitation, the Rhode Island industrial recreational building  
2 authority, the Rhode Island economic development corporation and any subsidiaries thereof, the  
3 Rhode Island industrial facilities corporation, the Rhode Island refunding bond authority, the  
4 Rhode Island health and educational building authority, the board of governors for higher  
5 education, the Rhode Island housing and mortgage finance corporation, the Rhode Island resource  
6 recovery corporation, the Rhode Island public transit authority, the Rhode Island student loan  
7 authority, the water resources board corporate, (except as provided below), the Rhode Island  
8 health and educational building corporation, the Rhode Island depositors economic protection  
9 corporation, the Rhode Island convention center authority, the Rhode Island turnpike and bridge  
10 authority, their successors and assigns. Cities, towns, and any corporation created by a city or  
11 town pursuant to statute, and fire and water districts, are not public corporations under this  
12 chapter. The water resources board corporate is not a public corporation under this chapter to the  
13 extent it is financing or refinancing bonds or other obligations on behalf of a city, town, city or  
14 town instrumentalities or agencies, or fire or water districts.

15 (10) "State" means the state of Rhode Island and Providence Plantations, and any  
16 department, office, board, commission, or agency of the state.

17 SECTION 3. This act shall take effect upon passage.

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EXPLANATION  
BY THE LEGISLATIVE COUNCIL  
OF  
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1           This act would broaden the purposes for which the Water Resources Board could loan  
2 monies to publicly owned water supply agencies to include all types of water supply facilities and  
3 would exempt the Board from being required to obtain prior affirmative approval of its bond  
4 issues by the General Assembly when it is acting solely in its capacity to finance local  
5 obligations.

6           This act would take effect upon passage.

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