

THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1100

Session of
1987

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RIEGER, CORRIGAN, PRESSMANN AND EVANS, APRIL 22, 1987

REFERRED TO COMMITTEE ON APPROPRIATIONS, APRIL 22, 1987

AN ACT

1 Providing for the establishment, implementation and
2 administration of the Pennsylvania Infrastructure Investment
3 Authority; imposing powers and duties on a board of trustees;
4 transferring the rights, powers, duties and obligations of
5 the Water Facilities Loan Board to the Pennsylvania
6 Infrastructure Investment Authority; providing for the
7 issuance of notes and bonds; providing for financial
8 assistance and for a comprehensive water facilities plan; and
9 making repeals.

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13 The General Assembly of the Commonwealth of Pennsylvania
14 hereby enacts as follows:

15 Section 1. Short title.

16 This act shall be known and may be cited as the Pennsylvania
17 Infrastructure Investment Authority Act.

18 Section 2. Legislative intent.

19 The General Assembly finds and declares that:

20 (1) The health of millions of citizens of this
21 Commonwealth is at risk due to substandard and deteriorated
22 water supply and sewage disposal systems.

23 (2) Many water and sewage systems in this Commonwealth
24 are aging, outmoded, inadequate, deteriorating and operating
25 above capacity, and many areas have to limit their growth
26 solely due to lack of proper water supply and sewage
27 disposal.

28 (3) The economic revitalization of this Commonwealth is
29 being stifled by a lack of clean water and adequate sewage
30 facilities.

(4) Financing of water and sewage projects at affordable cost is not currently available in many areas of this Commonwealth.

(5) In order to assist in financing projects to protect the health and safety of the citizens of this Commonwealth and to promote the economic development of Pennsylvania, the General Assembly has determined that it is necessary to establish the Pennsylvania Infrastructure Investment Authority and to provide funding of the authority programs.

Section 3. Definitions.

The following words and phrases when used in this act shall have the meanings given to them in this section unless the context clearly indicates otherwise:

"Authority." The Pennsylvania Infrastructure Investment Authority.

"Board." The board of directors of the authority.

"Bonds." Bonds, notes or other evidences of indebtedness issued by the authority pursuant to this act.

"Eligible cost." The cost of all labor, materials, machinery and equipment, lands, property, rights and easements, plans and specifications, surveys or estimates of costs and revenues, engineering and legal services, and all other expenses necessary or incident to the acquisition, construction, improvement, expansion, repair or rehabilitation of all or part of a project.

"Governmental unit." Any agency of the Commonwealth or any county, municipality or school district, or any agency, instrumentality, authority or corporation thereof, or any public body having local or regional jurisdiction or power.

"Partnership." The Pennsylvania Economic Development Partnership established by the act of _____, 19____ (P.L. _____)

1 No.).

2 "Project." The acquisition, construction, improvement,
3 expansion, repair or rehabilitation of all or part of any
4 facility or system for the collection, treatment or disposal of
5 wastewater, including industrial waste, or for the supply,
6 storage or distribution of drinking water.

7 "Secretary." The Secretary of the Pennsylvania Economic
8 Development Partnership.

9 "Water Facilities Loan Board." The board established under
10 32 Pa.C.S. § 7504 (relating to Water Facilities Loan Board).
11 Section 4. Pennsylvania Infrastructure Investment Authority;
12 board of directors.

13 (a) Establishment.--There is hereby established a body
14 corporate and politic, with corporate succession, to be known as
15 the Pennsylvania Infrastructure Investment Authority. The
16 authority is constituted an instrumentality of the Commonwealth,
17 and the exercise by the authority of the powers conferred by
18 this act shall be deemed and held to be a public and essential
19 governmental function.

20 (b) Membership.--The authority shall consist of a ten-member
21 board of directors composed of the Governor, the majority and
22 minority leaders of the Senate, the majority and minority
23 leaders of the House of Representatives, the Secretary of the
24 Pennsylvania Economic Development Partnership; the Secretary of
25 Community Affairs, the Secretary of Environmental Resources, the
26 Secretary of General Services and the Secretary of the Budget.

27 (c) Officers.--The Governor shall be the chairman and chief
28 executive officer of the authority. The board shall biannually
29 elect a vice-chairman. The board shall select a secretary and
30 treasurer who need not be members of the board, and the same

1 person may be selected to serve as both secretary and treasurer.

2 (d) Vesting of powers.--The powers of the authority shall be
3 vested in the board in office from time to time, and seven
4 members of the board shall constitute a quorum at any meeting.
5 Action may be taken and motions and resolutions adopted by the
6 authority by the affirmative vote of at least seven members of
7 the board. No vacancy on the board shall impair the right of a
8 quorum of the members of the board to exercise the powers and
9 perform the duties of the authority.

10 (e) Designees.--Each member of the board may designate
11 someone to represent him at meetings of the board. Each designee
12 may lawfully vote and otherwise act on behalf of the member of
13 the board for whom he constitutes the designee. The designation
14 shall be in writing delivered to the authority and shall
15 continue in effect until revoked or amended in writing delivered
16 to the authority.

17 (f) Services.--Research, investigation and other services
18 necessary for the operation of the board shall be carried out
19 from resources and by employees from the various executive
20 departments represented on the board. All applicable
21 Commonwealth departments and agencies shall cooperate with, and
22 provide assistance to, the board without financial
23 reimbursement.

24 (g) Dissolution.--The authority may be dissolved by law,
25 provided that the authority has no bonds or other debts or
26 obligations outstanding or that provision has been made for the
27 payment or retirement of all such bonds, debts and obligations.
28 Upon any dissolution of the authority, all property, funds and
29 assets of the authority shall be vested in the Commonwealth.

30 Section 5. Revenues of authority.

1 (a) Sources of revenues.--The authority may receive money
2 from sources of revenue, including, but not limited to, the
3 following:

4 (1) State funds appropriated to the authority.

5 (2) Federal funds appropriated to or granted to the
6 authority.

7 (3) Proceeds from the sale of bonds of the authority
8 authorized under section 7.

9 (4) Proceeds from the sale of bonds issued on or after
10 the effective date of this act from the remaining unused
11 authorization from the act of July 12, 1981 (P.L.263, No.88),
12 entitled "An act authorizing the incurring of indebtedness,
13 with approval of the electors, of \$300,000,000 for the
14 repair, construction, reconstruction, rehabilitation,
15 extension and improvement of community water supply systems,
16 and for the repair, reconstruction or rehabilitation of flood
17 control facilities, dams and port facilities and providing
18 the allotment of proceeds from borrowing hereunder," approved
19 by the electorate on November 3, 1981.

20 (5) Proceeds from the sale of bonds issued for site
21 development under the provisions of Article XVI-B of the act
22 of April 9, 1929 (P.L.343, No.176), known as The Fiscal Code.

23 (6) Proceeds from the sale of any other Commonwealth
24 general obligation bonds designated for the authority.

25 (7) Proceeds from the sale of authority assets.

26 (8) Repayment of loan principal.

27 (9) Payment of interest on loans made by the authority.

28 (10) Interest earned on the investments of authority
29 moneys.

30 (b) Control of revenues; investment of funds.--The board

1 shall have exclusive control and management of all moneys of the
2 authority and full power to invest moneys not required for
3 immediate use in any securities or other investments in which
4 funds of the Commonwealth are authorized to be invested and in
5 any other type of security or investment if, prior to the
6 acquisition of the securities or investments, the board
7 determines by resolution that such type of security or
8 investment is in the best interests of the authority and the
9 State Treasurer approves of such type of security or other
10 investment.

11 (c) General fund and other separate funds or accounts.--The
12 board shall establish a general fund from which it may authorize
13 expenditures for any of the purposes of this act. The board may
14 also establish revolving funds and accounts and other separate
15 funds and accounts when separate accounting for different
16 sources of funds is required by State or Federal law or when
17 otherwise determined by the board to be necessary or convenient.

18 (d) Loan repayment.--Subject to any agreement with the
19 holders of bonds, repayments of loan principal, together with
20 any interest thereon, shall be deposited with the authority and
21 credited to such fund or account as the board shall determine.
22 Loans made by the Water Facilities Loan Board prior to the
23 effective date of this act and repayment of the principal of and
24 interest on those loans shall be controlled by the provisions of
25 Title 32 of the Pennsylvania Consolidated Statutes (relating to
26 forests, waters and State parks). The board shall maintain such
27 separate funds and accounts as may be necessary for the deposit
28 of payments made under authority or requirement of State or
29 Federal law.

30 Section 6. Powers and duties of authority.

1 The authority shall have and may exercise all powers
2 necessary or appropriate to carry out and effectuate the
3 purposes of this act, including, but not limited to, the
4 following:

5 (1) Conduct examinations and investigations and take
6 testimony, under oath or affirmation, at public or private
7 hearings, on any matter necessary to the determination and
8 approval of project applications.

9 (2) Sue and be sued, implead and be impleaded, complain
10 and defend in all courts.

11 (3) Adopt, use and alter at will a corporate seal.

12 (4) Make bylaws for the management and regulation of its
13 affairs, and make and, from time to time, amend and repeal
14 rules and regulations governing the conduct of the business
15 of the authority.

16 (5) Make contracts of every name and nature and execute
17 all instruments necessary or convenient for the carrying on
18 of its business.

19 (6) Accept grants from and enter into contracts or other
20 transactions with any Federal, State or local agency.

21 (7) Take title for foreclosure or otherwise to any
22 project or other property pledged, mortgaged, encumbered or
23 otherwise available as security for a project financed in
24 whole or in part by the board, whether by loan, loan
25 guarantee or otherwise, where such acquisition is necessary
26 to protect the interests of the board with respect to a
27 project; pay all costs arising out of such acquisition from
28 moneys held in the trust fund; and sell, transfer and convey
29 all or any portion of any such project to any responsible
30 buyer.

1 (8) Provide financial assistance, including, but not
2 limited to, loans, loan guarantees, bond guarantees and
3 grants for projects fulfilling the purposes of this act.

4 (9) Collect fees and charges, as the board determines to
5 be reasonable, relating to activities undertaken in
6 furtherance of the purposes of this act.

7 (10) Borrow money and issue bonds and provide for the
8 right of holders thereof in accordance with the provisions of
9 this act.

10 (11) Pledge, hypothecate or otherwise encumber all or
11 any of the revenues or receipts of the authority as security
12 for all or any of the bonds of the authority.

13 (12) Receive appropriations and apply for and accept
14 grants, gifts, donations, bequests and settlements from any
15 public or private source.

16 (13) Acquire, own, hold, construct, improve,
17 rehabilitate, renovate, operate, maintain, sell, assign,
18 exchange, lease, mortgage or otherwise dispose of real and
19 personal property or any interest therein in the exercise of
20 its powers and the performance of its duties under this act.

21 (14) Procure insurance against any loss in connection
22 with its property and other assets and operations in any
23 amounts and from any insurers as it deems desirable.

24 (15) Contract for the services of attorneys, accountants
25 and financial experts and any other advisors, consultants and
26 agents as may be necessary in its judgment.

27 (16) Subject to any agreement with holders of its bonds,
28 notes or other obligations, purchase bonds, notes and other
29 obligations of the authority.

30 (17) Subject to any agreement with holders of its bonds,

1 notes or other obligations, obtain as security for payment of
2 all or any part of the principal of and interest and premium
3 on the bonds, notes and other obligations of the authority,
4 lines of credit and letters of credit in any amounts and upon
5 any terms as the authority may determine, and pay any fees
6 and expenses required in connection therewith.

7 (18) Do any act necessary or convenient to the exercise
8 of the foregoing powers or reasonably implied therefrom.

9 (19) Serve as the Water Facilities Loan Board to satisfy
10 any outstanding bond obligation and loan liabilities.

11 (20) Assume all the rights, powers, duties, obligations
12 and liabilities of the Water Facilities Loan Board.

13 (21) Repay the General Fund any or all debt service due
14 to be paid in any fiscal year from bonds used to fund
15 projects under this act.

16 (22) Establish bylaws and other appropriate rules and
17 guidelines necessary to carry out the purposes of this act.

18 Section 7. Specific power to issue bonds.

19 (a) Principal amounts.--The authority may issue its bonds,
20 notes or other obligations in principal amounts as in the
21 judgment of the authority shall be necessary to provide
22 sufficient funds for any of its corporate purposes. Corporate
23 purposes shall be deemed to include:

24 (1) The payment, funding or refunding of the principal
25 of, or interest or redemption premiums on, any bonds issued
26 by it, whether the bonds to be funded or refunded have or
27 have not become due.

28 (2) The establishment or increase or reserves to secure
29 or to pay the bonds or interest thereon.

30 (3) All other costs or expenses of the authority

1 incident to and necessary to carry out its corporate purposes
2 and powers.

3 (b) Negotiable instrument designation.--Whether or not the
4 bonds are of a form and character as to be negotiable
5 instruments under the terms of Title 13 of the Pennsylvania
6 Consolidated Statutes (relating to commercial code), the bonds
7 are made negotiable instruments within the meaning of and for
8 the purposes of Title 13, subject only to the provisions of the
9 bonds for registration.

10 (c) Resolution; terms of bonds.--Bonds shall be authorized
11 by resolution of the board, may be issued in one or more series
12 and shall bear any date or dates, mature at any time or times
13 not later than 35 years from the date of issuance thereof, bear
14 interest at any rate or rates or at variable rates, be in any
15 denomination or denominations, be in any form, either coupon or
16 registered, carry any conversion or registration privileges,
17 have any rank or priority, be executed in any manner, be payable
18 from such sources in any medium of payment at any place or
19 places within or without this Commonwealth, and be subject to
20 any terms of redemption, purchase or tender by the authority or
21 the holders thereof, with or without premium, as the resolution
22 or resolutions may provide. A resolution of the authority
23 authorizing the issuance of bonds may provide that the bonds be
24 secured by a trust indenture between the authority and a
25 trustee, vesting in the trustee any property, rights, powers and
26 duties in trust consistent with the provisions of this act as
27 the authority may determine. Such resolution may further provide
28 for the acquisition of credit enhancement devices such as bond
29 insurance, letters of credit or any other instruments to carry
30 out the provisions of this section.

1 (d) Public or private sale.--Bonds may be sold at public or
2 private sale at any price or prices and in any manner as the
3 authority may determine.

4 (e) No prior preconditions on bond issuance.--Bonds may be
5 issued under the provisions of this act without obtaining the
6 consent of any department, division, board, bureau or agency of
7 the Commonwealth and without any other proceeding or the
8 happening of any other conditions or other things than those
9 proceedings, conditions or things which are specifically
10 required by this act.

11 (f) Limitation on obligations.--Bonds issued under the
12 provisions of this act shall not be a debt or liability of the
13 Commonwealth or of any of its political subdivisions other than
14 the authority and shall not create or constitute any
15 indebtedness, liability or obligation of the Commonwealth or of
16 any political subdivision. All bonds shall be payable solely
17 from revenues or funds pledged or available for their payment as
18 authorized in this act, including the proceeds of any issue of
19 bonds. Each bond shall contain on its face a statement to the
20 effect that the authority is obligated to pay the principal
21 thereof or the interest thereon only from its revenues, receipts
22 or funds pledged or available for their payment as authorized in
23 this act, that neither the Commonwealth nor any political
24 subdivisions are obligated to pay the principal or interest, and
25 that neither the faith and credit nor the taxing power of the
26 Commonwealth or any political subdivision is pledged to the
27 payment of the principal of or the interest on the bonds.

28 (g) Nature of obligation and payment.--Each issue of bonds
29 may, if it is determined by the authority, be general
30 obligations of the authority payable out of any revenues,

1 receipts or funds of the authority, or special obligations
2 payable out of particular revenues, receipts or funds, subject
3 only to agreements with the holders of the bonds. Bonds may be
4 secured by one or more of the following:

5 (1) Pledges of revenues and other receipts to be derived
6 from the payment of the interest on and any principal of
7 notes and bonds issued by one or more governmental units and
8 purchased by the authority, and any other payment made to the
9 authority pursuant to agreements with any governmental unit
10 or a pledge or assignment of any notes and bonds of any
11 governmental units, and the rights and interests of the
12 authority therein.

13 (2) Pledges of loan payments, rentals, other revenues to
14 be derived from loan agreements, leases or other contractual
15 arrangements with any person or entity, public or private, or
16 a pledge or assignment of any such loan agreements, leases or
17 other contractual arrangements, and the rights and interests
18 of the authority therein.

19 (3) Pledges of grants, subsidies, contributions,
20 appropriations or other payments to be received from the
21 Federal Government or any instrumentality thereof or from the
22 Commonwealth, any Commonwealth agency or other governmental
23 unit.

24 (4) Pledges of all moneys, funds, accounts, securities
25 and other funds, including the proceeds of the bonds.

26 (5) Mortgages and security interests covering all or
27 part of any project or other property of any person or
28 entity, real or personal, then owned or thereafter to be
29 acquired, or a pledge or assignment of mortgages and security
30 interests made or granted to the authority by any person or

entity, and the rights and interests of the authority
therein.

Section 8. Covenants and express conditions on obligations.

In any resolution of the authority authorizing or relating to
the issuance of bonds, the authority, in order to secure payment
of the bonds, and, in addition to its other powers, may, by
provisions in the resolution which shall constitute covenants by
the authority and contracts with the holders of the bonds, do
the following:

(1) Secure the bonds.

(2) Make covenants against pledging all or part of its
revenues or receipts to other parties.

(3) Make covenants limiting its right to sell, pledge or
otherwise dispose of notes and bonds of governmental units,
loan agreements of public or private persons or entities, or
other property of any kind.

(4) Make covenants as to additional bonds to be issued,
the limitations thereon, the terms and conditions thereof,
and the custody, application, investment and disposition of
the proceeds thereof.

(5) Make covenants as to the incurring of other debts by
it.

(6) Make covenants as to the payment of principal of or
interest on bonds, the sources and methods of the payment,
the rank or priority of bonds with respect to liens or
security interests or the acceleration of maturity of bonds.

(7) Provide for replacement of lost, stolen, destroyed
or mutilated bonds.

(8) Make covenants as to the redemption, purchase or
tender of bonds by the authority, or the holders thereof, and

1 the privileges of exchanging them for other bonds.

2 (9) Make covenants to create or authorize the creation
3 of special funds or accounts to be held in trust or otherwise
4 for the benefit of holders of bonds, or of reserves for other
5 purposes and as to the use, investment and disposition of
6 moneys held in those funds, accounts or reserves.

7 (10) Provide for the rights, liabilities, powers and
8 duties arising upon the breach of a covenant, condition or
9 obligation and prescribe the events of default and the terms
10 and conditions upon which any or all of the bonds shall
11 become or may be declared due and payable before maturity and
12 the terms and conditions upon which the declaration and its
13 consequences may be waived.

14 (11) Vest in a trustee or trustees within or without
15 this Commonwealth in trust any property, rights, powers and
16 duties as the authority may determine. These may include any
17 or all of the rights, powers and duties of any trustee
18 appointed by the holders of bonds or notes, including rights
19 with respect to the sale or other disposition of notes and
20 bonds of governmental units and other instruments and
21 security pledged pursuant to a resolution or trust indenture
22 for the benefit of the holders of bonds and the right, by
23 suit or action, to foreclose any mortgage pledged pursuant to
24 the resolution of trust indenture for the benefit of the
25 holders of the bonds, notes or other obligations, and to
26 limit the right of the holders of any bonds to appoint a
27 trustee under this act and to limit the rights, powers and
28 duties of the trustee.

29 (12) Pay the costs or expenses incident to the
30 enforcement of the bonds or the provisions of the resolution

1 authorizing the issuance of those bonds, or the trust
2 indenture securing the bonds or any covenant or agreement of
3 the authority with the holders of the bonds, notes or other
4 obligations.

5 (13) Limit the rights of the holders of any bonds to
6 enforce any pledge or covenant securing bonds.

7 (14) Make covenants other than or in addition to the
8 covenants authorized by this act of like or different
9 character and make covenants to do or refrain from doing any
10 acts and things as may be necessary, or convenient and
11 desirable, in order to better secure bonds or which, in the
12 absolute discretion of the authority, will tend to make bonds
13 more marketable, notwithstanding that the covenants, acts or
14 things may not be enumerated herein.

15 Section 9. Nature and effect of pledges.

16 A pledge of revenues, receipts, moneys, funds or other
17 property or instruments made by the authority shall be valid and
18 binding from the time when the pledge is made. The revenues,
19 receipts, moneys, funds or other property pledged and thereafter
20 received by the authority shall be immediately subject to the
21 lien or the pledge without its physical delivery or further act,
22 and the lien of any pledge shall be valid and binding as against
23 all parties having claims of any kind in tort, contract or
24 otherwise against the authority irrespective of whether the
25 parties have notice of the lien. Neither the resolution nor any
26 other instrument by which a pledge under this section is created
27 or evidenced need be filed or recorded except in the records of
28 the authority.

29 Section 10. Financial assistance.

30 (a) Project priorities.--

1 (1) The authority may only provide financial assistance
2 to projects which shall meet the following requirements:

3 (i) The project is necessary to ensure the health
4 and safety of the citizens of this Commonwealth, or the
5 project is necessary for the economic vitality of the
6 area the project serves.

7 (ii) The project, with this assistance, will proceed
8 in an expeditious manner.

9 (iii) Financial assistance is necessary in order for
10 the project to be completed in a reasonable amount of
11 time.

12 (2) The board shall consult with the Department of
13 Environmental Resources and the partnership in assigning
14 priorities to each project. When necessary to comply with
15 Federal law, priorities assigned by the Department of
16 Environmental Resources shall be binding on the authority,
17 but under no circumstances shall the authority be required by
18 the Department of Environmental Resources to fund these
19 prioritized projects.

20 (3) The board shall attempt to ensure that funds are
21 always available for emergency situations which immediately
22 threaten the health and safety of the residents of this
23 Commonwealth and for economic development when the project
24 must be completed in a short time period in order to attract
25 or retain business within this Commonwealth.

26 (b) Grants.--Grants shall be made only when the board, in
27 its sole discretion, determines that the financial condition of
28 the recipient is such that repayment of a loan is unlikely and
29 that the recipient will not be able to proceed with the project
30 without a grant. In considering grant applications, the

1 authority may recommend, either before or after the
2 determination of the board, that the recipient pursue other
3 State grant programs, including, but not limited to, the Site
4 Development program, the Federal Small Communities Block Grant
5 program and the Federal Urban Development Action Grant program.
6 Should the board determine that a grant is necessary from the
7 authority, the board shall attempt to mix the grant funds with
8 loan funds, if financially possible.

9 (c) Loans.--Subject to any agreements with the holders of
10 bonds, the board shall have the power to set interest rates and
11 other terms applicable to loans in any manner it deems
12 appropriate. The board may consider such factors as it deems
13 relevant, including current market interest rates, the financial
14 and economic distress of the area which the project serves, and
15 the necessity to maintain the authority funds in a financially
16 sound manner. Loans may be made based on the ability to repay
17 the loan from future revenue to be derived from the project, by
18 a mortgage or other property lien, or on any other fiscal
19 matters which the authority deems appropriate. The board shall
20 also have the power to provide loans at zero interest and
21 deferred principal loans.

22 (d) Limitation on annual assistance.--The amount of
23 assistance approved by the board under subsection (c) shall not
24 in any fiscal year exceed the amount of interest earnings, State
25 appropriations and any funds received specifically for grants
26 which are deposited into the general fund of the trust fund.

27 (e) Other assistance.--The board shall have the power to use
28 other methods of financial assistance, including, but not
29 limited to, bond and loan guarantees, and may buy or insure
30 bonds if the board deems this to be an appropriate method to

1 accomplish the purposes of this act.

2 (f) Limitation.--The board shall not advance any grant or
3 loan or any other funds to any person or entity in respect to
4 any project until such project shall have been itemized and
5 approved in a capital budget act. This limitation shall not
6 prevent the board from approving projects which are subject to
7 such later itemization and approval prior to funding such
8 approved projects.

9 (g) Inspection of project and records.--

10 (1) The applicant shall allow the Water Facilities Loan
11 Board and its successors, agents and representatives the
12 right, at all reasonable times during construction and after
13 completion of the project, to enter upon and inspect the
14 project and to examine and make copies of the applicant's
15 books, records, accounting data and other documents
16 pertaining to the project and the financial condition of the
17 applicant.

18 (2) The applicant may be required by the board or its
19 agent to have prepared independent audits of its financial
20 documents and conditions and submit a certified copy of the
21 audits to the board.

22 Section 11. Comprehensive water facilities plan.

23 The Department of Environmental Resources shall prepare and
24 submit to the authority a comprehensive plan for wastewater
25 disposal and piped drinking water facilities in this
26 Commonwealth. The plan should include, but not be limited to:

27 (1) An inventory of the existing facilities located
28 within this Commonwealth, including, but not limited to,
29 identification of the type, capacity, location, current
30 condition and year constructed.

1 (2) An inventory of drinking water and sewage
2 construction needs.

3 (3) Identification of the major issues and problems that
4 the Commonwealth must deal with in order to address its water
5 infrastructure needs, including financial as well as
6 nonfinancial issues.

7 (4) Recommendations for programs to encourage the
8 construction of drinking water and sewage treatment
9 facilities. This may include innovative financing mechanisms,
10 alternative technology and ownership structures, and
11 technical assistance.

12 (5) Identification of emerging issues, trends and
13 problems that might affect these facilities.

14 The plan shall be updated at least every five years.

15 Section 12. Audits.

16 The accounts and books of the authority, including its
17 receipts, disbursements, contracts, mortgages, investments and
18 other matters relating to its finances, operation and affairs,
19 shall be examined and audited every two years by the Auditor
20 General.

21 Section 13. Expedited approval of rate relief.

22 For the limited and special purpose of ensuring repayment of
23 principal and interest on loans made pursuant to this act, the
24 Pennsylvania Public Utility Commission shall approve such
25 security issues, affiliated interest agreements and rate
26 increase requests by applicants that are regulated utilities as
27 are necessary and appropriate. For this purpose, the
28 Pennsylvania Public Utility Commission shall establish such
29 expedited practices, procedures and policies as necessary to
30 facilitate and accomplish repayment of the loans. Nothing in

1 this act shall be construed as to require approval of rate
2 increases greater than that necessary to accomplish the
3 repayment of loans made pursuant to this act.

4 Section 14. Transfer of Water Facilities Loan Board.

5 (a) Removal of members.--On the effective date of this act,
6 all existing members of the Water Facilities Loan Board are
7 removed from office.

8 (b) Board of directors to serve as Water Facilities Loan
9 Board.--For purposes of satisfying all outstanding obligations
10 of the Water Facilities Loan Board and for purposes of
11 collecting loan and interest repayments, the board established
12 in section 4 shall constitute the membership of the Water
13 Facilities Loan Board.

14 (c) Transfer of function.--All remaining rights, powers,
15 duties, obligations, liabilities, records and equipment of the
16 Water Facilities Loan Board are transferred to the authority.

17 Section 15. Repeals.

18 (a) Absolute.--The following acts or parts of acts are
19 repealed:

20 The definitions of "community water supply system,"
21 "department," "flood control facility," "port facility,"
22 "project" and "water facility" in section 7502 and sections
23 7503, 7504(b), (d) and (e), 7506, 7510, 7511, 7512, 7513, 7514,
24 7515 and 7516 of Title 32 of the Pennsylvania Consolidated
25 Statutes (relating to forests, waters and State parks).

26 (b) Limited.--The following acts or parts of acts are
27 repealed insofar as they relate to any one of the following:

28 (1) Public improvement projects itemized in a capital
29 budget enacted prior to January 1, 1983, but not physically
30 constructed prior to the effective date of this act.

1 (2) Any project itemized in a capital budget which was
2 funded by current revenues without the use of bond
3 obligations.

4 (c) Inconsistent.--All other acts and parts of acts are
5 repealed insofar as they are inconsistent with this act.

6 Section 16. Severability.

7 The provisions of this act are severable. If any provision of
8 this act or its application to any person or circumstance is
9 held invalid, the invalidity shall not affect other provisions
10 or applications of this act which can be given effect without
11 the invalid provision or application.

12 Section 17. Effective date.

13 This act shall take effect in 90 days.