

By Mr. Hollis of Braintree, petition of Herbert B. Hollis that the town of Braintree be authorized to borrow money and issue bonds for the purpose of purchasing, constructing or otherwise acquiring and equipping a steam-electric generating unit and related transformation and transmission facilities and to enter into long term contracts for the sale of power and energy for use within and without the limits of said town. Local Affairs. [Local Approval Required.]

The Commonwealth of Massachusetts

In the Year One Thousand Nine Hundred and Seventy.

AN ACT AUTHORIZING THE TOWN OF BRAINTREE TO BORROW MONEY AND ISSUE BONDS FOR THE PURPOSE OF PURCHASING, CONSTRUCTING OR OTHERWISE ACQUIRING AND EQUIPPING A STEAM-ELECTRIC GENERATING UNIT AND RELATED TRANSFORMATION AND TRANSMISSION FACILITIES AND TO ENTER INTO LONG TERM CONTRACTS FOR THE SALE OF POWER AND ENERGY FOR USE WITHIN AND WITHOUT THE LIMITS OF SAID TOWN.

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. For the purpose of paying the cost of purchas-
2 ing, constructing and otherwise acquiring and equipping a
3 steam-electric generating unit together with the necessary
4 transformation and transmission facilities appurtenant there-
5 to, the town of Braintree may borrow from time to time such
6 sums as may be necessary for said purpose, not exceeding the
7 sum of one hundred million dollars at any time outstanding.
8 Such bonds shall be authorized and issued by the Braintree
9 Electric Light Department under the direction and control of
10 its municipal light board with the approval of the town meet-
11 ing, from time to time in such amounts as the board may
12 determine, and shall mature in such amounts and at such
13 times not later than thirty-five years from the date thereof,
14 and shall contain such provisions for the redemption thereof
15 prior to maturity at such premiums as shall be provided in
16 the resolution authorizing the bonds.

1 SECTION 2. The municipal light board shall adopt a resolu-
2 tion authorizing the issuance of each series or installment of
3 bonds hereunder setting forth the amount of bonds to be
4 issued, the purpose or purposes for which the bonds are to be
5 issued, the amounts and dates of maturity of principal and
6 interest, the form and contents of the bond, and such other
7 and further matters as said board may deem necessary or
8 advisable. Said resolution shall also state the place or places
9 within or without the town at which the bonds and any cou-
10 pons thereto attached are payable. Such bonds may be sold by
11 said board at public sale or by private negotiation at the dis-
12 cretion of said board.

1 SECTION 3. The bonds issued under the provisions of this
2 act, their transfer and the income therefrom, including any
3 profit made on the sale thereof, shall at all times be free from
4 taxation within the commonwealth.

1 SECTION 4. The municipal light board is further authorized
2 to make temporary loans in anticipation of the sale of bonds
3 issued under this Act and may issue notes evidencing such
4 indebtedness. Temporary loans made as provided herein, and
5 any renewals thereof shall mature not later than six years
6 from the date thereof or upon the sale of the Bonds whichever
7 is earlier.

1 SECTION 5. Any resolution authorizing the issuance of
2 bonds or notes pursuant to this act may contain covenants by
3 the municipal light board which will assure, protect and safe-
4 guard the security and rights of the holders thereof, including
5 covenants as to, among other things:

6 (a) the purpose or purposes to which the proceeds of sale of
7 such bonds may be applied and the use and disposition thereof,

8 (b) the use and disposition of the gross revenues derived from
9 the sale of power and energy from the generating unit and any
10 additions or betterments thereto or extensions thereof provid-
11 ing that no conveyance or mortgage of the unit or other prop-
12 erty of the city or town or any part thereof shall be permitted;

13 (c) the creation and maintenance of special funds for work-
14 ing capital to be used in the operation and maintenance of

15 such generating unit and for renewals and replacements to
16 said generating unit and reserves for said purposes,

17 (d) the creation and maintenance of special funds for the
18 payment of the principal of and interest on bonds and notes
19 issued thereunder, including reserves for said purpose,

20 (e) the amount, if any, of additional bonds payable from
21 the aforesaid revenues which may be issued and the terms and
22 conditions on which such additional bonds may be issued,

23 (f) the establishment and maintenance of rates and charges
24 for power and energy and other services and commodities sold,
25 furnished or supplied by said generating unit, at levels that
26 will annually provide revenues sufficient to pay all debt service
27 obligations and all costs resulting from owning, operating
28 and maintaining the generating unit,

29 (g) the operation, maintenance, management, accounting
30 and auditing of the operation of such generating unit

31 (h) the terms and prices upon which such bonds or any of
32 them may be redeemed prior to maturity at the election of said
33 board,

34 (i) limitations upon the right of said board to dispose of
35 such generating unit or any part thereof without providing for
36 the payment of the outstanding bonds issued hereunder,

37 (j) the appointment of trustees, depositories and paying
38 agents to receive, hold, disburse, invest and reinvest all or any
39 part of the income, revenues, and receipts derived by the board
40 from the operation, ownership and management of said gen-
41 erating unit.

42 (k) any additional covenants and agreements as the board
43 may deem necessary or desirable in order to market bonds is-
44 sued hereunder upon favorable terms.

1 SECTION 6. The proceeds derived from the sale of bonds
2 issued hereunder shall be deposited in a special trust fund or
3 account and the moneys thereunder may be used only (i) to
4 pay the cost of purchasing, constructing or otherwise acquir-
5 ing and equipping the generating unit (ii) to pay interest on
6 said bonds during the period of construction and for six months
7 after said generating unit has been completed and is in normal,
8 continuous, commercial operation (iii) to provide collectively
9 for the preliminary and initial operating and maintenance

10 expenses of such generating unit (iv) to pay the cost of normal
11 additions to and extensions of such generating unit (v) to
12 create and establish a reserve fund for the payment of the
13 principal of and interest of the bonds issued hereunder (vi)
14 to create and establish a reserve fund for contingencies in the
15 maintenance of said generating unit, and (vii) any moneys in
16 said fund remaining shall be applied to the payment or the
17 redemption of said bonds.

18 The term "cost" as used in this act, in addition to those
19 specified in clauses (i) to (vi) above, shall also include the
20 payment or reimbursement to the Braintree Electric Light
21 Department of preliminary costs incurred or paid in connec-
22 tion with engineering, legal and accounting and fiscal advisory
23 services, printing, publishing and other expenses properly
24 chargeable to the capital account of the generating unit.

1 SECTION 7. All revenues, income, and receipts (hereinafter
2 referred to as "revenues") derived from the ownership and
3 operation of said generating unit shall be set aside and de-
4 posited in a special trust fund separate and apart from any
5 other funds of the town and shall be held, invested, reinvested
6 and disbursed as may be directed by the resolution authorizing
7 said bonds.

1 SECTION 8. Any resolution authorizing bonds under this
2 act shall create a special trust fund for the payment of the
3 principal and interest on such bonds and shall provide for the
4 payment into said special fund from the revenues derived from
5 the ownership and operation of said generating unit from
6 time to time amounts such that any principal of and interest
7 on such bonds shall be paid as the same severally mature or
8 are called for redemption.

9 On or before the beginning of each fiscal year of said town
10 the municipal light board shall file with the town a detailed
11 statement setting forth the amount of principal and interest
12 on the bonds issued under this act for the current fiscal year,
13 and an estimate for such year of the total amount of revenues,
14 income, and receipts to be derived from the ownership and
15 operation of the generating unit, and the total cost of operat-
16 ing and maintaining such generating unit for such year.

17 The principal of and the interest on such bonds and all other
18 costs resulting from the ownership, maintenance and operation
19 of the unit shall be payable solely from the revenues of the
20 plant. No holder or holders of any such bonds shall ever have
21 the right to compel any exercise of the taxing power of the city
22 or town to pay any such bonds or the interest thereon, nor
23 to enforce payment thereof against any property of the city or
24 town, nor shall any such bonds constitute a charge, lien or
25 encumbrance, legal or equitable, upon any property of the city
26 or town. Every bond issued under this act shall contain a
27 recital setting forth the substance of this paragraph.

1 SECTION 9. Indebtedness incurred under this act shall be
2 in excess of the statutory limits prescribed by clause eight of
3 section eight and by section ten of chapter forty-four of the
4 General Laws, but shall, except as provided herein, be subject
5 to the applicable provision of said chapter forty-four, exclusive
6 of the limitations contained in the first paragraph of section
7 seven thereof. The annual revenues are intended to equal the
8 annual costs resulting from the ownership maintenance and
9 operation of the unit plus interest and principal payments;
10 therefore the provisions contained in sections fifty-seven and
11 fifty-eight and that portion of section sixty-nine relating to
12 compliance with sections fifty-seven and fifty-eight of chapter
13 one hundred sixty-four of the General Laws shall not be
14 applicable.

1 SECTION 10. In addition to any other power conferred by
2 law, the Braintree Electric Light Department acting by vote
3 of its municipal light board, may contract from time to time
4 for the sale of electricity in bulk to any electric utility, rail-
5 road, street railway, electric railroad or Massachusetts munici-
6 pality primarily for consumption, or resale and consumption,
7 within or outside the commonwealth, and any such other party
8 is hereby authorized to contract from time to time for the pur-
9 chase of such electricity from the Braintree Electric Light
10 Department. Any such contract may be for a period of extend-
11 ing no later than fifty years after the date of execution of the
12 contract or the date of commencing with the delivery of power
13 and energy from the generating unit to the purchaser as de-

14 terminated or estimated by the manager of the Braintree Elec-
15 tric Light Department, whichever is later. Each such contract
16 shall be subject to the approval of the municipal light board
17 and may contain such provisions as may be agreed upon relat-
18 ing to the disposition of the electricity so purchased, inter-
19 connections with other parties, inflows and outflows incidental
20 to the operations of the parties or to pooling arrangements in
21 which they participate, and the facilities to be provided for
22 connecting the parties, and such provisions relating to co-
23 operation between the parties as may be deemed necessary to
24 carry out the purposes of the contract.

1 SECTION 11. Braintree Electric Light Department through
2 its municipal light board is further authorized to enter into
3 agreements with other Massachusetts municipalities for the
4 construction of transmission lines through their territories
5 deemed necessary for the delivery of power and energy to
6 purchasers at wholesale without the limits of the town of
7 Braintree, upon such terms and conditions as may be mutually
8 agreed upon.

1 SECTION 12. This act shall take effect upon its passage.

THE COMMISSIONERS OF THE GENERAL LAND OFFICE

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