**Section 662.110 Definitions**

Unless specified otherwise in subsection (b), all terms shall have the meanings set forth in the Environmental Protection Act (Act) [415 ILCS 5] and the regulations adopted under that Act (35 Ill. Adm. Code: Subtitle F) and the federal Safe Drinking Water Act (SDWA), as amended (42 U.S.C. 300j-12 et seq.).

For the purposes of this Part, the following definitions apply:

Act – The Environmental Protection Act [415 ILCS 5].

Acute Violation – Exceedance of a maximum contaminant level (MCL) or treatment technique requirement for a contaminant that would require the owner or operator of the community water supply to issue a Tier 1 public notice pursuant to 35 Ill. Adm. Code 611.

Addenda – Documents issued by the loan applicant after advertisement for bids, by additions, deletions, clarifications, or corrections.

Agency – *Illinois Environmental Protection Agency*. [415 ILCS 5/19.2(a)]

Asset Management Plan – Any system-wide plan that contains the information on asset conditions, service levels, customer needs, and financial resources to ensure the loan applicant can conduct planned maintenance and repair, replace, and upgrade capital assets to reliably provide quality service for the foreseeable future.

BABA Act – The portion of the BIL Act at Sections 70901 through 70952 (Public Law 117-58; 41 U.S.C. 8301 note) also known as the Build America Buy America Act.

BIL Act – The Bipartisan Infrastructure Law (Public Law 117-58) also known as the Infrastructure Investment and Jobs Act of 2021 or IIJA.

Binding Commitment – A legal obligation between the Agency and the loan recipient to provide financial assistance from the PWSLP to the loan recipient, specifying the terms and schedules under which assistance is provided. The loan agreement will be considered a binding commitment.

Capitalization Grant – The actual federal funds received by the Agency for deposit into the PWSLP as a result of the capitalization grant agreement with USEPA.

Capitalization Grant Agreement – The agreement entered into each federal fiscal year between the Agency and USEPA for the purpose of providing a grant to capitalize the PWSLP and enable the Agency to provide assistance for PWSLP projects.

Change Order – A written order by the loan recipient to the contractor authorizing an addition, deletion or revision in the work within the general scope of the contract documents, or authorizing an adjustment in the contract price or contract time.

Chronic Violation – Exceedance of an MCL or treatment technique requirement for a contaminant that would require the owner or operator of the community water supply to issue a Tier 2 or Tier 3 public notice pursuant to 35 Ill. Adm. Code 611.

*Construction* – *Any one or more of the following which is undertaken for a public purpose: preliminary planning to determine the feasibility of the public water supply, engineering, architectural, legal, fiscal or economic investigations, or studies, surveys, designs, plans, working drawings, specifications, procedures or other necessary actions, erection, building, acquisition, alteration, remodeling, improvement or extension of public water supplies, or the inspection or supervision of any of the foregoing items.* [415 ILCS 5/19.2]

Contract Documents – The contract, including but not limited to advertisement for bids, information for bidders, bid, bid bond, agreement, payment bond, performance bond, notice of award, notice to proceed, change order, drawings, specifications, and addenda.

Compliance Project – A project that consists of construction, expansion, or upgrading of a treatment works necessary to meet State and federal requirements as specified in 35 Ill. Adm. Code: Subtitle F and the SDWA, respectively.

Dedicated Source of Revenue – The type of security and the basis of legal authorization that are dedicated by legislative enactment or other appropriate authority, along with the applicable revenue source pledged for repayment and recorded in an account for the purpose of loan repayment, which is sufficient to repay the principal and interest on the loan.

Design – All administrative, legal, and engineering tasks, subsequent to Project Plan approval but prior to advertisement for bid proposal, associated with receiving approval of a loan application. This must include the following: surveys, designs, plans, working drawings, specifications, soil investigations, and any other tests or process determinations required to establish design criteria, and development of user charge systems and sewer use ordinances.

Director – Director of the Illinois Environmental Protection Agency.

Disadvantaged Community – A public water supply owned by a local government unit or not-for-profit water corporation that qualifies for either the Small Community Rate or Hardship Rate as defined in Section 662.210.

Energy Efficiency − The use of improved technologies and practices to reduce the energy consumption of water quality projects, including projects to reduce energy consumption or produce clean energy used by a treatment works.

Environmentally Innovative Projects − Projects that demonstrate new and/or innovative approaches to managing water resources in a more sustainable way, including projects that achieve pollution prevention or pollutant removal with reduced cost and projects that foster adaptation of water protection programs and practices to climate change.

Facilities – Equipment or operating systems that are constructed, installed or established to serve the particular purpose of improving or augmenting sustainability for public water supplies and public water supply facilities in a watershed. Facilities may involve stand-alone projects or be involved as component pieces of public water supplies and public water supply projects. Facilities in the context of the Green Project Reserve will address green infrastructure, water and energy efficiency improvements, and other environmentally innovative activities.

Fixed Loan Rate – The simple annual fixed rate on the loan, which includes an interest rate portion and a loan support rate portion. The fixed loan rate shall be determined on an annual basis by the procedures defined in Section 662.210.

Interest Rate – The interest rate is a portion of the Fixed Loan Rate and shall not be less than one-half of the Fixed Loan Rate rounded to the nearest 0.01%. The monies generated by the interest rate portion of the Fixed Loan Rate shall be deposited in the PWSLP receipt account within the Fund.

Loan Support Rate – The loan support rate is a portion of the Fixed Loan Rate and shall not exceed one-half of the Fixed Loan Rate rounded to the nearest 0.01%. The monies generated by the loan support rate portion of the Fixed Loan Rate shall be deposited in the Loan Support Program receipt account within the Fund.

Fund − *The Water Revolving Fund* as authorized by Section 19.3 of the Act, *consisting of the Water Pollution Control Loan Program, the Public Water Supply Loan Program, and the Loan Support Program*. [415 ILCS 5/19.2(b)]

Green Infrastructure − Includes a wide array of practices at multiple scales that manage and treat stormwater and that maintain and restore natural hydrology by infiltrating, evapotranspiring, and capturing and using stormwater. On a regional scale, green infrastructure is the preservation and restoration of natural landscape features, such as forests, floodplains, and wetlands, coupled with policies that reduce overall imperviousness in a watershed. On a local scale, green infrastructure consists of site- and neighborhood-specific practices, such as bioretention, trees, green roofs, porous pavements, and cisterns.

Green Project Reserve − The portion of funded projects, as required by the Capitalization Grant, identified by the Agency in its Intended Use Plan and annual report that address green infrastructure, water and energy efficiency improvements, and other environmentally innovative activities as directed by federal law.

Health Hazard – A health hazard exists when concentrations of regulated contaminants, in a water supply, or concentrations of contaminants not otherwise regulated, exceed health effects standards published in USEPA Health Advisories, or by the Illinois Department of Public Health or by the Centers for Disease Control and Prevention or that otherwise pose an immediate threat to public health.

Initiation of Loan Repayment Period – The date in a loan agreement or amendment that establishes the beginning point of the loan repayment period.

Initiation of Operation – The date specified by the loan agreement on which use of the project began operation for the purposes that it was planned, designed, and constructed.

*Intended Use Plan – A plan which includes a description of the short and long term goals and objectives of the Public Water Supply Loan Program, project categories, discharge requirements, terms of financial assistance and the loan applicants to be served*. [415 ILCS 5/19.2(e)]

Interstate Agency – An agency of two or more states established by or pursuant to an agreement or compact approved by the U.S. Congress, or any other agency of two or more states, having substantial powers or duties pertaining to the control of pollution as determined and approved by USEPA.

Iron and Steel Products – The following products made primarily of iron or steel: lined or unlined pipes and fittings, manhole covers and other municipal castings, hydrants, tanks, flanges, pipe clamps and restraints, valves, structural steel, reinforced precast concrete, and construction materials.

Loan – *A loan made from the Public Water Supply Loan Program to an eligible applicant as a result of a contractual agreement between the Agency and such applicant*. [415 ILCS 5/19.2(c)]

Loan Agreement – The contractual agreement document between the Agency and the loan recipient that contains the terms and conditions governing the loan issued from the PWSLP.

Loan Applicant – The public water supply that has applied for a loan from the PWSLP under this Part.

Loan Procedures – The procedures for issuing loans from the PWSLP as set out in this Part.

Loan Recipient – The public water supply that has been provided a loan from the PWSLP under this Part.

*Local Government Unit – A county, municipality, township, municipal or county sewerage or utility authority, sanitary district, public water district, improvement authority or any other political subdivision whose primary purpose is to construct, operate and maintain wastewater treatment facilities, including storm water treatment systems, or public water supply facilities or both*.[415 ILCS 5/19.2(g)]

Market Interest Rate – The mean interest rate of the 20 General Obligation Bond Buyer Index, from July 1 through June 30 of the preceding year, rounded to the nearest 0.01%.

Maximum Contaminant Level or MCL – The maximum permissible level of a contaminant in water that is delivered to any user of a public water supply.

Median Household Income or MHI – The median household income is the American Community Survey 5-year estimate from the U.S. Department of Commerce, Bureau of the Census.

Operating Agreement – The agreement between the Agency and USEPA that establishes the policies, procedures, and activities for the application and receipt of federal capitalization grant funds for capitalization of the PWSLP.

*Person* – *Any individual, partnership, co-partnership, firm, company, limited liability company, corporation, association, joint stock company, trust, estate, political subdivision, state agency, or any other legal entity, or their legal representative, agent or assigns*. [415 ILCS 5/3.315]

Principal – The total amount of funds distributed to loan recipients for eligible project costs.

*Privately Owned Community Water Supply – An investor-owned water utility, if under Illinois Commerce Commission regulation and operating as a separate and distinct water utility; a not-for-profit water corporation, if operating specifically as a water utility; and a mutually owned or cooperatively owned community water system, if operating as a separate water utility.* [415 ILCS 5/19.2(h)]

Project – The activities or tasks the Agency identifies in the loan agreement for which the loan recipient may expend loan funds.

Project Priority List – An ordered listing of projects developed in accordance with the priority system described in 35 Ill. Adm. Code 663 that the Agency has determined are eligible to receive financial assistance from the PWSLP.

PWSLP – The Public Water Supply Loan Program as authorized by Section 19.2 of the Act.

*Public Water Supply* – *All mains, pipes and structures through which water is obtained and distributed to the public, including wells and well structures, intakes and cribs, pumping stations, treatment plants, reservoirs, storage tanks and appurtenances, collectively or severally, actually used or intended for use for the purpose of furnishing water for drinking or general domestic use and which serve at least 15 service connections or which regularly serve at least 25 persons at least 60 days per year. A public water supply is either a "community water supply" or a "non-community water supply".* [415 ILCS 5/3.365]

Responsible Bid – A bid that demonstrates the apparent ability of the bidder to successfully meet all the requirements specified in the contract documents. Information necessary to demonstrate responsibility may be corrected or submitted after bid opening.

Responsive Bid – A bid that complies with all meaningful or material aspects of the contract documents. The bid must constitute a definite and unqualified offer to meet the material requirements of the contract documents including any terms that affect price, quality, quantity, or time of delivery, or are clearly identified in the contract documents to be complied with at the risk of bid rejection for nonresponsiveness. Bid defects resulting in a nonresponsive bid may not be corrected after the bid opening.

SDWA – The Safe Drinking Water Act, as amended (42 U.S.C. 300f et seq.).

Service Population – The number of people served by the loan applicant.

Source of Revenue – All revenues of the loan applicant that are sufficient to repay the principal and interest (as calculated by the fixed loan rate) on the loan.

Subagreement – A written agreement between the loan recipient and another party, and any tier of agreement under that written agreement, to furnish services, supplies, or equipment necessary to complete the project for which a loan is provided, including construction contracts, contracts for personal and professional services, and purchase orders.

Treatment Technique Requirement – An enforceable procedure developed by USEPA when it is not economically or technologically feasible to ascertain the level of a contaminant. Public water supplies must follow this procedure and treat their drinking water supplies according to USEPA specifications to ensure the contaminant is controlled.

Unemployment Rate – The annual average unemployment rate calculated by the Illinois Department of Employment Security, Economic Information and Analysis Division.

Useful Life – The estimated period during which a public water supply facility is intended to be operable, as certified by the project's consulting licensed professional engineer.

USEPA – The United States Environmental Protection Agency.

User Charge – A charge levied on the users of a public water supply to produce adequate revenues for the operation, maintenance, and replacement of the public water supply.

(Source: Amended at 48 Ill. Reg. 3780, effective February 27, 2024)