



## 98TH GENERAL ASSEMBLY

### State of Illinois

#### 2013 and 2014

##### SB2780

Introduced 1/30/2014, by Sen. Dan Kotowski

#### SYNOPSIS AS INTRODUCED:

415 ILCS 5/4	from Ch. 111 1/2, par. 1004
415 ILCS 5/19.2	from Ch. 111 1/2, par. 1019.2
415 ILCS 5/19.3	from Ch. 111 1/2, par. 1019.3

Amends the Environmental Protection Act. Removes a provision requiring rule to include a requirement for a local match of 30% of the total project cost for projects funded through grants. Adds to the definition of "treatment works". Provides that the Water Pollution Control Loan Program shall be used and administered by the Environmental Protection Agency to provide any financial assistance that may be provided under a specified provision of the Federal Water Pollution Control Act for any projects eligible for assistance under that provision. Effective immediately.

LRB098 19511 MGM 54687 b

1 AN ACT concerning safety.

2 **Be it enacted by the People of the State of Illinois,**  
3 **represented in the General Assembly:**

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

6 (415 ILCS 5/4) (from Ch. 111 1/2, par. 1004)

7 Sec. 4. Environmental Protection Agency; establishment;  
8 duties.

9 (a) There is established in the Executive Branch of the  
10 State Government an agency to be known as the Environmental  
11 Protection Agency. This Agency shall be under the supervision  
12 and direction of a Director who shall be appointed by the  
13 Governor with the advice and consent of the Senate. The term of  
14 office of the Director shall expire on the third Monday of  
15 January in odd numbered years, provided that he or she shall  
16 hold office until a successor is appointed and has qualified.  
17 The Director shall receive an annual salary as set by the  
18 Compensation Review Board. The Director, in accord with the  
19 Personnel Code, shall employ and direct such personnel, and  
20 shall provide for such laboratory and other facilities, as may  
21 be necessary to carry out the purposes of this Act. In  
22 addition, the Director may by agreement secure such services as  
23 he or she may deem necessary from any other department, agency,

1 or unit of the State Government, and may employ and compensate  
2 such consultants and technical assistants as may be required.

3 (b) The Agency shall have the duty to collect and  
4 disseminate such information, acquire such technical data, and  
5 conduct such experiments as may be required to carry out the  
6 purposes of this Act, including ascertainment of the quantity  
7 and nature of discharges from any contaminant source and data  
8 on those sources, and to operate and arrange for the operation  
9 of devices for the monitoring of environmental quality.

10 (c) The Agency shall have authority to conduct a program of  
11 continuing surveillance and of regular or periodic inspection  
12 of actual or potential contaminant or noise sources, of public  
13 water supplies, and of refuse disposal sites.

14 (d) In accordance with constitutional limitations, the  
15 Agency shall have authority to enter at all reasonable times  
16 upon any private or public property for the purpose of:

17 (1) Inspecting and investigating to ascertain possible  
18 violations of this Act, any rule or regulation adopted  
19 under this Act, any permit or term or condition of a  
20 permit, or any Board order; or

21 (2) In accordance with the provisions of this Act,  
22 taking whatever preventive or corrective action, including  
23 but not limited to removal or remedial action, that is  
24 necessary or appropriate whenever there is a release or a  
25 substantial threat of a release of (A) a hazardous  
26 substance or pesticide or (B) petroleum from an underground

1 storage tank.

2 (e) The Agency shall have the duty to investigate  
3 violations of this Act, any rule or regulation adopted under  
4 this Act, any permit or term or condition of a permit, or any  
5 Board order; to issue administrative citations as provided in  
6 Section 31.1 of this Act; and to take such summary enforcement  
7 action as is provided for by Section 34 of this Act.

8 (f) The Agency shall appear before the Board in any hearing  
9 upon a petition for variance, the denial of a permit, or the  
10 validity or effect of a rule or regulation of the Board, and  
11 shall have the authority to appear before the Board in any  
12 hearing under the Act.

13 (g) The Agency shall have the duty to administer, in accord  
14 with Title X of this Act, such permit and certification systems  
15 as may be established by this Act or by regulations adopted  
16 thereunder. The Agency may enter into written delegation  
17 agreements with any department, agency, or unit of State or  
18 local government under which all or portions of this duty may  
19 be delegated for public water supply storage and transport  
20 systems, sewage collection and transport systems, air  
21 pollution control sources with uncontrolled emissions of 100  
22 tons per year or less and application of algicides to waters of  
23 the State. Such delegation agreements will require that the  
24 work to be performed thereunder will be in accordance with  
25 Agency criteria, subject to Agency review, and shall include  
26 such financial and program auditing by the Agency as may be

1 required.

2 (h) The Agency shall have authority to require the  
3 submission of complete plans and specifications from any  
4 applicant for a permit required by this Act or by regulations  
5 thereunder, and to require the submission of such reports  
6 regarding actual or potential violations of this Act, any rule  
7 or regulation adopted under this Act, any permit or term or  
8 condition of a permit, or any Board order, as may be necessary  
9 for the purposes of this Act.

10 (i) The Agency shall have authority to make recommendations  
11 to the Board for the adoption of regulations under Title VII of  
12 the Act.

13 (j) The Agency shall have the duty to represent the State  
14 of Illinois in any and all matters pertaining to plans,  
15 procedures, or negotiations for interstate compacts or other  
16 governmental arrangements relating to environmental  
17 protection.

18 (k) The Agency shall have the authority to accept, receive,  
19 and administer on behalf of the State any grants, gifts, loans,  
20 indirect cost reimbursements, or other funds made available to  
21 the State from any source for purposes of this Act or for air  
22 or water pollution control, public water supply, solid waste  
23 disposal, noise abatement, or other environmental protection  
24 activities, surveys, or programs. Any federal funds received by  
25 the Agency pursuant to this subsection shall be deposited in a  
26 trust fund with the State Treasurer and held and disbursed by

1 him in accordance with Treasurer as Custodian of Funds Act,  
2 provided that such monies shall be used only for the purposes  
3 for which they are contributed and any balance remaining shall  
4 be returned to the contributor.

5 The Agency is authorized to promulgate such regulations and  
6 enter into such contracts as it may deem necessary for carrying  
7 out the provisions of this subsection.

8 (1) The Agency is hereby designated as water pollution  
9 agency for the state for all purposes of the Federal Water  
10 Pollution Control Act, as amended; as implementing agency for  
11 the State for all purposes of the Safe Drinking Water Act,  
12 Public Law 93-523, as now or hereafter amended, except Section  
13 1425 of that Act; as air pollution agency for the state for all  
14 purposes of the Clean Air Act of 1970, Public Law 91-604,  
15 approved December 31, 1970, as amended; and as solid waste  
16 agency for the state for all purposes of the Solid Waste  
17 Disposal Act, Public Law 89-272, approved October 20, 1965, and  
18 amended by the Resource Recovery Act of 1970, Public Law  
19 91-512, approved October 26, 1970, as amended, and amended by  
20 the Resource Conservation and Recovery Act of 1976, (P.L.  
21 94-580) approved October 21, 1976, as amended; as noise control  
22 agency for the state for all purposes of the Noise Control Act  
23 of 1972, Public Law 92-574, approved October 27, 1972, as  
24 amended; and as implementing agency for the State for all  
25 purposes of the Comprehensive Environmental Response,  
26 Compensation, and Liability Act of 1980 (P.L. 96-510), as

1 amended; and otherwise as pollution control agency for the  
2 State pursuant to federal laws integrated with the foregoing  
3 laws, for financing purposes or otherwise. The Agency is hereby  
4 authorized to take all action necessary or appropriate to  
5 secure to the State the benefits of such federal Acts, provided  
6 that the Agency shall transmit to the United States without  
7 change any standards adopted by the Pollution Control Board  
8 pursuant to Section 5(c) of this Act. This subsection (l) of  
9 Section 4 shall not be construed to bar or prohibit the  
10 Environmental Protection Trust Fund Commission from accepting,  
11 receiving, and administering on behalf of the State any grants,  
12 gifts, loans or other funds for which the Commission is  
13 eligible pursuant to the Environmental Protection Trust Fund  
14 Act. The Agency is hereby designated as the State agency for  
15 all purposes of administering the requirements of Section 313  
16 of the federal Emergency Planning and Community Right-to-Know  
17 Act of 1986.

18 Any municipality, sanitary district, or other political  
19 subdivision, or any Agency of the State or interstate Agency,  
20 which makes application for loans or grants under such federal  
21 Acts shall notify the Agency of such application; the Agency  
22 may participate in proceedings under such federal Acts.

23 (m) The Agency shall have authority, consistent with  
24 Section 5(c) and other provisions of this Act, and for purposes  
25 of Section 303(e) of the Federal Water Pollution Control Act,  
26 as now or hereafter amended, to engage in planning processes

1 and activities and to develop plans in cooperation with units  
2 of local government, state agencies and officers, and other  
3 appropriate persons in connection with the jurisdiction or  
4 duties of each such unit, agency, officer or person. Public  
5 hearings shall be held on the planning process, at which any  
6 person shall be permitted to appear and be heard, pursuant to  
7 procedural regulations promulgated by the Agency.

8 (n) In accordance with the powers conferred upon the Agency  
9 by Sections 10(g), 13(b), 19, 22(d) and 25 of this Act, the  
10 Agency shall have authority to establish and enforce minimum  
11 standards for the operation of laboratories relating to  
12 analyses and laboratory tests for air pollution, water  
13 pollution, noise emissions, contaminant discharges onto land  
14 and sanitary, chemical, and mineral quality of water  
15 distributed by a public water supply. The Agency may enter into  
16 formal working agreements with other departments or agencies of  
17 state government under which all or portions of this authority  
18 may be delegated to the cooperating department or agency.

19 (o) The Agency shall have the authority to issue  
20 certificates of competency to persons and laboratories meeting  
21 the minimum standards established by the Agency in accordance  
22 with Section 4(n) of this Act and to promulgate and enforce  
23 regulations relevant to the issuance and use of such  
24 certificates. The Agency may enter into formal working  
25 agreements with other departments or agencies of state  
26 government under which all or portions of this authority may be



1 delegated to the cooperating department or agency.

2 (p) Except as provided in Section 17.7, the Agency shall  
3 have the duty to analyze samples as required from each public  
4 water supply to determine compliance with the contaminant  
5 levels specified by the Pollution Control Board. The maximum  
6 number of samples which the Agency shall be required to analyze  
7 for microbiological quality shall be 6 per month, but the  
8 Agency may, at its option, analyze a larger number each month  
9 for any supply. Results of sample analyses for additional  
10 required bacteriological testing, turbidity, residual chlorine  
11 and radionuclides are to be provided to the Agency in  
12 accordance with Section 19. Owners of water supplies may enter  
13 into agreements with the Agency to provide for reduced Agency  
14 participation in sample analyses.

15 (q) The Agency shall have the authority to provide notice  
16 to any person who may be liable pursuant to Section 22.2(f) of  
17 this Act for a release or a substantial threat of a release of  
18 a hazardous substance or pesticide. Such notice shall include  
19 the identified response action and an opportunity for such  
20 person to perform the response action.

21 (r) The Agency may enter into written delegation agreements  
22 with any unit of local government under which it may delegate  
23 all or portions of its inspecting, investigating and  
24 enforcement functions. Such delegation agreements shall  
25 require that work performed thereunder be in accordance with  
26 Agency criteria and subject to Agency review. Notwithstanding

1 any other provision of law to the contrary, no unit of local  
2 government shall be liable for any injury resulting from the  
3 exercise of its authority pursuant to such a delegation  
4 agreement unless the injury is proximately caused by the  
5 willful and wanton negligence of an agent or employee of the  
6 unit of local government, and any policy of insurance coverage  
7 issued to a unit of local government may provide for the denial  
8 of liability and the nonpayment of claims based upon injuries  
9 for which the unit of local government is not liable pursuant  
10 to this subsection (r).

11 (s) The Agency shall have authority to take whatever  
12 preventive or corrective action is necessary or appropriate,  
13 including but not limited to expenditure of monies appropriated  
14 from the Build Illinois Bond Fund and the Build Illinois  
15 Purposes Fund for removal or remedial action, whenever any  
16 hazardous substance or pesticide is released or there is a  
17 substantial threat of such a release into the environment. The  
18 State, the Director, and any State employee shall be  
19 indemnified for any damages or injury arising out of or  
20 resulting from any action taken under this subsection. The  
21 Director of the Agency is authorized to enter into such  
22 contracts and agreements as are necessary to carry out the  
23 Agency's duties under this subsection.

24 (t) The Agency shall have authority to distribute grants,  
25 subject to appropriation by the General Assembly, to units of  
26 local government for financing and construction of wastewater

1 facilities in both incorporated and unincorporated areas. With  
2 respect to all monies appropriated from the Build Illinois Bond  
3 Fund and the Build Illinois Purposes Fund for wastewater  
4 facility grants, the Agency shall make distributions in  
5 conformity with the rules and regulations established pursuant  
6 to the Anti-Pollution Bond Act, as now or hereafter amended.

7 (u) Pursuant to the Illinois Administrative Procedure Act,  
8 the Agency shall have the authority to adopt such rules as are  
9 necessary or appropriate for the Agency to implement Section  
10 31.1 of this Act.

11 (v) (Blank.)

12 (w) Neither the State, nor the Director, nor the Board, nor  
13 any State employee shall be liable for any damages or injury  
14 arising out of or resulting from any action taken under  
15 subsection (s).

16 (x)(1) The Agency shall have authority to distribute  
17 grants, subject to appropriation by the General Assembly,  
18 to units of local government for financing and construction  
19 of public water supply facilities. With respect to all  
20 monies appropriated from the Build Illinois Bond Fund or  
21 the Build Illinois Purposes Fund for public water supply  
22 grants, such grants shall be made in accordance with rules  
23 promulgated by the Agency. ~~Such rules shall include a~~  
24 ~~requirement for a local match of 30% of the total project~~  
25 ~~cost for projects funded through such grants.~~

26 (2) The Agency shall not terminate a grant to a unit of

1 local government for the financing and construction of  
2 public water supply facilities unless and until the Agency  
3 adopts rules that set forth precise and complete standards,  
4 pursuant to Section 5-20 of the Illinois Administrative  
5 Procedure Act, for the termination of such grants. The  
6 Agency shall not make determinations on whether specific  
7 grant conditions are necessary to ensure the integrity of a  
8 project or on whether subagreements shall be awarded, with  
9 respect to grants for the financing and construction of  
10 public water supply facilities, unless and until the Agency  
11 adopts rules that set forth precise and complete standards,  
12 pursuant to Section 5-20 of the Illinois Administrative  
13 Procedure Act, for making such determinations. The Agency  
14 shall not issue a stop-work order in relation to such  
15 grants unless and until the Agency adopts precise and  
16 complete standards, pursuant to Section 5-20 of the  
17 Illinois Administrative Procedure Act, for determining  
18 whether to issue a stop-work order.

19 (y) The Agency shall have authority to release any person  
20 from further responsibility for preventive or corrective  
21 action under this Act following successful completion of  
22 preventive or corrective action undertaken by such person upon  
23 written request by the person.

24 (z) To the extent permitted by any applicable federal law  
25 or regulation, for all work performed for State construction  
26 projects which are funded in whole or in part by a capital

1 infrastructure bill enacted by the 96th General Assembly by  
2 sums appropriated to the Environmental Protection Agency, at  
3 least 50% of the total labor hours must be performed by actual  
4 residents of the State of Illinois. For purposes of this  
5 subsection, "actual residents of the State of Illinois" means  
6 persons domiciled in the State of Illinois. The Department of  
7 Labor shall promulgate rules providing for the enforcement of  
8 this subsection.

9 (aa) The Agency may adopt rules requiring the electronic  
10 submission of any information required to be submitted to the  
11 Agency pursuant to any State or federal law or regulation or  
12 any court or Board order. Any rules adopted under this  
13 subsection (aa) must include, but are not limited to,  
14 identification of the information to be submitted  
15 electronically.

16 (Source: P.A. 98-72, eff. 7-15-13.)

17 (415 ILCS 5/19.2) (from Ch. 111 1/2, par. 1019.2)

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

20 (a) "Agency" means the Illinois Environmental Protection  
21 Agency.

22 (b) "Fund" means the Water Revolving Fund created pursuant  
23 to this Title, consisting of the Water Pollution Control Loan  
24 Program, the Public Water Supply Loan Program, and the Loan  
25 Support Program.

1           (c) "Loan" means a loan made from the Water Pollution  
2 Control Loan Program or the Public Water Supply Loan Program to  
3 an eligible applicant as a result of a contractual agreement  
4 between the Agency and such applicant.

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

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

25           (f) "Treatment works" means any devices and systems owned  
26 by a local government unit and used in the storage, treatment,

1 recycling, and reclamation of sewerage or industrial wastes of  
2 a liquid nature, including intercepting sewers, outfall  
3 sewers, sewage collection systems, pumping power and other  
4 equipment, and appurtenances; extensions, improvements,  
5 remodeling, additions, and alterations thereof; elements  
6 essential to provide a reliable recycled supply, such as  
7 standby treatment units and clear well facilities; and any  
8 works, including site acquisition of the land that will be an  
9 integral part of the treatment process for wastewater  
10 facilities. In addition, "treatment works" means any other  
11 methods or systems that qualify as treatment works under  
12 Section 212 of the Federal Water Pollution Control Act.

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

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

20 (1) an investor-owned water utility, if under Illinois  
21 Commerce Commission regulation and operating as a separate  
22 and distinct water utility;

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

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

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

3 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)

4 Sec. 19.3. Water Revolving Fund.

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

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

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

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

25 (2.5) with respect to funds provided under the American



1 Recovery and Reinvestment Act of 2009:

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

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

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

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

25 (3.5) to make direct loans at or below market interest  
26 rates for the implementation of a management program

1 established under Section 319 of the Federal Water  
2 Pollution Control Act, as amended;

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

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

11 (6) to finance the reasonable costs incurred by the  
12 Agency in the administration of the Fund; ~~and~~

13 (7) to transfer funds to the Public Water Supply Loan  
14 Program; and -

15 (8) notwithstanding any other provision of this  
16 subsection (b), to provide any financial assistance that  
17 may be provided under Section 603 of the Federal Water  
18 Pollution Control Act for any projects eligible for  
19 assistance under that Section.

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

22 (1) to accept and retain funds from grant awards and  
23 appropriations;

24 (2) to finance the reasonable costs incurred by the  
25 Agency in the administration of the Fund, including  
26 activities under Title III of this Act, including the

1 administration of the State construction grant program;

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

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

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

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

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

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

24 (1) to accept and retain funds from grant awards,  
25 appropriations, transfers, and payments of interest and  
26 principal;

1           (2) to make direct loans at or below market interest  
2 rates and to provide additional subsidization, including,  
3 but not limited to, forgiveness of principal, negative  
4 interest rates, and grants, to any eligible local  
5 government unit or to any eligible privately owned  
6 community water supply to finance the construction of water  
7 supplies and projects that fulfill federal State Revolving  
8 Fund grant requirements for a green project reserve;

9           (2.5) with respect to funds provided under the American  
10 Recovery and Reinvestment Act of 2009:

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

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

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

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

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

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

19           (6) to transfer funds to the Water Pollution Control  
20 Loan Program.

21           (e) The Agency is designated as the administering agency of  
22 the Fund. The Agency shall submit to the Regional Administrator  
23 of the United States Environmental Protection Agency an  
24 intended use plan which outlines the proposed use of funds  
25 available to the State. The Agency shall take all actions  
26 necessary to secure to the State the benefits of the federal

1 Water Pollution Control Act and the federal Safe Drinking Water  
2 Act, as now or hereafter amended.

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

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

22 Section 99. Effective date. This Act takes effect upon  
23 becoming law.