



Rep. Keith Farnham

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LRB098 03525 MGM 43812 a

1 AMENDMENT TO HOUSE BILL 701

2 AMENDMENT NO. _____. Amend House Bill 701 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Environmental Protection Act is amended by
5 changing Sections 19.2 and 19.3 as follows:

6 (415 ILCS 5/19.2) (from Ch. 111 1/2, par. 1019.2)

7 Sec. 19.2. As used in this Title, unless the context
8 clearly requires otherwise:

9 (a) "Agency" means the Illinois Environmental Protection
10 Agency.

11 (b) "Fund" means the Water Revolving Fund created pursuant
12 to this Title, consisting of the Water Pollution Control Loan
13 Program, the Public Water Supply Loan Program, and the Loan
14 Support Program.

15 (c) "Loan" means a loan made from the Water Pollution
16 Control Loan Program or the Public Water Supply Loan Program to

1 an eligible applicant as a result of a contractual agreement
2 between the Agency and such applicant.

3 (d) "Construction" means any one or more of the following
4 which is undertaken for a public purpose: preliminary planning
5 to determine the feasibility of the treatment works or public
6 water supply, engineering, architectural, legal, fiscal or
7 economic investigations or studies, surveys, designs, plans,
8 working drawings, specifications, procedures or other
9 necessary actions, erection, building, acquisition,
10 alteration, remodeling, improvement or extension of treatment
11 works or public water supplies, or the inspection or
12 supervision of any of the foregoing items. "Construction" also
13 includes implementation of source water quality protection
14 measures and establishment and implementation of wellhead
15 protection programs in accordance with Section 1452(k)(1) of
16 the federal Safe Drinking Water Act.

17 (e) "Intended use plan" means a plan which includes a
18 description of the short and long term goals and objectives of
19 the Water Pollution Control Loan Program and the Public Water
20 Supply Loan Program, project categories, discharge
21 requirements, terms of financial assistance and the loan
22 applicants to be served.

23 (f) "Treatment works" means any devices and systems owned
24 by a local government unit and used in the storage, treatment,
25 recycling, and reclamation of sewerage or industrial wastes of
26 a liquid nature, including intercepting sewers, outfall

1 sewers, sewage collection systems, pumping power and other
2 equipment, and appurtenances; extensions, improvements,
3 remodeling, additions, and alterations thereof; elements
4 essential to provide a reliable recycled supply, such as
5 standby treatment units and clear well facilities; and any
6 works, including site acquisition of the land that will be an
7 integral part of the treatment process for wastewater
8 facilities.

9 (g) "Local government unit" means a county, municipality,
10 township, municipal or county sewerage or utility authority,
11 sanitary district, public water district, improvement
12 authority or any other political subdivision whose primary
13 purpose is to construct, operate and maintain wastewater
14 treatment facilities or public water supply facilities or both.

15 (h) "Privately owned community water supply" means:

16 (1) an investor-owned water utility, if under Illinois
17 Commerce Commission regulation and operating as a separate
18 and distinct water utility;

19 (2) a not-for-profit water corporation, if operating
20 specifically as a water utility; and

21 (3) a mutually owned or cooperatively owned community
22 water system, if operating as a separate water utility.

23 (i) "Maintenance" means any one or more of the following
24 activities that is undertaken for a public purpose aimed at
25 extending the useful life of the project: corrosion mitigation
26 or prevention; cathodic protection; prevention of structural

1 degradation; or other activities necessary to extend the useful
2 life of the treatment works or public water supply.

3 (Source: P.A. 91-36, eff. 6-15-99; 91-52, eff. 6-30-99; 91-501,
4 eff. 8-13-99; 92-16, eff. 6-28-01.)

5 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)

6 Sec. 19.3. Water Revolving Fund.

7 (a) There is hereby created within the State Treasury a
8 Water Revolving Fund, consisting of 3 interest-bearing special
9 programs to be known as the Water Pollution Control Loan
10 Program, the Public Water Supply Loan Program, and the Loan
11 Support Program, which shall be used and administered by the
12 Agency.

13 (b) The Water Pollution Control Loan Program shall be used
14 and administered by the Agency to provide assistance for the
15 following purposes:

16 (1) to accept and retain funds from grant awards,
17 appropriations, transfers, and payments of interest and
18 principal;

19 (2) to make direct loans at or below market interest
20 rates and to provide additional subsidization, including,
21 but not limited to, forgiveness of principal, negative
22 interest rates, and grants, to any eligible local
23 government unit to finance the construction or maintenance
24 of wastewater treatments works and projects that fulfill
25 federal State Revolving Fund grant requirements for a green

1 project reserve;

2 (2.5) with respect to funds provided under the American
3 Recovery and Reinvestment Act of 2009:

4 (A) to make direct loans at or below market
5 interest rates to any eligible local government unit
6 and to provide additional subsidization to any
7 eligible local government unit, including, but not
8 limited to, forgiveness of principal, negative
9 interest rates, and grants;

10 (B) to make direct loans at or below market
11 interest rates to any eligible local government unit to
12 buy or refinance debt obligations for treatment works
13 incurred on or after October 1, 2008; and

14 (C) to provide additional subsidization,
15 including, but not limited to, forgiveness of
16 principal, negative interest rates, and grants for
17 treatment works incurred on or after October 1, 2008;

18 (3) to make direct loans at or below market interest
19 rates and to provide additional subsidization, including,
20 but not limited to, forgiveness of principal, negative
21 interest rates, and grants, to any eligible local
22 government unit to buy or refinance debt obligations for
23 costs incurred after March 7, 1985, for the construction or
24 maintenance of wastewater treatment works, and projects
25 that fulfill federal State Revolving Fund grant
26 requirements for a green project reserve;

1 (3.5) to make direct loans at or below market interest
2 rates for the implementation of a management program
3 established under Section 319 of the Federal Water
4 Pollution Control Act, as amended;

5 (4) to guarantee or purchase insurance for local
6 obligations where such action would improve credit market
7 access or reduce interest rates;

8 (5) as a source of revenue or security for the payment
9 of principal and interest on revenue or general obligation
10 bonds issued by the State or any political subdivision or
11 instrumentality thereof, if the proceeds of such bonds will
12 be deposited in the Fund;

13 (6) to finance the reasonable costs incurred by the
14 Agency in the administration of the Fund; and

15 (7) to transfer funds to the Public Water Supply Loan
16 Program.

17 (c) The Loan Support Program shall be used and administered
18 by the Agency for the following purposes:

19 (1) to accept and retain funds from grant awards and
20 appropriations;

21 (2) to finance the reasonable costs incurred by the
22 Agency in the administration of the Fund, including
23 activities under Title III of this Act, including the
24 administration of the State construction grant program;

25 (3) to transfer funds to the Water Pollution Control
26 Loan Program and the Public Water Supply Loan Program;

1 (4) to accept and retain a portion of the loan
2 repayments;

3 (5) to finance the development of the low interest loan
4 programs for water pollution control and public water
5 supply projects;

6 (6) to finance the reasonable costs incurred by the
7 Agency to provide technical assistance for public water
8 supplies; and

9 (7) to finance the reasonable costs incurred by the
10 Agency for public water system supervision programs, to
11 administer or provide for technical assistance through
12 source water protection programs, to develop and implement
13 a capacity development strategy, to delineate and assess
14 source water protection areas, and for an operator
15 certification program in accordance with Section 1452 of
16 the federal Safe Drinking Water Act.

17 (d) The Public Water Supply Loan Program shall be used and
18 administered by the Agency to provide assistance to local
19 government units and privately owned community water supplies
20 for public water supplies for the following public purposes:

21 (1) to accept and retain funds from grant awards,
22 appropriations, transfers, and payments of interest and
23 principal;

24 (2) to make direct loans at or below market interest
25 rates and to provide additional subsidization, including,
26 but not limited to, forgiveness of principal, negative

1 interest rates, and grants, to any eligible local
2 government unit or to any eligible privately owned
3 community water supply to finance the construction or
4 maintenance of water supplies and projects that fulfill
5 federal State Revolving Fund grant requirements for a green
6 project reserve;

7 (2.5) with respect to funds provided under the American
8 Recovery and Reinvestment Act of 2009:

9 (A) to make direct loans at or below market
10 interest rates to any eligible local government unit or
11 to any eligible privately owned community water
12 supply, and to provide additional subsidization to any
13 eligible local government unit or to any eligible
14 privately owned community water supply, including, but
15 not limited to, forgiveness of principal, negative
16 interest rates, and grants;

17 (B) to buy or refinance the debt obligation of a
18 local government unit for costs incurred on or after
19 October 1, 2008; and

20 (C) to provide additional subsidization,
21 including, but not limited to, forgiveness of
22 principal, negative interest rates, and grants for a
23 local government unit for costs incurred on or after
24 October 1, 2008;

25 (3) to make direct loans at or below market interest
26 rates and to provide additional subsidization, including,

1 but not limited to, forgiveness of principal, negative
2 interest rates, and grants, to any eligible local
3 government unit or to any eligible privately owned
4 community water supply to buy or refinance debt obligations
5 for costs incurred on or after July 17, 1997, for the
6 construction or maintenance of water supplies and projects
7 that fulfill federal State Revolving Fund requirements for
8 a green project reserve;

9 (4) to guarantee local obligations where such action
10 would improve credit market access or reduce interest
11 rates;

12 (5) as a source of revenue or security for the payment
13 of principal and interest on revenue or general obligation
14 bonds issued by the State or any political subdivision or
15 instrumentality thereof, if the proceeds of such bonds will
16 be deposited into the Fund; and

17 (6) to transfer funds to the Water Pollution Control
18 Loan Program.

19 (e) The Agency is designated as the administering agency of
20 the Fund. The Agency shall submit to the Regional Administrator
21 of the United States Environmental Protection Agency an
22 intended use plan which outlines the proposed use of funds
23 available to the State. The Agency shall take all actions
24 necessary to secure to the State the benefits of the federal
25 Water Pollution Control Act and the federal Safe Drinking Water
26 Act, as now or hereafter amended.

1 (f) The Agency shall have the power to enter into
2 intergovernmental agreements with the federal government or
3 the State, or any instrumentality thereof, for purposes of
4 capitalizing the Water Revolving Fund. Moneys on deposit in the
5 Water Revolving Fund may be used for the creation of reserve
6 funds or pledged funds that secure the obligations of repayment
7 of loans made pursuant to this Section. For the purpose of
8 obtaining capital for deposit into the Water Revolving Fund,
9 the Agency may also enter into agreements with financial
10 institutions and other persons for the purpose of selling loans
11 and developing a secondary market for such loans. The Agency
12 shall have the power to create and establish such reserve funds
13 and accounts as may be necessary or desirable to accomplish its
14 purposes under this subsection and to allocate its available
15 moneys into such funds and accounts. Investment earnings on
16 moneys held in the Water Revolving Fund, including any reserve
17 fund or pledged fund, shall be deposited into the Water
18 Revolving Fund.

19 (g) To ensure the effective use of funds, produce the
20 highest quality new treatment works, and extend the useful life
21 of existing treatment works, the Agency shall establish
22 contractor requirements on all construction and maintenance
23 projects. These requirements shall be developed in concert with
24 engineers, architects, contractors, unions, and industry
25 recognized partners, such as the National Association of
26 Corrosion Engineers and the Society for Protective Coatings.

1 The requirements shall mandate conformity to the Society of
2 Protective Coatings certifications QP1, QP2, QP3, or any
3 combination of those certifications, as applicable to the scope
4 of the treatment works projects. The Agency shall make
5 compliance with these requirements, including the mandatory
6 certifications, a condition of any party receiving funds for
7 construction or maintenance under this Title.

8 (Source: P.A. 96-8, eff. 4-28-09; 96-917, eff. 6-9-10.)".