



Rep. Sonya M. Harper

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1 AMENDMENT TO SENATE BILL 550

2 AMENDMENT NO. _____. Amend Senate Bill 550 by replacing
3 everything after the enacting clause with the following:

4 "Section 5. The Illinois Municipal Code is amended by
5 adding Division heading 150.1 of Article 11 and Section
6 11-150.1-1 as follows:

7 (65 ILCS 5/Art. 11 Div. 150.1 heading new)

8 DIVISION 150.1. LEAD HAZARD COST RECOVERY FEE

9 (65 ILCS 5/11-150.1-1 new)

10 Sec. 11-150.1-1. Lead hazard cost recovery fee. The
11 corporate authorities of any municipality that operates a
12 waterworks system and that incurs reasonable costs to comply
13 with Section 17.11 of the Environmental Protection Act or rules
14 adopted by the Department of Public Health under Section 35.5
15 of the Illinois Plumbing License Law shall have the authority,

1 by ordinance, to collect a fair and reasonable fee from users
2 of the system in order to recover those reasonable costs. Fees
3 collected pursuant to this Section shall be used exclusively
4 for the purpose of complying with Section 17.11 of the
5 Environmental Protection Act and rules adopted by the
6 Department of Public Health under Section 35.5 of the Illinois
7 Plumbing License Law.

8 Section 10. The Public Utilities Act is amended by adding
9 Section 9-246 as follows:

10 (220 ILCS 5/9-246 new)

11 Sec. 9-246. Rates; lead hazard cost recovery by
12 investor-owned water utilities. In determining the rates for an
13 investor-owned public utility engaged in providing water
14 service, the Commission shall allow the utility to recover
15 annually any reasonable costs incurred by the utility to comply
16 with Section 17.11 of the Environmental Protection Act and any
17 reasonable costs incurred by the utility to comply with rules
18 adopted by the Department of Public Health under Section 35.5
19 of the Illinois Plumbing License Law.

20 Section 15. The Illinois Plumbing License Law is amended by
21 changing Section 8 and 19 and by adding Sections 29.6 and 35.5
22 as follows:

1 (225 ILCS 320/8) (from Ch. 111, par. 1107)

2 Sec. 8. Powers of the Director. The Director shall:

3 (1) Prepare forms for application for examination for a
4 plumber's license.

5 (2) Prepare and issue licenses as provided in this Act.

6 (3) With the aid of the Board prescribe rules and
7 regulations for examination of applicants for plumber's
8 licenses.

9 (4) With the aid of the Board prepare and give uniform
10 and comprehensive examinations to applicants for a
11 plumber's license which shall test their knowledge and
12 qualifications in the planning and design of plumbing
13 systems, their knowledge, qualifications, and manual
14 skills in plumbing, and their knowledge of the State's
15 minimum code of standards relating to fixtures, materials,
16 design and installation methods of plumbing systems,
17 promulgated pursuant to this Act.

18 (5) Issue a plumber's license and license renewal to
19 every applicant who has passed the examination and who has
20 paid the required license and renewal fee.

21 (6) Prescribe rules for hearings to deny, suspend,
22 revoke or reinstate licenses as provided in this Act.

23 (7) Maintain a current record showing (a) the names and
24 addresses of registered plumbing contractors, licensed
25 plumbers, licensed apprentice plumbers, and licensed
26 retired plumbers, (b) the dates of issuance of licenses,

1 (c) the date and substance of the charges set forth in any
2 hearing for denial, suspension or revocation of any
3 license, (d) the date and substance of the final order
4 issued upon each such hearing, and (e) the date and
5 substance of all petitions for reinstatement of license and
6 final orders on such petitions.

7 (8) Prescribe, in consultation with the Board, uniform
8 and reasonable rules defining what constitutes an approved
9 course of instruction in plumbing, in colleges,
10 universities, or trade schools, and approve or disapprove
11 the courses of instruction offered by such colleges,
12 universities, or trade schools by reference to their
13 compliance or noncompliance with such rules. Such rules
14 shall be designed to assure that an approved course of
15 instruction will adequately teach the design, planning,
16 installation, replacement, extension, alteration and
17 repair of plumbing.

18 (9) Conduct hearings and impose civil penalties
19 pursuant to this Act.

20 Each instructor participating in a program of
21 instruction in plumbing shall be:

22 (a) an Illinois licensed plumber;

23 (b) an individual who possesses a provisional
24 career and technical educator endorsement on an
25 educator license, issued by the State Board of
26 Education pursuant to Section 21B-20 of the School Code

1 in a field related to plumbing, such as hydraulics,
2 pneumatics, or water chemistry; or

3 (c) a representative of an industry or a
4 manufacturing business related to plumbing, including,
5 but not limited to, the copper industry, plastic pipe
6 industry, or cast iron industry. Courses that are
7 taught by industry representatives shall be
8 educational and shall not be sales oriented. Industry
9 representatives shall be assisted by an Illinois
10 licensed plumber during the presentation of a course of
11 instruction.

12 The instructor shall provide verification of the
13 license or certificate. A copy of the instructor's educator
14 license will establish verification.

15 (Source: P.A. 99-504, eff. 1-1-17.)

16 (225 ILCS 320/19) (from Ch. 111, par. 1118)

17 Sec. 19. The Director, after notice and opportunity for
18 hearing to the applicant, license holder, or registrant, may
19 deny, suspend, or revoke a license or registration in any case
20 in which he or she finds that there has been a substantial
21 failure to comply with the provisions of this Act or the
22 standards, rules, and regulations established under this Act.

23 The Director, after notice and opportunity for hearing, may
24 assess civil penalties to any person for any violation of
25 Section 35.5 of this Act or any rule adopted pursuant to

1 Section 35.5 of this Act.

2 Notice shall be provided by certified mail or by personal
3 service setting forth the particular reasons for the proposed
4 action and fixing a date, not less than 20 days from the date
5 of the mailing or service, within which time the applicant or
6 license holder must request in writing a hearing. Failure to
7 serve upon the Department a request for hearing in writing
8 within the time provided in the notice shall constitute a
9 waiver of the person's right to an administrative hearing.

10 The hearing shall be conducted by the Director or by an
11 individual designated in writing by the Director as a hearing
12 officer to conduct the hearing. The Director or hearing officer
13 shall give written notice of the time and place of the hearing,
14 by certified mail or personal service, to the applicant,
15 license holder, or registrant at least 10 days prior to the
16 hearing. On the basis of the hearing, or upon default of the
17 applicant, license holder, or registrant, the Director shall
18 make a determination specifying his or her findings and
19 conclusions. A copy of the determination shall be sent by
20 certified mail or served personally upon the applicant, license
21 holder, or registrant. The decision of the Director shall be
22 final on issues of fact and final in all respects unless
23 judicial review is sought as provided in this Act.

24 The procedure governing hearings authorized by this
25 Section shall be in accordance with rules promulgated by the
26 Department. A full and complete record shall be kept of all

1 proceedings, including the notice of hearing, complaint, and
2 all other documents in the nature of pleadings, written motions
3 filed in the proceedings, and the report and orders of the
4 Director and hearing officer.

5 The Department at its expense shall provide a court
6 reporter to take testimony. Technical error in the proceedings
7 before the Department or hearing officer or their failure to
8 observe the technical rules of evidence shall not be grounds
9 for the reversal of any administrative decision unless it
10 appears to the Court that such error or failure materially
11 affects the rights of any party and results in substantial
12 injustice to them.

13 The Department or hearing officer, or any parties in an
14 investigation or hearing before the Department, may cause the
15 depositions of witnesses within the State to be taken in the
16 manner prescribed by law for depositions in civil actions in
17 courts of this State, and compel the attendance of witnesses
18 and the production of books, papers, records, or memoranda.

19 The Department shall not be required to certify any record
20 to the Court or file any answer in Court or otherwise appear in
21 any Court in a judicial review proceeding, unless there is
22 filed in the Court with the complaint a receipt from the
23 Department acknowledging payment of the costs of furnishing and
24 certifying the record. Such cost shall be paid by the party
25 requesting a copy of the record. Failure on the part of the
26 person requesting a copy of the record to pay the cost shall be

1 grounds for dismissal of the action.

2 (Source: P.A. 91-678, eff. 1-26-00.)

3 (225 ILCS 320/29.6 new)

4 Sec. 29.6. Civil penalties for violations. Any person who
5 violates any provision of Section 35.5 of this Act or any rule
6 adopted pursuant to Section 35.5 of this Act shall, in addition
7 to any other penalty provided in this Act, be subject to a
8 civil penalty of \$100 per day per violation. Civil penalties
9 collected pursuant to this Section shall be deposited into the
10 Plumbing Licensure and Program Fund.

11 (225 ILCS 320/35.5 new)

12 Sec. 35.5. Identification of lead hazards at high-risk
13 facilities.

14 (a) For the purposes of this Section:

15 "Day care center" means any day care center as defined in
16 Section 2.09 of the Child Care Act of 1969.

17 "Day care homes" means any day care home as defined in
18 Section 2.18 of the Child Care Act of 1969.

19 "Group day care home" means any group day care home as
20 defined in Section 2.20 of the Child Care Act of 1969.

21 "High-risk facility" means (i) any day care center, day
22 care home and group day care home that was constructed in whole
23 or part before January 1, 1987, and (ii) any school that was
24 constructed in whole or part before January 1, 1987.

1 "Lead hazard" has the meaning ascribed to that term in
2 Section 2 of the Lead Poisoning Prevention Act.

3 "School" means any public, private, charter, or nonpublic
4 day or residential educational institution that provides
5 education from pre-kindergarten through grade 5.

6 (b) To protect children and other members of the public
7 from any threat to public health that might be posed by lead in
8 a school or child care facility's plumbing, the Department
9 shall, as soon as practicable after the effective date of this
10 amendatory Act of the 99th General Assembly but no later than
11 June 30, 2018, adopt rules that:

12 (1) establish a program to identify, in each high-risk
13 facility in the State, plumbing that is a lead hazard;

14 (2) require the water distribution system material
15 inventories that are developed under subsection (c) of
16 Section 17.11 of the Environmental Protection Act to be
17 made publicly accessible; and

18 (3) require the operator of each high-risk facility to
19 develop a water quality management plan that, at a minimum,
20 does the following:

21 (A) describes comprehensively the facilities'
22 potable water systems;

23 (B) sets forth a detailed set of procedures and
24 practices to identify lead hazards and minimize lead
25 levels in the facility's potable water system, taking
26 into account, among other things, the results of

1 testing conducted pursuant to Section 17.11 of the
2 Environmental Protection Act; and

3 (C) requires the operator of each high-risk
4 facility to promptly provide an individual
5 notification, via written or electronic communication,
6 to the parents or legal guardians of all enrolled
7 students at the facility, as well as all occupants of
8 the facility, of the laboratory analysis of any water
9 sampling conducted for lead in the facility.

10 (4) require licensed day care centers, day care homes
11 and group day care homes that serve children under the age
12 of 6 to assess levels of lead in such centers and homes.
13 Such rules shall, at a minimum, include provisions
14 regarding testing parameters, the notification of sampling
15 results, and training requirements for lead exposure.

16 Section 20. The Child Care Act of 1969 is amended by adding
17 Section 5.9 as follows:

18 (225 ILCS 10/5.9 new)

19 Sec. 5.9. Lead testing of water in licensed day care
20 centers, day care homes and group day care homes. The
21 Department shall require that all rules that the Department of
22 Public Health adopts pursuant to paragraph (4) of subsection
23 (b) of Section 35.5 of the Illinois Plumbing License Law be met
24 through the licensing process for day care centers, day care

1 homes, and group day care homes.

2 Section 25. The Environmental Protection Act is amended by
3 changing Sections 19.3 and 19.4 and by adding Section 17.11 as
4 follows:

5 (415 ILCS 5/17.11 new)

6 Sec. 17.11. Lead in drinking water prevention.

7 (a) The General Assembly finds that lead has been detected
8 in the drinking water of schools and residences in this State.
9 The General Assembly also finds that infants and young children
10 may suffer adverse health effects and developmental delays as a
11 result of exposure to even low levels of lead. The General
12 Assembly further finds that it is in the best interests of the
13 people of the State to require school districts or chief school
14 administrators, or the designees of school districts or chief
15 school administrators, and the owners and operators of
16 community water systems to test for lead in drinking water in
17 school buildings and provide written notification of the test
18 results and for the owners and operators of community water
19 systems to create a comprehensive lead service line inventory.

20 The purpose of this Section is to require (i) school
21 districts or chief school administrators, or the designees of
22 school districts or chief school administrators, and the owners
23 and operators of community water systems to test for lead with
24 the goal of providing school building occupants with an

1 adequate supply of safe, potable water for consumption that is
2 free of lead; (ii) school districts or chief school
3 administrators, or the designees of school districts or chief
4 school administrator, to notify the parents and legal guardians
5 of enrolled students of the sampling results from their
6 respective school buildings; (iii) the owners and operators of
7 community water systems to notify occupants of residences and
8 water bill recipients, if different from the occupants, of
9 their individual tap sampling results; (iv) the owners and
10 operators of community water systems to provide notice to
11 occupants of potentially affected residences of construction
12 or repair work on water mains, lead service lines, or water
13 meters; and (v) owners and operators of community water systems
14 to create a comprehensive lead service line inventory.

15 (b) For the purposes of this Section:

16 "Community water system" has the meaning ascribed to
17 that term in 35 Ill. Adm. Code 611.101.

18 "Potentially affected residence" means any residence
19 where water service is or may be temporarily interrupted or
20 shut off by or on behalf of an owner or operator of a
21 community water system because construction or repair work
22 is to be performed by or on behalf of the owner or operator
23 of a community water system on or affecting a water main,
24 service line, or water meter.

25 "School building" means any facility or portion
26 thereof that may be occupied by more than 10 children or

1 students, pre-kindergarten through grade 5, within (a) a
2 school district or (b) a public, private, charter, or
3 nonpublic day or residential educational institution, that
4 receives water from a community water system.

5 "Source of potable water" means the point at which
6 non-bottled water that may be ingested by children or used
7 for food preparation exits any tap, faucet, drinking
8 fountain, wash basin in a classroom occupied by children or
9 students under grade 1, or similar point of use provided,
10 however, that all (a) bathroom sinks and (b) wash basins
11 used by janitorial staff are excluded from this definition.

12 (c) Each school district or chief school administrator, or
13 the designee of the school district or chief school
14 administrator, and the corresponding owner and operator of a
15 community water system shall test each source of potable water
16 in a school building for lead contamination as required in this
17 subsection.

18 (1) Each school district or chief school
19 administrator, or the designee of the school district or
20 chief school administrator, shall collect a minimum of
21 three 250 milliliter sequential samples of water from each
22 source of potable water located at each corresponding
23 school building. The water corresponding to the first 250
24 milliliter sample from each source of potable water shall
25 have been standing in the plumbing pipes for at least 8
26 hours, but not more than 18 hours, without any flushing of

1 the source of potable water before sample collection.
2 Samples shall be collected pursuant to such other
3 specifications as the Agency may determine appropriate.

4 (2) Each school district or chief school
5 administrator, or the designee of the school district or
6 chief school administrator, shall submit (A) the samples to
7 an Agency-accredited laboratory for analysis for lead in
8 accordance with the instructions supplied by the owners and
9 operators of the community water system and (B) the written
10 sampling results to the Agency and the Department of Public
11 Health within 7 business days of receipt of the results.

12 (3) If any sample tests positive for lead, the school
13 district or chief school administrator, or the designee of
14 the school district or chief school administrator, shall
15 promptly provide an individual notification of the
16 sampling results, via written or electronic communication,
17 to the parents or legal guardians of all enrolled students
18 of the sampling results and include the following
19 information: the corresponding sampling location within
20 the school building and the United States Environmental
21 Protection Agency's website for information about lead in
22 drinking water.

23 (4) Sampling and analysis shall be completed by the
24 following applicable deadlines: for school buildings
25 constructed prior to January 1, 1987, by December 31, 2017;
26 and for school buildings constructed on and after January

1 1, 1987, by December 31, 2018.

2 (5) The owner and operator of the community water
3 system shall (A) provide each corresponding school
4 district or chief school administrator, or the designee of
5 the school district or chief school administrator, with the
6 (i) sampling instructions, (ii) equipment necessary to
7 collect all samples required under this subsection from the
8 school buildings of each such school district or chief
9 school administrator, or the designee of the school
10 district or chief school administrator, and (iii)
11 instructions for delivering the samples to an
12 Agency-accredited laboratory; and (B) pay for the total
13 cost of the laboratory analysis of all such required
14 samples.

15 (6) The school district or chief school administrator,
16 or the designee of the school district or chief school
17 administrator, may provide written notice to the owner and
18 operator of the corresponding community water system that
19 it will undertake all responsibilities under this
20 subsection. If the school district or chief school
21 administrator, or the designee of the school district or
22 chief school administrator, provides such written notice,
23 the owner and operator of the corresponding community water
24 system shall be exempt from the requirements of this
25 subsection.

26 (7) A school district or chief school administrator, or

1 the designee of the school district or chief school
2 administrator, may seek a waiver of the requirements of
3 this subsection from the Agency, in consultation with the
4 Department of Public Health, if (A) the school district or
5 chief school administrator, or the designee of the school
6 district or chief school administrator, collected at least
7 one 250 milliliter sample of water from each source of
8 potable water that had been standing in the plumbing pipes
9 for at least 6 hours and that was collected without
10 flushing the source of potable water before collection, (B)
11 an Agency-accredited laboratory analyzed the samples, (C)
12 test results were obtained prior to the effective date of
13 this amendatory Act of the 99th General Assembly, but after
14 January 1, 2013, and (D) test results were submitted to the
15 Agency and the Department of Public Health within 120 days
16 of the effective date of this amendatory Act of the 99th
17 General Assembly.

18 (8) Lead sampling results obtained shall not be used
19 for purposes of determining compliance with the Board's
20 rules that implement the national primary drinking water
21 regulations for lead and copper.

22 (d) The owner or operator of each community water system in
23 the State shall develop a water distribution system material
24 inventory that shall be submitted to the Agency and the
25 Department of Public Health on or before April 15 of each year.
26 In addition to meeting the requirements for water distribution

1 system material inventories that are mandated by the United
2 States Environmental Protection Agency, each water
3 distribution system material inventory shall identify:

4 (1) all known lead service lines within or connected to
5 its community water system distribution system, including
6 privately owned lead service lines;

7 (2) the lead service lines that were added to the
8 inventory after the previous year's submission;

9 (3) the total number of service lines within the
10 community water supply distribution system;

11 (4) the percentage of service lines that are known to
12 contain lead;

13 (5) the percentage of service lines that are known to
14 be of a material other than lead; and

15 (6) the percentage of service lines added to the
16 inventory after the previous submission of the annual lead
17 service line inventory.

18 (e) Beginning January 1, 2017, when conducting routine
19 inspections of community water systems as required under this
20 Act, the Agency may conduct a separate audit to identify
21 progress that the community water system has made toward
22 completing the water distribution system material inventories
23 required under subsection (d) of this Section.

24 (f) The owner or operator of a community water system shall
25 provide a notice of the individual tap sampling results to the
26 persons served by the water system at the specific sampling

1 site from which the sample was taken (e.g., the occupants of
2 the residence where the tap was tested) and to the persons who
3 receive the water bills for each residence. In preparing such
4 notice and providing it to the persons required under this
5 subsection, the owner or operator of a community water system
6 shall comply with the requirements set forth in 35 Ill. Adm.
7 Code 611.355(d)(2)-(4). The notification described in this
8 subsection (f) is in addition to any other notification that
9 may be required.

10 (g) The owner or operator of the community water system
11 shall provide notice of construction or repair work on a water
12 main service line, or water meter in accordance with the
13 following requirements:

14 (1) Within 14 days prior to beginning planned work to
15 repair or replace any water mains or lead service lines,
16 the owner or operator of a community water system shall
17 notify, through an individual notice, each occupant of each
18 potentially affected residence of the planned work. In
19 cases where a community water system must perform
20 construction or repair work on an emergency basis or where
21 such work is not scheduled at least 14 days prior to work
22 taking place, the community water system shall notify each
23 occupant of each potentially affected residence as soon as
24 reasonably possible. When work is to repair or replace a
25 water meter, the notification shall be provided at the time
26 the work is initiated.

1 (2) Such written notification shall include, at a
2 minimum:

3 (A) a warning that the work may result in sediment,
4 possibly containing lead, in the residence's water
5 supply; and

6 (B) information concerning best practices for
7 preventing the consumption of any lead in drinking
8 water, including a recommendation to flush water lines
9 during and after the completion of the repair or
10 replacement work and to clean faucet aerator screens;
11 and

12 (C) information regarding the dangers of lead in
13 young children.

14 (3) To the extent that the owner or operator of a
15 community water system serves non-English speaking
16 consumers, the notification must contain information in
17 the appropriate languages regarding the importance of the
18 notice, and it must contain a telephone number or address
19 where a person served may contact the owner or operator of
20 the community water system to obtain a translated copy of
21 the notification or to request assistance in the
22 appropriate language.

23 (4) The notification requirements in this subsection
24 (g) do not apply to work performed on water mains that are
25 used to transmit treated water between community water
26 systems and have no service connections.

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

2 Sec. 19.3. Water Revolving Fund.

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

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

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

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

24 (2.5) with respect to funds provided under the American
25 Recovery and Reinvestment Act of 2009:

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

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

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

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

25 (3.5) to make loans, including, but not limited to,
26 loans through a linked deposit program, at or below market

1 interest rates for the implementation of a management
2 program established under Section 319 of the Federal Water
3 Pollution Control Act, as amended;

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

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

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

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

16 (8) notwithstanding any other provision of this
17 subsection (b), to provide, in accordance with rules
18 adopted under this Title, any other financial assistance
19 that may be provided under Section 603 of the Federal Water
20 Pollution Control Act for any other projects or activities
21 eligible for assistance under that Section or federal rules
22 adopted to implement that Section.

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

25 (1) to accept and retain funds from grant awards and
26 appropriations;

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

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

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

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

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

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

23 (d) The Public Water Supply Loan Program shall be used and
24 administered by the Agency to provide assistance to ~~local~~
25 ~~government units and privately owned community water supplies~~
26 ~~for~~ public water systems as defined in 40 CFR 141.2 and 40 CFR

1 35.3505 ~~supplies~~ for the following public purposes:

2 (1) to accept and retain funds from grant awards,
3 appropriations, transfers, and payments of interest and
4 principal;

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

13 (2.5) with respect to funds provided under the American
14 Recovery and Reinvestment Act of 2009:

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

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

26 (C) to provide additional subsidization,

1 including, but not limited to, forgiveness of
2 principal, negative interest rates, and grants for a
3 local government unit for costs incurred on or after
4 October 1, 2008;

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

15 (4) to guarantee local obligations where such action
16 would improve credit market access or reduce interest
17 rates;

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

23 (6) to transfer funds to the Water Pollution Control
24 Loan Program; and -

25 (7) notwithstanding any other provision of this
26 subsection (d), to provide any other financial assistance

1 that may be provided under Section 1452 of the federal Safe
2 Drinking Water Act for any expenditures eligible for
3 assistance under that Section or federal rules adopted to
4 implement that Section.

5 (e) The Agency is designated as the administering agency of
6 the Fund. The Agency shall submit to the Regional Administrator
7 of the United States Environmental Protection Agency an
8 intended use plan which outlines the proposed use of funds
9 available to the State. The Agency shall take all actions
10 necessary to secure to the State the benefits of the federal
11 Water Pollution Control Act and the federal Safe Drinking Water
12 Act, as now or hereafter amended.

13 (f) The Agency shall have the power to enter into
14 intergovernmental agreements with the federal government or
15 the State, or any instrumentality thereof, for purposes of
16 capitalizing the Water Revolving Fund. Moneys on deposit in the
17 Water Revolving Fund may be used for the creation of reserve
18 funds or pledged funds that secure the obligations of repayment
19 of loans made pursuant to this Section. For the purpose of
20 obtaining capital for deposit into the Water Revolving Fund,
21 the Agency may also enter into agreements with financial
22 institutions and other persons for the purpose of selling loans
23 and developing a secondary market for such loans. The Agency
24 shall have the power to create and establish such reserve funds
25 and accounts as may be necessary or desirable to accomplish its
26 purposes under this subsection and to allocate its available

1 moneys into such funds and accounts. Investment earnings on
2 moneys held in the Water Revolving Fund, including any reserve
3 fund or pledged fund, shall be deposited into the Water
4 Revolving Fund.

5 (Source: P.A. 98-782, eff. 7-23-14; 99-187, eff. 7-29-15.)

6 (415 ILCS 5/19.4) (from Ch. 111 1/2, par. 1019.4)

7 Sec. 19.4. Regulations; priorities.

8 (a) The Agency shall have the authority to promulgate
9 regulations for the administration of this Title, including,
10 but not limited to, rules setting forth procedures and criteria
11 concerning loan applications and the issuance of loans. For
12 loans to units of local government, the regulations shall
13 include, but need not be limited to, the following elements:

14 (1) loan application requirements;

15 (2) determination of credit worthiness of the loan
16 applicant;

17 (3) special loan terms, as necessary, for securing the
18 repayment of the loan;

19 (4) assurance of payment;

20 (5) interest rates;

21 (6) loan support rates;

22 (7) impact on user charges;

23 (8) eligibility of proposed construction;

24 (9) priority of needs;

25 (10) special loan terms for disadvantaged communities;

1 (11) maximum limits on annual distributions of funds to
2 applicants or groups of applicants;

3 (12) penalties for noncompliance with loan
4 requirements and conditions, including stop-work orders,
5 termination, and recovery of loan funds; and

6 (13) indemnification of the State of Illinois and the
7 Agency by the loan recipient.

8 (b) The Agency shall have the authority to promulgate
9 regulations to set forth procedures and criteria concerning
10 loan applications for loan recipients other than units of local
11 government. In addition to all of the elements required for
12 units of local government under subsection (a), the regulations
13 shall include, but need not be limited to, the following
14 elements:

15 (1) types of security required for the loan;

16 (2) types of collateral, as necessary, that can be
17 pledged for the loan; and

18 (3) staged access to fund privately owned community
19 water supplies.

20 (c) Rules adopted under this Title shall also include, but
21 shall not be limited to, criteria for prioritizing the issuance
22 of loans under this Title according to applicant need. Priority
23 in making loans from the Public Water Supply Loan Program must
24 first be given to local government units and privately owned
25 community water supplies that need to make capital improvements
26 to protect human health and to achieve compliance with the

1 State and federal primary drinking water standards adopted
2 pursuant to this Act and the federal Safe Drinking Water Act,
3 as now and hereafter amended. Rules for prioritizing loans from
4 the Water Pollution Control Loan Program may include, but shall
5 not be limited to, criteria designed to encourage green
6 infrastructure, water efficiency, environmentally innovative
7 projects, and nutrient pollution removal.

8 (d) The Agency shall have the authority to promulgate
9 regulations to set forth procedures and criteria concerning
10 loan applications for funds provided under the American
11 Recovery and Reinvestment Act of 2009. In addition, due to time
12 constraints in the American Recovery and Reinvestment Act of
13 2009, the Agency shall adopt emergency rules as necessary to
14 allow the timely administration of funds provided under the
15 American Recovery and Reinvestment Act of 2009. Emergency rules
16 adopted under this subsection (d) shall be adopted in
17 accordance with Section 5-45 of the Illinois Administrative
18 Procedure Act.

19 (e) The Agency may adopt rules to create a linked deposit
20 loan program through which loans made pursuant to paragraph
21 (3.5) of subsection (b) of Section 19.3 may be made through
22 private lenders. Rules adopted under this subsection (e) shall
23 include, but shall not be limited to, provisions requiring
24 private lenders, prior to disbursing loan proceeds through the
25 linked deposit loan program, to verify that the loan recipients
26 have been approved by the Agency for financing under paragraph

1 (3.5) of subsection (b) of Section 19.3.

2 (Source: P.A. 98-782, eff. 7-23-14.)

3 Section 99. Effective date. This Act takes effect upon
4 becoming law.".