
THE GENERAL ASSEMBLY OF PENNSYLVANIA

HOUSE BILL

No. 1100

Session of
1987

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RITTER, PISTELLA, BATTISTO AND BOWLEY, APRIL 21, 1987

SENATOR TILGHMAN, APPROPRIATIONS, IN SENATE, RE-REPORTED AS
AMENDED, FEBRUARY 1, 1988

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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16 AMENDING TITLE 32 (FORESTS, WATERS AND STATE PARKS) OF THE <—
17 PENNSYLVANIA CONSOLIDATED STATUTES, ADDING PROVISIONS
18 RELATING TO WATER SUPPLY AND SEWAGE TREATMENT SYSTEMS; <—
19 PROVIDING FOR THE ESTABLISHMENT, IMPLEMENTATION AND
20 ADMINISTRATION OF THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT
21 AUTHORITY; PROVIDING FOR THE POWERS AND DUTIES OF THE BOARD
22 OF DIRECTORS OF THE AUTHORITY, INCLUDING THE UTILIZATION OF
23 FEDERAL FUNDS; AUTHORIZING THE INCURRING OF INDEBTEDNESS,
24 WITH APPROVAL OF THE ELECTORS, OF \$450,000,000 FOR THE
25 ACQUISITION, REPAIR, CONSTRUCTION, RECONSTRUCTION,
26 REHABILITATION, EXTENSION, EXPANSION AND IMPROVEMENT OF WATER
27 SUPPLY AND SEWAGE TREATMENT SYSTEMS; ~~AND~~ PROVIDING FOR THE <—
28 ALLOCATION OF THE BOND PROCEEDS; AUTHORIZING THE AUTHORITY TO <—
29 ISSUE ITS OWN BONDS AND NOTES; TRANSFERRING THE RIGHTS,
30 POWERS, DUTIES AND OBLIGATIONS OF THE WATER FACILITIES LOAN

BOARD TO THE AUTHORITY; MAKING AN APPROPRIATION; AND MAKING
REPEALS.

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

~~Section 1. Short title.~~

<—

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

~~Section 2. Legislative intent.~~

~~The General Assembly finds and declares that:~~

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

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

~~(3) The economic revitalization of this Commonwealth is
being stifled by a lack of clean water and adequate sewage
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, extension, 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.____, No.____).~~

~~"Project."—The eligible costs associated with the acquisition, construction, improvement, expansion, extension, repair or rehabilitation of all or part of any facility or system, whether publicly or privately owned, for the collection, treatment or disposal of wastewater, including industrial waste, or for the supply, treatment, storage or distribution of drinking water.~~

~~"Secretary."—The Secretary of the Pennsylvania Economic~~

~~Development Partnership.~~

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

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

~~(b) Membership. The authority shall consist of an 11 member
board of directors composed of the Governor, the majority and
minority leaders of the Senate, the majority and minority
leaders of the House of Representatives, the Secretary of the
Pennsylvania Economic Development Partnership, the Secretary of
Community Affairs, the Secretary of Environmental Resources, the
Secretary of General Services, the Secretary of the Budget and
the Chairman of the Pennsylvania Public Utility Commission.~~

~~(c) Officers. The Governor shall be the chairman and chief
executive officer of the authority. The board shall biannually
elect a vice chairman. The board shall select a secretary and
treasurer who need not be members of the board, and the same
person may be selected to serve as both secretary and treasurer.~~

~~(d) Vesting of powers. The powers of the authority shall be
vested in the board in office from time to time, and eight
members of the board shall constitute a quorum at any meeting.
Action may be taken and motions and resolutions adopted by the
authority by the affirmative vote of at least seven members of~~

~~the board. No vacancy on the board shall impair the right of a quorum of the members of the board to exercise the powers and perform the duties of the authority.~~

~~(c) Designees. Each member of the board may designate someone to represent him at meetings of the board. Each designee may lawfully vote and otherwise act on behalf of the member of the board for whom he constitutes the designee. The designation shall be in writing delivered to the authority and shall continue in effect until revoked or amended in writing delivered to the authority.~~

~~(f) Services. Research, investigation and other services necessary for the operation of the board shall be carried out from resources and by employees from the various executive departments represented on the board. All applicable Commonwealth departments and agencies shall cooperate with, and provide assistance to, the board, which may, at its discretion, provide financial reimbursement.~~

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

~~Section 5. Revenues of authority.~~

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

~~(1) State funds appropriated to the authority.~~

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

1 ~~(3) Proceeds from the sale of bonds of the authority~~
2 ~~authorized under section 7.~~

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

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

17 ~~(6) Proceeds from the sale of any other Commonwealth~~
18 ~~general obligation bonds designated for the authority.~~

19 ~~(7) Proceeds from the sale of authority assets.~~

20 ~~(8) Repayment of loan principal.~~

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

22 ~~(10) Interest earned on the investments of authority~~
23 ~~moneys.~~

24 ~~(b) Control of revenues; investment of funds. The board~~
25 ~~shall have exclusive control and management of all moneys of the~~
26 ~~authority and full power to invest moneys not required for~~
27 ~~immediate use in any securities or other investments in which~~
28 ~~funds of the Commonwealth are authorized to be invested and in~~
29 ~~any other type of security or investment if, prior to the~~
30 ~~aquisition of the securities or investments, the board~~

1 ~~determines by resolution that such type of security or~~
2 ~~investment is in the best interests of the authority and the~~
3 ~~State Treasurer approves of such type of security or other~~
4 ~~investment.~~

5 ~~(c) General fund and other separate funds or accounts. The~~
6 ~~board shall establish a general fund from which it may authorize~~
7 ~~expenditures for any of the purposes of this act. The board may~~
8 ~~also establish revolving funds and accounts and other separate~~
9 ~~funds and accounts when separate accounting for different~~
10 ~~sources of funds is required by State or Federal law or when~~
11 ~~otherwise determined by the board to be necessary or convenient.~~

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

24 ~~Section 6. Powers and duties of authority.~~

25 ~~The authority shall have and may exercise all powers~~
26 ~~necessary or appropriate to carry out and effectuate the~~
27 ~~purposes of this act, including, but not limited to, the~~
28 ~~following:~~

29 ~~(1) Conduct examinations and investigations and take~~
30 ~~testimony, under oath or affirmation, on any matter necessary~~

1 ~~to the determination and approval of project applications.~~

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

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

5 ~~(4) Make bylaws for the management and regulation of its~~
6 ~~affairs, and make and, from time to time, amend and repeal~~
7 ~~rules and regulations governing the administrative procedures~~
8 ~~and business of the authority.~~

9 ~~(5) Make contracts of every name and nature and execute~~
10 ~~all instruments necessary or convenient for the carrying on~~
11 ~~of its business.~~

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

14 ~~(7) Take title by foreclosure or otherwise to any~~
15 ~~project or other property pledged, mortgaged, encumbered or~~
16 ~~otherwise available as security for a project financed in~~
17 ~~whole or in part by the board, whether by loan, loan~~
18 ~~guarantee or otherwise, where such acquisition is necessary~~
19 ~~to protect the interests of the board with respect to a~~
20 ~~project; pay all costs arising out of such acquisition from~~
21 ~~moneys held in the trust fund; and sell, transfer and convey~~
22 ~~all or any portion of any such project to any responsible~~
23 ~~buyer. The board may require a dedicated source of revenue to~~
24 ~~be available for repayment of any loan.~~

25 ~~(8) Provide financial assistance, including, but not~~
26 ~~limited to, loans, loan guarantees, bond guarantees and~~
27 ~~grants for projects fulfilling the purposes of this act.~~

28 ~~(9) Collect fees and charges, as the board determines to~~
29 ~~be reasonable, relating to activities undertaken in~~
30 ~~furtherance of the purposes of this act.~~

1 ~~(10) Borrow money and issue bonds and provide for the~~
2 ~~right of holders thereof in accordance with the provisions of~~
3 ~~this act.~~

4 ~~(11) Pledge, hypothecate or otherwise encumber all or~~
5 ~~any of the revenues or receipts of the authority as security~~
6 ~~for all or any of the bonds of the authority.~~

7 ~~(12) Receive appropriations and apply for and accept~~
8 ~~grants, gifts, donations, bequests and settlements from any~~
9 ~~public or private source.~~

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

15 ~~(14) Procure insurance against any loss in connection~~
16 ~~with its property and other assets and operations in any~~
17 ~~amounts and from any insurers as it deems desirable.~~

18 ~~(15) Contract for the services of attorneys, accountants~~
19 ~~and financial experts and any other advisors, consultants and~~
20 ~~agents as may be necessary in its judgment, subject to the~~
21 ~~requirement that the chairman shall ensure that minority-~~
22 ~~owned or minority controlled firms shall have an opportunity~~
23 ~~to participate to a significant degree in the provision of~~
24 ~~any contractual services purchased by the authority.~~

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

28 ~~(17) Subject to any agreement with holders of its bonds,~~
29 ~~notes or other obligations, obtain as security for payment of~~
30 ~~all or any part of the principal of and interest and premium~~

~~on the bonds, notes and other obligations of the authority,
lines of credit and letters of credit in any amounts and upon
any terms as the authority may determine, and pay any fees
and expenses required in connection therewith.~~

~~(18) Do any act necessary or convenient to the exercise
of the powers enumerated in this section or reasonably
implied therefrom.~~

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

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

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

~~(22) Prepare plans and reports and provide for public
participation as deemed appropriate.~~

~~Section 7. Specific power to issue bonds.~~

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

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

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

~~(3) All other costs or expenses of the authority
incident to and necessary to carry out its corporate purposes~~

1 ~~and powers.~~

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

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

30 ~~(d) Public or private sale. Bonds may be sold at public or~~

~~private sale at any price or prices and in any manner as the authority may determine, subject to the requirement that the chairman shall ensure that minority owned or minority controlled firms shall have an opportunity to participate to a significant degree in any bond sale activities.~~

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

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

~~(g) Nature of obligation and payment. Each issue of bonds~~

~~may, if it is determined by the authority, be general obligations of the authority payable out of any revenues, receipts or funds of the authority, or special obligations payable out of particular revenues, receipts or funds, subject only to agreements with the holders of the bonds. Bonds may be secured by one or more of the following:~~

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

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

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

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

~~(5) Mortgages and security interests covering all or part of any project or other property of any person or entity, real or personal, then owned or thereafter to be~~

1 ~~acquired, or a pledge or assignment of mortgages and security~~
2 ~~interests made or granted to the authority by any person or~~
3 ~~entity, and the rights and interests of the authority~~
4 ~~therein.~~

5 ~~Section 8.—Covenants and express conditions on obligations.~~

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

12 ~~(1) Secure the bonds.~~

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

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

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

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

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

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

1 ~~(8) Make covenants as to the redemption, purchase or~~
2 ~~tender of bonds by the authority, or the holders thereof, and~~
3 ~~the privileges of exchanging them for other bonds.~~

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

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

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

~~(12) Pay the costs or expenses incident to the enforcement of the bonds or the provisions of the resolution authorizing the issuance of those bonds, or the trust indenture securing the bonds or any covenant or agreement of the authority with the holders of the bonds, notes or other obligations.~~

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

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

~~Section 9. Nature and effect of pledges.~~

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

~~Section 10. Financial assistance.~~

~~(a) Project priorities.~~

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

~~(i) The project is necessary to ensure the health and safety of the citizens of this Commonwealth, or the project is necessary for the economic vitality of the area the project serves, or the project is necessary to comply with Federal or State environmental laws or regulations.~~

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

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

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

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

~~(4) The board shall establish a program of assistance to~~

~~water supply and sewage disposal systems serving communities with a population of 12,000 people, or less, or systems having hookups of 1,000 or less.~~

~~(b) Grants. Grants, except for those under the Community Facilities program, shall be made only when the board, in its sole discretion, determines that the financial condition of the recipient is such that repayment of a loan is unlikely and that the recipient will not be able to proceed with the project without a grant. In considering grant applications, the authority may recommend, either before or after the determination of the board, that the recipient pursue other State grant programs, including, but not limited to, the Site Development program, the Federal Small Communities Block Grant program and the Federal Urban Development Action Grant program. Should the board determine that a grant is necessary from the authority, the board shall attempt to mix the grant funds with loan funds, if financially possible.~~

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

~~repayment of a loan, the board may apply to the court of common pleas of the county where the project is located for the appointment of a receiver to assume operation and supervision of the facility under the supervision of the court.~~

~~(d) Limitation on annual assistance. The amount of assistance approved by the board under subsection (b) shall not in any fiscal year exceed the amount of interest earnings, State appropriations and any funds received specifically for grants which are deposited into the accounts of the authority.~~

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

~~(f) Limitation. Except for projects approved under subsection (a)(3) or under the Community Facilities program, the board shall not advance any grant or loan or any other funds to any person or entity in respect to any project until such project shall have been itemized and approved in a capital budget act. This limitation shall not prevent the board from approving projects which are subject to such later itemization and approval prior to funding such approved projects.~~

~~(g) Containing education of operation. No agreement with individuals or entities shall be valid in the absence of an agreement by the individuals or entities seeking assistance under this act to assure that the system operators are participating or will participate in continuing education programs developed by the Department of Environmental Resources. If the board determines that the system operator of a system receiving assistance is not participating in continuing~~

~~education programs, the board shall take all steps necessary to cease all financial assistance and recover all prior payments, including, but not limited to, the immediate repayment of any outstanding loans and interest and any grants.~~

~~(h) Inspection of project and records.—~~

~~(1) The applicant shall allow the authority and its successors, agents and representatives the right, at all reasonable times during construction and after completion of the project, to enter upon and inspect the project and to examine and make copies of the applicant's books, records, accounting data and other documents pertaining to the project and the financial condition of the applicant.~~

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

~~(i) Financial analysis.— The financial analysis used by the board to determine the need of all applicants for financial assistance shall include, but not be limited to, the following:~~

~~(1) Fair and reasonable costs of wastewater treatment or of supplying drinking water incurred by comparable systems.~~

~~(2) The incomes of affected ratepayers and their ability to pay increased rates necessary to complete the proposed projects.~~

~~(3) Other sources of financing available to individuals or entities seeking assistance under this act.~~

~~(4) A determination that any financial assistance provided by this act will not be used to supplant financial resources already available to the applicant.~~

~~Section 11.— Comprehensive water facilities plan.~~

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

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

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

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

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

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

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

~~Section 12.— Audits.~~

~~The accounts and books of the authority, including its receipts, disbursements, contracts, mortgages, investments and other matters relating to its finances, operation and affairs, shall be examined and audited by the Auditor General.~~

~~Section 13.— Annual report.~~

~~The board shall provide the General Assembly with an annual report detailing all projects funded under section 10(a)(3) of~~

~~1 this act and all projects receiving assistance from community
2 facilities funds.~~

~~3 Section 14. Expedited approval of rate relief.~~

~~4 For the limited and special purpose of ensuring repayment of
5 principal and interest on loans made pursuant to this act, the
6 Pennsylvania Public Utility Commission shall approve such
7 security issues, affiliated interest agreements and rate
8 increase requests by applicants that are regulated utilities as
9 are necessary and appropriate. For this purpose, the
10 Pennsylvania Public Utility Commission shall establish such
11 expedited practices, procedures and policies as necessary to
12 facilitate and accomplish repayment of the loans. Nothing in
13 this act shall be construed as to require approval of rate
14 increases greater than that necessary to accomplish the
15 repayment of loans made pursuant to this act.~~

~~16 Section 15. Transfer of Water Facilities Loan Board.~~

~~17 (a) Removal of members. On the effective date of this act,
18 all existing members of the Water Facilities Loan Board are
19 removed from office.~~

~~20 (b) Board of directors to serve as Water Facilities Loan
21 Board. For purposes of satisfying all outstanding obligations
22 of the Water Facilities Loan Board and for purposes of
23 collecting loan and interest repayments, the board established
24 in section 4 shall constitute the membership of the Water
25 Facilities Loan Board.~~

~~26 (c) Transfer of function. All remaining rights, powers,
27 duties, obligations, liabilities, records and equipment of the
28 Water Facilities Loan Board are transferred to the authority.~~

~~29 Section 16. Repeals.~~

~~30 (a) Absolute. The following acts or parts of acts are~~

1 repealed:

2 ~~The definitions of "community water supply system,"~~
3 ~~"department," "flood control facility," "port facility,"~~
4 ~~"project" and "water facility" in section 7502 and sections~~
5 ~~7503, 7504(b), (d) and (e), 7506, 7510, 7511, 7512, 7513, 7514,~~
6 ~~7515 and 7516 of Title 32 of the Pennsylvania Consolidated~~
7 ~~Statutes (relating to forests, waters and State parks).~~

8 ~~(b) Limited. The following acts or parts of acts are~~
9 ~~repealed:~~

10 ~~(1) Any project itemized in a capital budget which was~~
11 ~~funded by current revenues without the use of bond~~
12 ~~obligations.~~

13 ~~(2) Sections 1, 1.1, 2 and 3 of the act of August 20,~~
14 ~~1953 (P.L.1217, No.339), entitled "An act providing for~~
15 ~~payments by the Commonwealth to municipalities which have~~
16 ~~expended money to acquire and construct sewage treatment~~
17 ~~plants in accordance with the Clean Streams Program and the~~
18 ~~act, approved the twenty second day of June, one thousand~~
19 ~~nine hundred thirty seven (Pamphlet Laws 1987), and making an~~
20 ~~appropriation," as applied to projects funded under the~~
21 ~~provisions of this act.~~

22 ~~(c) Inconsistent. All other acts and parts of acts are~~
23 ~~repealed insofar as they are inconsistent with this act.~~

24 ~~Section 17. Severability.~~

25 ~~The provisions of this act are severable. If any provision of~~
26 ~~this act or its application to any person or circumstance is~~
27 ~~held invalid, the invalidity shall not affect other provisions~~
28 ~~or applications of this act which can be given effect without~~
29 ~~the invalid provision or application.~~

30 ~~Section 18. Effective date.~~

1	7716	7717.	IMPLEMENTATION OF PROJECT.	<—
2	7717	7718.	SUPERVISION OF PROJECT AND SECURITY FROM DEFAULT.	<—
3	7718	7719.	EXPEDITED APPROVAL OF RATE RELIEF.	<—
4	7719	7720.	COMPREHENSIVE WATER SUPPLY AND SEWAGE TREATMENT	<—
5			FACILITIES PLAN.	
6	7720	7721.	ANNUAL REPORT.	<—
7	7721	7722.	TRANSFER OF WATER FACILITIES LOAN BOARD.	<—
8		7723.	GUIDELINES AND REGULATIONS.	<—
9	§ 7701.		SHORT TITLE OF CHAPTER.	

12 § 7702. LEGISLATIVE FINDINGS AND DECLARATIONS.

14 (1) THE HEALTH, SAFETY AND WELFARE OF THE CITIZENS OF
15 THIS COMMONWEALTH AND THE ECONOMIC DEVELOPMENT, EMPLOYMENT,
16 AGRICULTURE, INDUSTRY AND ENVIRONMENTAL QUALITY OF THE ENTIRE
17 COMMONWEALTH ARE AND WILL CONTINUE TO BE VITALLY AFFECTED BY
18 THE ADEQUACY AND EFFECTIVENESS OF WATER SUPPLY AND SEWAGE
19 TREATMENT SYSTEMS THROUGHOUT THIS COMMONWEALTH.

25 (3) THE ECONOMIC REVITALIZATION OF THIS COMMONWEALTH IS
26 BEING HINDERED BY A LACK OF CLEAN WATER AND ADEQUATE SEWAGE
27 FACILITIES.

1 PRESENT THROUGH EXISTING FINANCIAL ARRANGEMENTS UNDER TERMS
2 AND CONDITIONS WHICH WOULD ENABLE THE PROJECTS TO BE
3 IMPLEMENTED.

4 (5) THE COMMONWEALTH SHOULD ACT TO ASSIST IN FINANCING
5 PROJECTS TO PROTECT THE HEALTH AND SAFETY OF THE CITIZENS OF
6 THIS COMMONWEALTH AND TO PROMOTE THE CONTINUED ECONOMIC
7 DEVELOPMENT OF PENNSYLVANIA THROUGH THE FINANCING OF LOANS
8 FOR THE ACQUISITION, REPAIR, CONSTRUCTION, RECONSTRUCTION,
9 REHABILITATION, EXTENSION, EXPANSION AND IMPROVEMENT OF WATER
10 SUPPLY AND SEWAGE TREATMENT SYSTEMS.

11 (6) FOR THESE REASONS AND FOR THIS PURPOSE, LOANS SHALL
12 BE MADE TO PROVIDE FOR THESE PROJECTS, ~~SUBJECT TO THE VOTERS~~ <—
13 ~~OF THIS COMMONWEALTH HAVING APPROVED BY REFERENDUM THE~~
14 ~~INCURRING OF INDEBTEDNESS OF \$450,000,000, THROUGH THE SALE~~
15 THROUGH THE UTILIZATION OF PROCEEDS FROM THE SALE OF GENERAL <—
16 OBLIGATION BONDS BY THE COMMONWEALTH AUTHORIZED HERETOFORE OR <—
17 HEREINAFTER BY REFERENDUM, AS WELL AS THE UTILIZATION OF
18 AVAILABLE FEDERAL FUNDS AND THE UTILIZATION OF PROCEEDS FROM <—
19 THE SALE OF AUTHORITY BONDS OR NOTES.

20 § 7703. DEFINITIONS.

21 THE FOLLOWING WORDS AND PHRASES WHEN USED IN THIS CHAPTER
22 SHALL HAVE THE MEANINGS GIVEN TO THEM IN THIS SECTION UNLESS THE
23 CONTEXT CLEARLY INDICATES OTHERWISE:

24 "~~BOARD~~ AUTHORITY." THE PENNSYLVANIA INFRASTRUCTURE <—
25 INVESTMENT ~~LOAN BOARD~~ AUTHORITY ESTABLISHED BY THIS CHAPTER. <—

26 "BOARD." THE BOARD OF DIRECTORS OF THE AUTHORITY. <—

27 "DEPARTMENT." THE DEPARTMENT OF ENVIRONMENTAL RESOURCES OF
28 THE COMMONWEALTH.

29 "GOVERNMENTAL UNIT." ANY AGENCY OF THE COMMONWEALTH OR ANY
30 COUNTY, MUNICIPALITY OR SCHOOL DISTRICT, OR ANY AGENCY,

1 INSTRUMENTALITY, AUTHORITY OR CORPORATION THEREOF, OR ANY PUBLIC
2 BODY HAVING LOCAL OR REGIONAL JURISDICTION OR POWER.

3 "ISSUING OFFICIALS." THE GOVERNOR, THE AUDITOR GENERAL AND
4 THE STATE TREASURER.

5 "MUNICIPAL AUTHORITY." A BODY CORPORATE AND POLITIC CREATED
6 PURSUANT TO THE ACT OF JUNE 28, 1935 (P.L.463, NO.191), KNOWN AS
7 THE MUNICIPALITY AUTHORITIES ACT OF ONE THOUSAND NINE HUNDRED
8 AND THIRTY-FIVE, OR THE ACT OF MAY 2, 1945 (P.L.382, NO.164),
9 KNOWN AS THE MUNICIPALITY AUTHORITIES ACT OF 1945.

10 "MUNICIPALITY." A COUNTY, CITY, BOROUGH, INCORPORATED TOWN,
11 TOWNSHIP OR HOME RULE MUNICIPALITY.

12 "NOTES." TEMPORARY OBLIGATIONS ISSUED BY THE COMMONWEALTH
13 PURSUANT TO THIS CHAPTER IN ANTICIPATION OF BONDS, AND SHALL
14 INCLUDE RENEWAL NOTES. THE TERM SHALL NOT INCLUDE THOSE NOTES <—
15 ISSUED UNDER SECTION 7711 (RELATING TO AUTHORITY BONDS AND
16 NOTES).

17 "PROJECT." THE COMBINED ELIGIBLE COSTS CONTAINED IN A LOAN
18 APPLICATION FOR THE ACQUISITION, REPAIR, CONSTRUCTION,
19 RECONSTRUCTION, REHABILITATION, EXTENSION, EXPANSION OR
20 IMPROVEMENT OF ALL OR PART OF ANY FACILITY OR SYSTEM, WHETHER
21 PUBLICLY OR PRIVATELY OWNED, FOR THE COLLECTION, TREATMENT OR
22 DISPOSAL OF WASTEWATER, OR FOR THE SUPPLY, TREATMENT, STORAGE OR
23 DISTRIBUTION OF DRINKING WATER, WHICH THE BOARD HAS DETERMINED
24 TO BE ELIGIBLE FOR LOAN FINANCING UNDER SECTION ~~7713~~ 7714 <—
25 (RELATING TO APPLICATION REQUIREMENTS AND CRITERIA FOR OBTAINING
26 LOAN).

27 "RENEWAL NOTES." NOTES, THE NET PROCEEDS OF WHICH ARE USED
28 TO PAY PRINCIPAL, ACCRUED INTEREST AND PREMIUM, IF ANY, OF
29 PREVIOUSLY ISSUED NOTES OR RENEWAL NOTES, AND WHICH EVIDENCE THE
30 SAME TEMPORARY BORROWING OF THE COMMONWEALTH AS THE NOTES OR

1 RENEWAL NOTES REPLACED.

2 "SECRETARY." THE SECRETARY OF ENVIRONMENTAL RESOURCES OF THE
3 COMMONWEALTH.

4 "SEWAGE TREATMENT SYSTEM." A SYSTEM OR FACILITY, OWNED BY
5 ONE OR MORE MUNICIPALITIES OR MUNICIPAL AUTHORITIES, FOR THE
6 COLLECTION, TREATMENT OR DISPOSAL OF SEWAGE OF A LIQUID NATURE,
7 EXCLUSIVE OF STORM WATER, WHICH SHALL INCLUDE SEWAGE TREATMENT
8 PLANTS, INTERCEPTOR AND OUTFALL SEWERS, TRUNK AND COLLECTION
9 SEWERS, PUMP STATIONS AND OVERFLOW CONTROL FACILITIES FOR
10 COMBINED SEWER SYSTEMS.

11 "WATER FACILITIES LOAN BOARD." THE BOARD ESTABLISHED UNDER
12 SECTION 7504 (RELATING TO WATER FACILITIES LOAN BOARD).

13 "WATER SUPPLY SYSTEM." A PUBLICLY OR PRIVATELY OWNED SYSTEM
14 OR FACILITY FOR THE PROVISION TO THE PUBLIC OF PIPED WATER FOR
15 HUMAN CONSUMPTION WHICH SERVES AT LEAST 15 SERVICE CONNECTIONS
16 USED BY YEAR-ROUND RESIDENTS OR REGULARLY SERVES AT LEAST 25
17 YEAR-ROUND RESIDENTS. A WATER SUPPLY SYSTEM INCLUDES WATER
18 SUPPLY DAMS, RESERVOIRS OR OTHER SOURCES AND ANY COLLECTION,
19 TREATMENT, STORAGE OR DISTRIBUTION FACILITIES.

20 § 7704. PENNSYLVANIA INFRASTRUCTURE INVESTMENT ~~LOAN BOARD~~ <—
21 AUTHORITY. <—

22 ~~(A) CREATION. THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT~~ <—
23 ~~LOAN BOARD IS HEREBY CREATED AS A DEPARTMENTAL ADMINISTRATIVE~~
24 ~~BOARD IN THE DEPARTMENT OF ENVIRONMENTAL RESOURCES.~~

25 ~~(B) MEMBERSHIP. THE BOARD SHALL BE COMPOSED OF 11 MEMBERS~~
26 ~~AS FOLLOWS: THE SECRETARY OF ENVIRONMENTAL RESOURCES, WHO SHALL~~
27 ~~SERVE AS CHAIRMAN;~~

28 (A) ESTABLISHMENT.--THERE IS HEREBY ESTABLISHED A BODY <—
29 CORPORATE AND POLITIC, WITH CORPORATE SUCCESSION, TO BE KNOWN AS
30 THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT AUTHORITY. THE

1 AUTHORITY IS CONSTITUTED AS AN INSTRUMENTALITY OF THE
2 COMMONWEALTH, AND THE EXERCISE BY THE AUTHORITY OF THE POWERS
3 CONFERRED BY THIS ACT SHALL BE DEEMED AND HELD TO BE A PUBLIC
4 AND ESSENTIAL GOVERNMENTAL FUNCTION.

5 (B) MEMBERSHIP.--THE AUTHORITY SHALL CONSIST OF A 13-MEMBER
6 BOARD OF DIRECTORS COMPOSED OF THE GOVERNOR; THE SECRETARY OF
7 ENVIRONMENTAL RESOURCES; THE SECRETARY OF COMMERCE; THE
8 SECRETARY OF COMMUNITY AFFAIRS; THE SECRETARY OF GENERAL
9 SERVICES; THE SECRETARY OF THE BUDGET; TWO SENATORS, ONE EACH TO
10 BE APPOINTED BY THE PRESIDENT PRO TEMPORE OF THE SENATE AND THE
11 MINORITY LEADER OF THE SENATE; TWO MEMBERS OF THE HOUSE OF
12 REPRESENTATIVES, ONE EACH TO BE APPOINTED BY THE SPEAKER OF THE
13 HOUSE OF REPRESENTATIVES AND THE MINORITY LEADER OF THE HOUSE OF
14 REPRESENTATIVES; AND TWO THREE PERSONS TO BE APPOINTED BY THE <—
15 GOVERNOR, ONE OF WHOM SHALL BE A REGISTERED ENGINEER IN THIS
16 COMMONWEALTH, ONE OF WHOM SHALL BE A REPRESENTATIVE OF WATER <—
17 SUPPLY AND SEWAGE TREATMENT AND SYSTEM CONTRACTORS, AND ONE OF
18 WHOM SHALL BE A REPRESENTATIVE OF A STATE LOCAL GOVERNMENT
19 ASSOCIATION. THE THREE MEMBERS APPOINTED BY THE GOVERNOR SHALL <—
20 SERVE FOR A TERM OF TWO YEARS AND SHALL BE ELIGIBLE FOR
21 REAPPOINTMENT. EACH OF THE PUBLIC OFFICER MEMBERS OF THE BOARD
22 MAY ~~APPOINT~~ DESIGNATE AN ALTERNATE TO SERVE ON THE BOARD AND <—
23 PERFORM THE DUTIES OF A MEMBER IN HIS ABSENCE.

24 ~~(C) QUORUM. A QUORUM FOR THE CONDUCT OF BUSINESS SHALL BE~~ <—
25 ~~AT LEAST SEVEN MEMBERS OF THE BOARD OR THEIR ALTERNATES AS SET~~
26 ~~FORTH IN SUBSECTION (B).~~ THE DESIGNATION SHALL BE IN WRITING <—
27 DELIVERED TO THE AUTHORITY AND SHALL CONTINUE IN EFFECT UNTIL
28 REVOKED OR AMENDED IN WRITING DELIVERED TO THE AUTHORITY.

29 (C) OFFICERS.--THE GOVERNOR SHALL BE THE CHAIRMAN AND CHIEF
30 EXECUTIVE OFFICER OF THE AUTHORITY. THE BOARD SHALL BIANNUALLY

1 ELECT A VICE CHAIRMAN. THE BOARD SHALL SELECT A SECRETARY AND
2 TREASURER WHO NEED NOT BE MEMBERS OF THE BOARD, AND THE SAME
3 PERSON MAY BE SELECTED TO SERVE AS BOTH SECRETARY AND TREASURER.

4 (D) VESTING OF POWERS.--THE POWERS OF THE AUTHORITY SHALL BE
5 VESTED IN THE BOARD IN OFFICE FROM TIME TO TIME, AND SEVEN
6 MEMBERS OF THE BOARD SHALL CONSTITUTE A QUORUM AT ANY MEETING.
7 ACTION MAY BE TAKEN AND MOTIONS AND RESOLUTIONS ADOPTED BY THE
8 AUTHORITY BY THE AFFIRMATIVE VOTE OF AT LEAST SEVEN MEMBERS OF
9 THE BOARD. NO VACANCY ON THE BOARD SHALL IMPAIR THE RIGHT OF A
10 QUORUM OF THE MEMBERS OF THE BOARD TO EXERCISE THE POWERS AND
11 PERFORM THE DUTIES OF THE AUTHORITY.

12 ~~(D)~~ (E) STAFF SERVICES.--EXCEPT AS OTHERWISE PROVIDED IN
13 THIS CHAPTER:

14 (1) THE DEPARTMENT SHALL PROVIDE TECHNICAL, FINANCIAL,
15 LEGAL AND OTHER STAFF SERVICES NECESSARY TO CARRY OUT THE
16 WORK OF THE BOARD WITH RESPECT TO WATER SUPPLY AND SEWAGE
17 TREATMENT SYSTEM PROJECTS.

18 (2) SUCH OTHER COMMONWEALTH AGENCIES AS MAY BE
19 APPROPRIATE SHALL COOPERATE WITH AND PROVIDE ASSISTANCE TO
20 THE BOARD, WHEN CALLED UPON TO PROVIDE SUCH SERVICES AS MAY
21 BE DEEMED NECESSARY.

22 § 7705. POWERS OF BOARD.

23 THE BOARD SHALL HAVE THE POWER:

24 (1) TO MAKE AND ALTER BYLAWS FOR THE MANAGEMENT OF ITS
25 AFFAIRS THROUGH THE ADOPTION OF REGULATIONS.

26 (2) TO ENTER INTO CONTRACTS OF ALL KINDS AND TO EXECUTE
27 ALL INSTRUMENTS NECESSARY OR CONVENIENT FOR CARRYING OUT ITS
28 OPERATIONS.

29 (3) TO ACCEPT GRANTS, SUBSIDIES AND LOANS FROM AND ENTER
30 INTO AGREEMENTS OR OTHER TRANSACTIONS WITH ANY FEDERAL OR

1 COMMONWEALTH AGENCY.

2 (4) TO BE A PARTY TO ANY ACTION IN ANY COURT CONCERNING
3 MATTERS AFFECTING THE ~~BOARD~~ AUTHORITY, EXCEPT THAT NO <—
4 PROVISIONS OF THIS CHAPTER SHALL CONSTITUTE A WAIVER OF
5 SOVEREIGN IMMUNITY EXCEPT AS PROVIDED IN CHAPTER 85 OF TITLE
6 42 (RELATING TO MATTERS AFFECTING GOVERNMENT UNITS).

7 (5) TO MAKE LOANS FOR THE ACQUISITION, REPAIR,
8 CONSTRUCTION, RECONSTRUCTION, REHABILITATION, EXTENSION,
9 EXPANSION AND IMPROVEMENT OF WATER SUPPLY AND SEWAGE
10 TREATMENT SYSTEMS IN ACCORDANCE WITH THE PROVISIONS OF THIS
11 CHAPTER.

12 (6) TO ADOPT ADMINISTRATIVE PROCEDURES RELATING TO THE
13 PROCESSING OF LOAN APPLICATIONS NECESSARY FOR IMPLEMENTING
14 THE PROVISIONS OF THIS CHAPTER.

15 (7) TO COOPERATE WITH FEDERAL, COMMONWEALTH AND LOCAL
16 AGENCIES IN ORDER TO ACCOMPLISH THE PURPOSES OF THIS CHAPTER
17 AS EXPEDITIOUSLY AS POSSIBLE.

18 (8) TO ACQUIRE OR TAKE TITLE BY FORECLOSURE TO ANY REAL
19 OR PERSONAL PROPERTY WHICH HAS BEEN PLEDGED AS SECURITY FOR A
20 LOAN GRANTED BY THE BOARD AND WHICH HAS BEEN DEFAULTED, AND
21 TO OPERATE OR DISPOSE OF THE PROPERTY IN ACCORDANCE WITH
22 SECTION ~~7717~~ 7718 (RELATING TO SUPERVISION OF PROJECT AND <—
23 SECURITY FROM DEFAULT). ALL COSTS ARISING OUT OF THE
24 FORECLOSURE, ACQUISITION OR OPERATION SHALL BE PAID FROM THE
25 PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN FUND OR THE
26 PENNSYLVANIA INFRASTRUCTURE INVESTMENT REVOLVING LOAN FUND,
27 DEPENDING UPON WHICH FUND PROVIDES THE LOAN. ALL PROCEEDS OR
28 REVENUES RESULTING FROM FORECLOSURE, ACQUISITION OR OPERATION
29 OF THE PROPERTY SHALL BE DEPOSITED IN THE PENNSYLVANIA
30 INFRASTRUCTURE INVESTMENT LOAN FUND OR THE PENNSYLVANIA

1 INFRASTRUCTURE INVESTMENT REVOLVING LOAN FUND, DEPENDING UPON
2 WHICH FUND PROVIDES THE LOAN. ALL PROCEEDS OR REVENUES
3 RESULTING FROM THE SALE, LEASE OR DISPOSAL OF THE PROPERTY
4 SHALL BE DEPOSITED IN THE PENNSYLVANIA INFRASTRUCTURE
5 INVESTMENT REDEMPTION FUND OR THE PENNSYLVANIA INFRASTRUCTURE
6 INVESTMENT REVOLVING LOAN FUND, DEPENDING UPON WHICH FUND
7 PROVIDES THE LOAN, FOR THE PURCHASE OR RETIREMENT OF BONDS
8 AND PAYMENT OF INTEREST AND PREMIUM, IF ANY.

9 (9) TO BORROW MONEY AND ISSUE BONDS AND PROVIDE FOR THE <—
10 RIGHT OF HOLDERS THEREOF IN ACCORDANCE WITH THE PROVISIONS OF
11 SECTION 7711 (RELATING TO AUTHORITY BONDS AND NOTES).

12 (10) TO PLEDGE, HYPOTHECATE OR OTHERWISE ENCUMBER ALL OR
13 ANY OF THE REVENUES OR RECEIPTS OF THE AUTHORITY AS SECURITY
14 FOR ALL OR ANY OF THE BONDS OF THE AUTHORITY ISSUED UNDER
15 SECTION 7711.

16 ~~(9)~~ (11) TO MAKE REIMBURSEMENT TO THE DEPARTMENT OR TO <—
17 ANY AGENCY OF THE COMMONWEALTH FOR ADMINISTRATIVE EXPENSES
18 INCURRED IN THE PROVISION OF SERVICES IN CONNECTION WITH THE
19 PERFORMANCE OF DUTIES UNDER THIS CHAPTER.

20 ~~(10)~~ (12) TO PREPARE PLANS AND REPORTS AND PROVIDE FOR <—
21 PUBLIC PARTICIPATION AS DEEMED APPROPRIATE.

22 ~~(11)~~ (13) TO ADOPT AND, FROM TIME TO TIME, AMEND AND <—
23 REPEAL RULES AND REGULATIONS TO CARRY OUT THE PROVISIONS OF
24 THIS CHAPTER.

25 ~~(12)~~ (14) TO DO ALL OTHER THINGS NECESSARY AND <—
26 CONVENIENT TO CARRY OUT THE PURPOSES AND PROVISIONS OF THIS
27 CHAPTER.

28 ~~(13)~~ (15) TO SERVE AS THE WATER FACILITIES LOAN BOARD TO <—
29 SATISFY ANY OUTSTANDING BOND OBLIGATION AND LOAN LIABILITIES.

30 ~~(14)~~ (16) TO ASSUME ALL THE RIGHTS, POWERS, DUTIES, <—

OBLIGATIONS AND LIABILITIES OF THE WATER FACILITIES LOAN
BOARD.

~~(15)~~ (17) TO TAKE SUCH ACTIONS AS ARE DEEMED NECESSARY
TO COMPLY WITH THE WATER QUALITY ACT OF 1987 (PUBLIC LAW 100-
4, 101 STAT. 7).

§ 7706. FUNDS CREATED.

THERE ARE HEREBY CREATED IN THE STATE TREASURY THE FOLLOWING
FUNDS:

(1) PENNSYLVANIA INFRASTRUCTURE INVESTMENT REVOLVING
LOAN FUND. INTO THIS FUND SHALL BE DEPOSITED ALL FEDERAL
FUNDS RECEIVED PURSUANT TO THE WATER QUALITY ACT OF 1987
(PUBLIC LAW 100-4, 101 STAT. 7) FOR THE PURPOSE OF
CAPITALIZING A STATE REVOLVING FUND FOR LOANS TO ACQUIRE,
REPAIR, CONSTRUCT, RECONSTRUCT, REHABILITATE, EXTEND, EXPAND
AND IMPROVE SEWAGE TREATMENT SYSTEM PROJECTS. IN ADDITION,
THOSE AMOUNTS FROM THE PROCEEDS OF BONDS TO BE ISSUED
PURSUANT TO SECTION 7707 (RELATING TO BORROWING AUTHORIZED)
THAT ARE NECESSARY FOR COMPLIANCE WITH THE MINIMUM STATE
MATCH REQUIREMENTS ESTABLISHED BY THE FEDERAL ACT SHALL BE
DEPOSITED IN THIS FUND. ALL MONEYS IN THE FUND SHALL BE USED
TO MAKE LOANS FOR SEWAGE TREATMENT SYSTEM PROJECTS THAT MEET
THE REQUIREMENTS OF THE FEDERAL WATER QUALITY ACT AND FOR THE
PAYMENT OF PERMISSIBLE ADMINISTRATIVE COSTS THAT SHALL NOT
EXCEED THE LIMIT ESTABLISHED BY THE FEDERAL ACT. REPAYMENT OF
PRINCIPAL AND INTEREST ON LOANS MADE FROM THIS FUND SHALL BE
DEPOSITED IN THE FUND. ANY INTEREST EARNED ON MONEYS IN THIS
FUND SHALL BE DEPOSITED IN THE FUND. NO FUNDS SHALL BE
UTILIZED FROM THIS FUND FOR THE PURPOSE OF PROVIDING ANY
GRANT ASSISTANCE.

(2) PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN FUND.

1 INTO THIS FUND SHALL BE DEPOSITED THE PROCEEDS OF ALL BONDS
2 ISSUED PURSUANT TO SECTION 7707, WHICH ARE NOT REQUIRED TO BE
3 DEPOSITED IN THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT
4 REVOLVING LOAN FUND PURSUANT TO PARAGRAPH (1). ALL MONEYS IN
5 THE FUND MAY BE USED TO MAKE LOANS FOR WATER SUPPLY AND
6 SEWAGE TREATMENT SYSTEM PROJECTS PURSUANT TO THIS CHAPTER AND
7 FOR THE PAYMENT OF ADMINISTRATIVE COSTS INCURRED IN THE
8 IMPLEMENTATION OF THIS ACT. REPAYMENT OF PRINCIPAL AND
9 INTEREST ON LOANS MADE FROM THIS FUND SHALL BE DEPOSITED IN
10 THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT REDEMPTION FUND.

11 (3) PENNSYLVANIA INFRASTRUCTURE INVESTMENT REDEMPTION
12 FUND. MONEYS IN THIS FUND SHALL BE USED TO PAY THE PRINCIPAL
13 AND INTEREST ON BONDS ISSUED PURSUANT TO SECTION 7707.
14 REPAYMENT OF PRINCIPAL AND INTEREST ON LOANS MADE FROM THE
15 PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN FUND SHALL BE
16 DEPOSITED IN THIS FUND AS WELL AS ANY INTEREST EARNED ON
17 MONEYS IN THE FUND. GENERAL FUND APPROPRIATIONS SHALL BE MADE
18 IN SUFFICIENT AMOUNTS TO MEET THE DIFFERENCE BETWEEN LOAN
19 REPAYMENTS AND INTEREST IN THE FUND AND TOTAL DEBT SERVICE
20 DUE TO BONDHOLDERS.

21 § 7707. BORROWING AUTHORIZED.

22 (A) SOURCES OF REVENUE.--IN ADDITION TO ANY FEDERAL FUNDS
23 RECEIVED PURSUANT TO THE WATER QUALITY ACT OF 1987 (PUBLIC LAW
24 100-4, 101 STAT. 7), THE FOLLOWING SOURCES OF REVENUE SHALL BE
25 UTILIZED FOR THE PURPOSES SET FORTH IN THIS CHAPTER:

26 (1) PROCEEDS FROM THE SALE OF BONDS ISSUED ON OR AFTER
27 THE EFFECTIVE DATE OF THIS ACT FROM THE REMAINING UNUSED
28 AUTHORIZATION, IN ADDITION TO ANY OTHER FUNDS THAT REMAIN
29 UNUSED ON THE EFFECTIVE DATE OF THIS ACT, FROM THE ACT OF
30 JULY 12, 1981 (P.L.263, NO.88), ENTITLED "AN ACT AUTHORIZING

1 THE INCURRING OF INDEBTEDNESS, WITH APPROVAL OF THE ELECTORS,
2 OF \$300,000,000 FOR THE REPAIR, CONSTRUCTION, RECONSTRUCTION,
3 REHABILITATION, EXTENSION AND IMPROVEMENT OF COMMUNITY WATER
4 SUPPLY SYSTEMS, AND FOR THE REPAIR, RECONSTRUCTION OR
5 REHABILITATION OF FLOOD CONTROL FACILITIES, DAMS AND PORT
6 FACILITIES AND PROVIDING THE ALLOTMENT OF PROCEEDS FROM
7 BORROWING HEREUNDER," APPROVED BY THE ELECTORATE ON NOVEMBER
8 3, 1981, WHICH WAS IMPLEMENTED PURSUANT TO CHAPTER 75
9 (RELATING TO WATER FACILITIES RESTORATION).

10 (2) IN ADDITION TO THE PROCEEDS SET FORTH IN PARAGRAPH
11 (1), PURSUANT TO THE PROVISIONS OF SECTION 7(A)(3) OF ARTICLE
12 VIII OF THE CONSTITUTION OF PENNSYLVANIA AND SUBJECT TO THE
13 APPROVAL OF THE REFERENDUM BY THE ELECTORATE, THE ISSUING
14 OFFICIALS ARE AUTHORIZED AND DIRECTED TO BORROW, ON THE
15 CREDIT OF THE COMMONWEALTH, BONDS NOT EXCEEDING IN THE
16 AGGREGATE THE SUM OF \$450,000,000, NOT INCLUDING REFUNDING
17 BONDS, AS MAY BE FOUND NECESSARY TO CARRY OUT THE PURPOSES OF
18 THIS CHAPTER.

19 (B) AUTHORIZATION TO ISSUE NOTES.--PENDING THE ISSUANCE OF
20 BONDS OF THE COMMONWEALTH AS AUTHORIZED IN THIS CHAPTER, THE
21 ISSUING OFFICIALS ARE AUTHORIZED IN ACCORDANCE WITH THIS CHAPTER
22 AND ON THE CREDIT OF THE COMMONWEALTH TO MAKE TEMPORARY
23 BORROWING NOT TO EXCEED THREE YEARS IN ANTICIPATION OF THE ISSUE
24 OF BONDS WITH THE LATEST STATED MATURITY DATE TO BE SET FORTH IN
25 THE NOTES, IN ORDER TO PROVIDE FUNDS IN SUCH AMOUNTS AS MAY,
26 FROM TIME TO TIME, BE DEEMED ADVISABLE TO CARRY OUT THE PURPOSE
27 OF THIS CHAPTER PRIOR TO THE ISSUE OF BONDS. IN ORDER TO PROVIDE
28 FOR AND IN CONNECTION WITH SUCH TEMPORARY BORROWINGS, THE
29 ISSUING OFFICIALS ARE AUTHORIZED IN THE NAME AND ON BEHALF OF
30 THE COMMONWEALTH TO ENTER INTO ANY LOAN OR CREDIT AGREEMENT OR

1 AGREEMENTS OR OTHER AGREEMENTS WITH ANY BANKS OR TRUST COMPANIES
2 OR OTHER LENDING INSTITUTIONS OR PERSONS IN THE UNITED STATES
3 HAVING POWER TO ENTER INTO THEM, WHICH AGREEMENTS MAY CONTAIN
4 SUCH PROVISIONS NOT INCONSISTENT WITH THE PROVISIONS OF THIS
5 CHAPTER AS MAY BE CUSTOMARY IN SUCH INSTRUMENTS AND AS MAY BE
6 AUTHORIZED BY THE ISSUING OFFICIALS.

7 (C) ISSUANCE OF NOTES AND RENEWAL NOTES.--ALL TEMPORARY
8 BORROWINGS MADE UNDER THE AUTHORIZATION OF THIS SECTION SHALL BE
9 EVIDENCED BY NOTES OF THE COMMONWEALTH, WHICH SHALL BE ISSUED
10 FROM TIME TO TIME FOR SUCH AMOUNTS THAT TOGETHER WITH THE NOTES
11 OUTSTANDING AND BONDS ISSUED PURSUANT TO THIS CHAPTER DO NOT
12 EXCEED THE AVAILABLE SOURCES OF REVENUE PURSUANT TO SUBSECTION
13 (A), IN SUCH FORM AND IN SUCH DENOMINATIONS, AND SUBJECT TO SUCH
14 TERMS AND CONDITIONS OF SALE AND ISSUE, RENEWAL, PREPAYMENT OR
15 REDEMPTION AND MATURITY, RATE OR RATES OF INTEREST AND TIME OF
16 PAYMENT OF INTERESTS, AS THE ISSUING OFFICIALS SHALL DIRECT AND
17 IN ACCORDANCE WITH THIS CHAPTER. SUCH DIRECTION MAY PROVIDE FOR
18 THE SUBSEQUENT ISSUANCE OF THE NOTES (REFERRED TO AS "RENEWAL
19 NOTES") TO REFUND THE NOTES OR RENEWAL NOTES, WHICH RENEWAL
20 NOTES SHALL, UPON ISSUANCE THEREOF, EVIDENCE THE BORROWING, AND
21 MAY SPECIFY SUCH OTHER TERMS AND CONDITIONS WITH RESPECT TO THE
22 NOTES AND RENEWAL NOTES THEREBY AUTHORIZED FOR ISSUANCE AS THE
23 ISSUING OFFICIALS MAY DETERMINE AND DIRECT. ANY ISSUE OF RENEWAL
24 NOTES MAY BE IN A PRINCIPAL AMOUNT SUFFICIENT TO REPAY THE
25 PRINCIPAL OF AND ACCRUED INTEREST ON, IF ANY, THE ISSUE OR
26 ISSUES OF NOTES BEING REFUNDED AND TO PAY THE FINANCIAL COSTS
27 RELATING TO THE RENEWAL NOTES.

28 (D) FUNDING BONDS.--OUTSTANDING NOTES EVIDENCING THE
29 BORROWINGS MAY BE FUNDED AND RETIRED BY THE ISSUANCE AND SALE OF
30 THE BONDS OF THE COMMONWEALTH AS AUTHORIZED IN THIS CHAPTER. THE

1 FUNDING BONDS MUST BE ISSUED AND SOLD NOT LATER THAN A DATE
2 THREE YEARS AFTER THE DATE OF THE ISSUANCE OF THE FIRST NOTES
3 EVIDENCING THE BORROWINGS TO THE EXTENT THAT PAYMENT OF THE
4 NOTES HAS NOT OTHERWISE BEEN MADE OR PROVIDED FOR BY SOURCES
5 OTHER THAN PROCEEDS OF RENEWAL NOTES.

6 (E) ISSUANCE OF GENERAL OBLIGATION BONDS.--AS EVIDENCE OF
7 THE INDEBTEDNESS AUTHORIZED IN THIS CHAPTER, GENERAL OBLIGATION
8 BONDS OF THE COMMONWEALTH SHALL BE ISSUED FROM TIME TO TIME TO
9 FUND AND RETIRE NOTES ISSUED PURSUANT TO THIS CHAPTER (REFERRED
10 TO AS "FUNDING BONDS") OR TO PROVIDE MONEYS NECESSARY TO CARRY
11 OUT THE PURPOSES OF THIS CHAPTER, OR BOTH, FOR SUCH TOTAL
12 AMOUNTS, IN SUCH FORM, IN SUCH DENOMINATIONS AND SUBJECT TO SUCH
13 TERMS AND CONDITIONS OF ISSUE, REDEMPTION AND MATURITY, RATE OF
14 INTEREST AND TIME OF PAYMENT OF INTEREST AS THE ISSUING
15 OFFICIALS DIRECT EXCEPT THAT THE LATEST STATED MATURITY DATE
16 SHALL NOT EXCEED 30 YEARS FROM THE DATE OF THE DEBT FIRST ISSUED
17 FOR EACH SERIES.

18 (F) EXECUTION OF BONDS.--ALL BONDS AND NOTES ISSUED UNDER
19 THE AUTHORITY OF THIS CHAPTER SHALL BEAR FACSIMILE SIGNATURES OF
20 THE ISSUING OFFICIALS AND A FACSIMILE OF THE GREAT SEAL OF THE
21 COMMONWEALTH AND SHALL BE COUNTERSIGNED BY A DULY AUTHORIZED
22 LOAN AND TRANSFER AGENT OF THE COMMONWEALTH.

23 (G) DIRECT OBLIGATION OF COMMONWEALTH.--ALL BONDS AND NOTES
24 ISSUED IN ACCORDANCE WITH THE PROVISIONS OF THIS SECTION SHALL
25 BE DIRECT OBLIGATIONS OF THE COMMONWEALTH, AND THE FULL FAITH
26 AND CREDIT OF THE COMMONWEALTH ARE HEREBY PLEDGED FOR THE
27 PAYMENT OF THE INTEREST THEREON AS IT BECOMES DUE AND THE
28 PAYMENT OF THE PRINCIPAL AT MATURITY. THE PRINCIPAL OF AND
29 INTEREST ON THE BONDS AND NOTES SHALL BE PAYABLE IN LAWFUL MONEY
30 OF THE UNITED STATES OF AMERICA.

1 (H) EXEMPTION FROM TAXATION.--ALL BONDS AND NOTES ISSUED
2 UNDER THE PROVISIONS OF THIS SECTION SHALL BE EXEMPT FROM
3 TAXATION FOR STATE AND LOCAL PURPOSES.

4 (I) FORM OF BONDS.--THE BONDS MAY BE ISSUED AS COUPON BONDS
5 OR REGISTERED AS TO BOTH PRINCIPAL AND INTEREST AS THE ISSUING
6 OFFICIALS MAY DETERMINE. IF INTEREST COUPONS ARE ATTACHED, THEY
7 SHALL CONTAIN THE FACSIMILE SIGNATURE OF THE STATE TREASURER.

8 (J) BOND AMORTIZATION.--THE ISSUING OFFICIALS SHALL PROVIDE
9 FOR THE AMORTIZATION OF THE BONDS IN SUBSTANTIAL AND REGULAR
10 AMOUNTS OVER THE TERM OF THE DEBT. THE FIRST RETIREMENT OF
11 PRINCIPAL SHALL BE STATED TO MATURE PRIOR TO THE EXPIRATION OF A
12 PERIOD OF TIME EQUAL TO ONE-TENTH OF THE TIME FROM THE DATE OF
13 THE FIRST OBLIGATION ISSUED TO EVIDENCE THE DEBT TO THE DATE OF
14 THE EXPIRATION OF THE TERM OF THE DEBT. RETIREMENTS OF PRINCIPAL
15 SHALL BE REGULAR AND SUBSTANTIAL IF MADE IN ANNUAL OR SEMIANNUAL
16 AMOUNTS, WHETHER BY STATED SERIAL MATURITIES OR BY MANDATORY
17 SINKING FUND RETIREMENTS.

18 (K) REFUNDING BONDS.--THE ISSUING OFFICIALS ARE AUTHORIZED
19 TO PROVIDE, BY RESOLUTION, FOR THE ISSUANCE OF REFUNDING BONDS
20 FOR THE PURPOSE OF REFUNDING ANY BONDS ISSUED UNDER THE
21 PROVISIONS OF THIS CHAPTER AND THEN OUTSTANDING, EITHER BY
22 VOLUNTARY EXCHANGE WITH THE HOLDERS OF THE OUTSTANDING BONDS, OR
23 TO PROVIDE FUNDS TO REDEEM AND RETIRE THE OUTSTANDING BONDS WITH
24 ACCRUED INTEREST, ANY PREMIUM PAYABLE THEREON AND THE COSTS OF
25 ISSUANCE AND RETIREMENT OF BONDS, AT MATURITY OR AT ANY CALL
26 DATE. THE ISSUANCE OF THE REFUNDING BONDS, THE MATURITIES AND
27 OTHER DETAILS THEREOF, THE RIGHTS OF THE HOLDERS THEREOF AND THE
28 DUTIES OF THE ISSUING OFFICIALS IN RESPECT TO THE SAME SHALL BE
29 GOVERNED BY THE PROVISIONS OF THIS SECTION, INsofar AS THEY MAY
30 BE APPLICABLE. REFUNDING BONDS, WHICH ARE NOT SUBJECT TO THE

1 AGGREGATE LIMITATION SET FORTH IN SUBSECTION (A)(1) AND (2) OF
2 BONDS TO BE ISSUED PURSUANT TO THIS CHAPTER, MAY BE ISSUED BY
3 THE ISSUING OFFICIALS TO REFUND BONDS ORIGINALLY ISSUED OR TO
4 REFUND BONDS PREVIOUSLY ISSUED FOR REFUNDING PURPOSES.

5 (L) QUORUM.--WHENEVER ANY ACTION IS TO BE TAKEN OR DECISION
6 MADE BY THE GOVERNOR, THE AUDITOR GENERAL AND THE STATE
7 TREASURER ACTING AS ISSUING OFFICIALS AND THE THREE OFFICERS ARE
8 NOT ABLE UNANIMOUSLY TO AGREE, THE ACTION OR DECISION OF THE
9 GOVERNOR AND EITHER THE AUDITOR GENERAL OR STATE TREASURER SHALL
10 BE BINDING AND FINAL.

11 § 7708. SALE OF BONDS.

12 (A) PUBLIC SALE.--WHENEVER BONDS ARE ISSUED UNDER SECTION <—
13 7707 (RELATING TO BORROWING AUTHORIZED), THEY SHALL BE OFFERED
14 FOR SALE AT NOT LESS THAN 98% OF THE PRINCIPAL AMOUNT AND
15 ACCRUED INTEREST AND SHALL BE SOLD BY THE ISSUING OFFICIALS TO
16 THE HIGHEST AND BEST BIDDER OR BIDDERS AFTER DUE PUBLIC
17 ADVERTISEMENT ON SUCH TERMS AND CONDITIONS AND UPON SUCH OPEN
18 COMPETITIVE BIDDING AS THE ISSUING OFFICIALS SHALL DIRECT. THE
19 MANNER AND CHARACTER OF THE ADVERTISEMENT AND THE TIME OF
20 ADVERTISING SHALL BE PRESCRIBED BY THE ISSUING OFFICIALS.

21 (B) PRIVATE SALE.--ANY PORTION OF ANY BOND ISSUE UNDER <—
22 SECTION 7707 SO OFFERED AND NOT SOLD OR SUBSCRIBED FOR MAY BE
23 DISPOSED OF BY PRIVATE SALE BY THE ISSUING OFFICIALS IN SUCH
24 MANNER AND AT SUCH PRICES, NOT LESS THAN 98% OF THE PRINCIPAL
25 AMOUNT AND ACCRUED INTEREST, AS THE ISSUING OFFICIALS SHALL
26 DIRECT. NO COMMISSION SHALL BE ALLOWED OR PAID FOR THE SALE OF
27 ANY BONDS ISSUED UNDER THE AUTHORITY OF ~~THIS CHAPTER~~ SECTION <—
28 7707.

29 (C) BOND SERIES.--WHEN BONDS ARE ISSUED UNDER SECTION 7707 <—
30 FROM TIME TO TIME, THE BONDS OF EACH ISSUE SHALL CONSTITUTE A

1 SEPARATE SERIES TO BE DESIGNATED BY THE ISSUING OFFICIALS OR MAY
2 BE COMBINED FOR SALE AS ONE SERIES WITH OTHER GENERAL OBLIGATION
3 BONDS OF THE COMMONWEALTH.

4 (D) TEMPORARY BONDS.--UNTIL PERMANENT BONDS CAN BE PREPARED,
5 THE ISSUING OFFICIALS MAY IN THEIR DISCRETION ISSUE, IN LIEU OF
6 PERMANENT BONDS, TEMPORARY BONDS IN SUCH FORM AND WITH SUCH
7 PRIVILEGES AS TO REGISTRATION AND EXCHANGE FOR PERMANENT BONDS
8 AS MAY BE DETERMINED BY THE ISSUING OFFICIALS.

9 (E) DISPOSITION AND USE OF PROCEEDS.--THE PROCEEDS REALIZED
10 FROM THE SALE OF BONDS AND NOTES, EXCEPT FUNDING BONDS,
11 REFUNDING BONDS AND RENEWAL NOTES, UNDER THE PROVISIONS OF THIS
12 ~~CHAPTER~~ SECTION ARE SPECIFICALLY DEDICATED TO THE PURPOSES OF <—
13 THE REFERENDUM TO BE IMPLEMENTED BY THIS CHAPTER AND SHALL BE
14 PAID INTO THE SPECIAL FUNDS ESTABLISHED IN THE STATE TREASURY,
15 WHICH SHALL BE KNOWN AS THE PENNSYLVANIA INFRASTRUCTURE
16 INVESTMENT LOAN FUND AND THE PENNSYLVANIA INFRASTRUCTURE
17 INVESTMENT REVOLVING LOAN FUND, IN SUCH AMOUNTS AS MAY BE
18 SPECIFIED BY THE BOARD PURSUANT TO SECTION 7706 (RELATING TO
19 FUNDS CREATED). THE PROCEEDS SHALL BE PAID BY THE STATE
20 TREASURER PERIODICALLY TO THE DEPARTMENT TO EXPEND THEM AT SUCH
21 TIMES AND IN SUCH AMOUNTS AS MAY BE NECESSARY TO SATISFY THE
22 FUNDING NEEDS OF THE DEPARTMENT. THE PROCEEDS OF THE SALE OF
23 FUNDING BONDS, REFUNDING BONDS AND RENEWAL NOTES SHALL BE PAID
24 TO THE STATE TREASURER AND APPLIED TO THE PAYMENT OF PRINCIPAL,
25 THE ACCRUED INTEREST AND PREMIUM, IF ANY, AND COSTS OF
26 REDEMPTION OF THE BONDS AND NOTES FOR WHICH SUCH OBLIGATIONS
27 SHALL HAVE BEEN ISSUED.

28 (F) INVESTMENT OF FUNDS.--PENDING THEIR APPLICATION TO THE
29 PURPOSES AUTHORIZED, MONEYS HELD OR DEPOSITED BY THE STATE
30 TREASURER MAY BE INVESTED OR REINVESTED AS ARE OTHER FUNDS IN

1 THE CUSTODY OF THE STATE TREASURER IN THE MANNER PROVIDED BY
2 LAW. ALL EARNINGS RECEIVED FROM THE INVESTMENT OR DEPOSIT OF
3 SUCH FUNDS SHALL BE PAID INTO THE STATE TREASURY TO THE CREDIT
4 OF THE FUNDS ESTABLISHED IN SECTION 7706 IN SUCH AMOUNTS AS MAY
5 BE SPECIFIED BY THE BOARD PURSUANT TO THAT SECTION.

6 (G) REGISTRATION OF BONDS.--THE AUDITOR GENERAL SHALL
7 PREPARE THE NECESSARY REGISTRY BOOK TO BE KEPT IN THE OFFICE OF
8 THE DULY AUTHORIZED LOAN AND TRANSFER AGENT OF THE COMMONWEALTH
9 FOR THE REGISTRATION OF ANY BONDS UNDER SECTION 7707, AT THE <—
10 REQUEST OF OWNERS THEREOF, ACCORDING TO THE TERMS AND CONDITIONS
11 OF ISSUE DIRECTED BY THE ISSUING OFFICIALS.

12 (H) EXPENSES OF PREPARATION FOR ISSUE AND SALE OF BONDS AND
13 NOTES.--THERE IS HEREBY APPROPRIATED TO THE STATE TREASURER FROM
14 THE PROCEEDS OF THE BONDS AND NOTES ISSUED AS MUCH MONEY AS MAY
15 BE NECESSARY FOR ALL COSTS AND EXPENSES IN CONNECTION WITH THE
16 ISSUE OF AND SALE AND REGISTRATION OF THE BONDS AND NOTES IN
17 CONNECTION WITH ~~THIS CHAPTER~~ SECTION 7707 AND THIS SECTION. <—
18 § 7709. DEBT RETIREMENT.

19 (A) PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN REDEMPTION
20 FUND.--ALL BONDS ISSUED UNDER THE AUTHORITY OF ~~THIS CHAPTER~~ <—
21 SECTION 7707 (RELATING TO BORROWING AUTHORIZED) SHALL BE <—
22 REDEEMED AT MATURITY AND ALL INTEREST DUE FROM TIME TO TIME ON
23 THE BONDS SHALL BE PAID FROM A SPECIAL FUND IN THE STATE
24 TREASURY TO BE KNOWN AS THE PENNSYLVANIA INFRASTRUCTURE
25 INVESTMENT LOAN REDEMPTION FUND. FOR THE SPECIFIC PURPOSE OF
26 REDEEMING THE BONDS AND PAYING ALL INTEREST THEREON IN
27 ACCORDANCE WITH THE INFORMATION RECEIVED FROM THE GOVERNOR,
28 MONEYS ARE APPROPRIATED FROM THE PENNSYLVANIA INFRASTRUCTURE
29 INVESTMENT LOAN REDEMPTION FUND. MONEYS NOT IMMEDIATELY
30 NECESSARY TO PAY INTEREST OR PRINCIPAL SHALL BE INVESTED BY THE

1 TREASURY DEPARTMENT IN SUCH SECURITIES AS ARE PROVIDED BY LAW
2 FOR THE INVESTMENT OF THE SINKING FUNDS OF THE COMMONWEALTH.

3 (B) PURCHASE OF BONDS.--THE BOARD, WITH THE APPROVAL OF THE
4 GOVERNOR, IS AUTHORIZED AT ANY TIME TO USE ANY OF THE MONEYS IN
5 THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN FUND NOT
6 NECESSARY FOR THE PURPOSES OF THIS CHAPTER FOR THE PURCHASE AND
7 RETIREMENT OF ALL OR ANY PART OF THE BONDS AND NOTES ISSUED
8 UNDER THE AUTHORITY OF ~~THIS CHAPTER~~ SECTION 7707. IN THE EVENT <—
9 THAT ALL OR ANY PART OF THE BONDS AND NOTES ARE PURCHASED BY THE
10 BOARD, THEY SHALL BE CANCELED AND RETURNED TO THE LOAN AND
11 TRANSFER AGENT AS CANCELED AND PAID BONDS AND NOTES AND
12 THEREAFTER ALL PAYMENTS OF INTEREST THEREON SHALL CEASE. THE
13 CANCELED BONDS, NOTES AND COUPONS SHALL BE DESTROYED WITHIN TWO
14 YEARS AFTER CANCELLATION PURSUANT TO THE PROCEDURES ESTABLISHED
15 BY THE ACT OF APRIL 27, 1925 (P.L.319, NO.180), ENTITLED "AN ACT
16 RELATING TO THE DESTRUCTION OF CANCELLED OR UNUSED BONDS OR
17 OTHER EVIDENCES OF INDEBTEDNESS OF THIS COMMONWEALTH." ALL
18 CANCELED BONDS, NOTES AND COUPONS SHALL BE SO MARKED AS TO MAKE
19 THE CANCELED BONDS, NOTES AND COUPONS NONNEGOTIABLE.

20 (C) REPORTING REQUIREMENTS.--THE STATE TREASURER SHALL
21 DETERMINE AND REPORT TO THE SECRETARY OF THE BUDGET AND THE
22 GENERAL ASSEMBLY BY NOVEMBER 1 OF EACH YEAR THE AMOUNT OF MONEY
23 NECESSARY FOR THE PAYMENT OF INTEREST ON OUTSTANDING OBLIGATIONS
24 AND THE PRINCIPAL OF THE OBLIGATIONS, IF ANY, FOR THE FOLLOWING
25 FISCAL YEAR AND THE TIMES AND AMOUNTS OF THE PAYMENTS. IT SHALL
26 BE THE DUTY OF THE GOVERNOR TO INCLUDE IN EVERY BUDGET SUBMITTED
27 TO THE GENERAL ASSEMBLY FULL INFORMATION RELATING TO THE
28 ISSUANCE OF BONDS AND NOTES UNDER THE PROVISIONS OF ~~THIS CHAPTER~~ <—
29 SECTION 7707, THE STATUS OF THE REVOLVING LOAN FUND AND THE <—
30 STATUS OF THE REDEMPTION FUND OF THE COMMONWEALTH FOR THE

1 PAYMENT OF THE INTEREST ON THE BONDS AND NOTES AND THE PRINCIPAL
2 THEREOF AT MATURITY.

3 (D) DEBT SERVICE APPROPRIATIONS.--THE GENERAL ASSEMBLY SHALL
4 APPROPRIATE FROM THE GENERAL FUND OF THE COMMONWEALTH TO THE
5 PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN REDEMPTION FUND ALL
6 AMOUNTS WHICH, WHEN ADDED TO MONEYS IN OR ANTICIPATED TO BE
7 RECEIVED INTO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN
8 REDEMPTION FUND, WILL BE SUFFICIENT TO MEET PRINCIPAL AND
9 INTEREST REQUIREMENTS ON BONDS AND NOTES ISSUED PURSUANT TO THIS <—
10 CHAPTER SECTION 7707.

11 (E) INTEREST RATE ON LOANS.--A LOAN MADE PURSUANT TO THIS
12 CHAPTER SHALL NOT EXCEED A MAXIMUM TERM OF 20 YEARS. THE RATE OF
13 INTEREST TO BE PAID ON ANY LOAN MADE PURSUANT TO THIS CHAPTER
14 SHALL BE CALCULATED IN ACCORDANCE WITH THE FOLLOWING:

15 ~~(1) FOR THE INITIAL FIVE YEARS OF THE LOAN, THE ANNUAL <—~~
16 ~~RATE OF INTEREST TO BE PAID ON THE LOAN SHALL EQUAL 25% OF~~
17 ~~THE RATE OF INTEREST PAID BY THE COMMONWEALTH IMMEDIATELY~~
18 ~~PRECEDING THE DATE OF THE LOAN FOR GENERAL OBLIGATION BONDS~~
19 ~~OR NOTES ISSUED PURSUANT TO THIS CHAPTER.~~

20 ~~(2) FOR THE REMAINING TERM OF THE LOAN, THE ANNUAL RATE~~
21 ~~OF INTEREST TO BE PAID ON THE LOAN SHALL EQUAL 50% OF THE~~
22 ~~RATE OF INTEREST PAID BY THE COMMONWEALTH, AS SET FORTH IN~~
23 ~~PARAGRAPH (1).~~

24 (1) FOR PROJECTS IN COUNTIES WHOSE UNEMPLOYMENT RATE <—
25 EXCEEDS THE STATEWIDE UNEMPLOYMENT RATE BY 40% OR MORE, THE
26 INTEREST RATE SHALL BE 1% FOR THE FIRST FIVE YEARS AND ONE-
27 QUARTER OF THE BOND ISSUE RATE FOR THE REMAINDER OF THE LOAN.

28 (2) FOR PROJECTS IN COUNTIES WHOSE UNEMPLOYMENT RATE
29 EXCEEDS THE STATEWIDE UNEMPLOYMENT RATE, BUT EXCEEDS IT BY
30 LESS THAN 40%, THE INTEREST RATE SHALL BE 30% OF THE BOND

1 ISSUE RATE FOR THE FIRST FIVE YEARS AND 60% OF THE BOND ISSUE
2 RATE FOR THE REMAINDER OF THE LOAN.

3 (3) FOR ALL OTHER PROJECTS, THE INTEREST RATE SHALL BE
4 60% OF THE BOND RATE FOR THE FIRST FIVE YEARS AND 75% FOR THE
5 REMAINDER OF THE LOAN.

6 FOR PURPOSES OF THIS SUBSECTION, THE "UNEMPLOYMENT RATE OF THE
7 COUNTY" SHALL MEAN THE AVERAGE UNEMPLOYMENT RATE FOR THE COUNTY
8 IN THE MOST RECENT CALENDAR YEAR FOR WHICH DATA HAS BEEN
9 FINALIZED. FOR THE PROJECTS WHICH SERVE MULTIPLE COUNTIES, THE
10 HIGHEST UNEMPLOYMENT RATE OF THE COUNTIES INVOLVED SHALL BE
11 USED. FOR PURPOSES OF THIS SUBSECTION, THE "BOND INTEREST RATE"
12 SHALL BE THE RATE OF INTEREST PAID BY THE COMMONWEALTH
13 IMMEDIATELY PRECEDING THE DATE OF THE LOAN FOR THE BONDS ISSUED
14 UNDER SECTION 7707. THIS SUBSECTION SHALL NOT APPLY TO LOANS
15 MADE FROM BONDS ISSUED UNDER SECTION 7711 (RELATING TO AUTHORITY
16 BONDS AND NOTES).

17 (F) DISPOSITION OF LOAN REPAYMENTS AND INTEREST.--

18 (1) ALL LOAN REPAYMENTS AND PAYMENTS OF INTEREST ON
19 LOANS MADE BY THE BOARD FROM THE PENNSYLVANIA INFRASTRUCTURE
20 INVESTMENT LOAN FUND OR PROCEEDS SHALL BE TRANSMITTED TO THE
21 STATE TREASURER FOR DEPOSIT INTO THE PENNSYLVANIA
22 INFRASTRUCTURE INVESTMENT LOAN REDEMPTION FUND. FOLLOWING THE
23 REDEMPTION AND RETIREMENT OF ANY AND ALL BONDS OR NOTES
24 ISSUED PURSUANT TO ~~THIS CHAPTER~~ SECTION 7707, ANY MONEYS THAT <—
25 REMAIN IN THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN
26 REDEMPTION FUND OR WOULD HAVE BEEN TRANSMITTED FOR DEPOSIT
27 INTO THE FUND SHALL BE TRANSFERRED TO THE GENERAL FUND OF THE
28 COMMONWEALTH.

29 (2) LOANS MADE BY THE WATER FACILITIES LOAN BOARD PRIOR
30 TO THE EFFECTIVE DATE OF THIS ACT AND REPAYMENT OF THE

1 PRINCIPAL OF AND INTEREST ON THOSE LOANS SHALL BE CONTROLLED
2 BY THE PROVISIONS OF CHAPTER 75 (RELATING TO WATER FACILITIES
3 RESTORATION) AND THE REGULATIONS PROMULGATED THEREUNDER. THE
4 BOARD SHALL MAINTAIN SUCH SEPARATE FUNDS AND ACCOUNTS AS MAY
5 BE NECESSARY FOR THE DEPOSIT OF PAYMENTS MADE UNDER AUTHORITY
6 OR REQUIREMENT OF STATE OR FEDERAL LAW.

7 § 7710. APPROPRIATION OF FUNDS.

8 ~~(A) APPROPRIATION OF FUNDS.~~ FUNDS DERIVED FROM THE SALE OF <—
9 BONDS OR NOTES ISSUED PURSUANT TO ~~THIS CHAPTER~~ SECTION 7707 <—
10 (RELATING TO BORROWING AUTHORIZED) AND DEPOSITED IN THE FUNDS
11 ESTABLISHED PURSUANT TO SECTION 7706 (RELATING TO FUNDS CREATED)
12 ARE HEREBY APPROPRIATED FOR THE PURPOSE OF MAKING LOANS AND
13 PAYING ADMINISTRATIVE COSTS INCURRED PURSUANT TO THIS CHAPTER.

14 ~~(B) LAPSE OF CERTAIN APPROPRIATIONS. TEN YEARS AFTER THE~~ <—
15 ~~EFFECTIVE DATE OF THIS CHAPTER, ALL FUNDS APPROPRIATED IN~~
16 ~~SUBSECTION (A) WHICH ARE NOT COMMITTED, OBLIGATED OR EXPENDED~~
17 ~~SHALL LAPSE INTO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT LOAN~~
18 ~~FUND FOR TRANSFER TO THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT~~
19 ~~LOAN REDEMPTION FUND.~~

20 § 7711. AUTHORITY BONDS AND NOTES. <—

21 (A) ISSUANCE OF AUTHORITY BONDS.--IN ADDITION TO THE GENERAL
22 OBLIGATION BONDS AUTHORIZED UNDER SECTION 7707 (RELATING TO
23 BORROWING AUTHORIZED), THE AUTHORITY MAY ISSUE BONDS, NOTES OR
24 OTHER OBLIGATIONS OF THE AUTHORITY. BONDS AUTHORIZED BY THIS
25 SECTION SHALL BE ISSUED ONLY WHEN, IN THE JUDGMENT OF THE
26 AUTHORITY, THE DEMAND FOR FUNDS FOR SEWER AND WATER TREATMENT
27 PROJECTS, AS EVIDENCED BY APPLICATIONS FOR FUNDING, EXCEEDS THE
28 FUNDS THAT CAN BE PROVIDED FROM OTHER RESOURCES AVAILABLE TO THE
29 AUTHORITY.

30 (B) LIMITATION ON OBLIGATIONS.--BONDS ISSUED UNDER THIS

1 SECTION SHALL NOT BE A DEBT OR LIABILITY OF THE COMMONWEALTH OR
2 ANY OF ITS POLITICAL SUBDIVISIONS OTHER THAN THE AUTHORITY AND
3 SHALL NOT CREATE OR CONSTITUTE ANY INDEBTEDNESS, LIABILITY OR
4 OBLIGATION OF THE COMMONWEALTH OR OF ANY POLITICAL SUBDIVISION.
5 ALL BONDS SHALL BE PAYABLE SOLELY FROM REVENUES OR FUNDS PLEDGED
6 OR AVAILABLE FOR THEIR PAYMENT AS AUTHORIZED IN THIS SECTION,
7 INCLUDING THE PROCEEDS OF ANY ISSUE OF BONDS. EACH BOND SHALL
8 CONTAIN ON ITS FACE A STATEMENT TO THE EFFECT THAT THE AUTHORITY
9 IS OBLIGATED TO PAY THE PRINCIPAL THEREOF OR THE INTEREST
10 THEREON ONLY FROM ITS REVENUES, RECEIPTS OR FUNDS PLEDGED OR
11 AVAILABLE FOR THEIR PAYMENT AS AUTHORIZED IN THIS SECTION, THAT
12 NEITHER THE COMMONWEALTH NOR ANY POLITICAL SUBDIVISIONS ARE
13 OBLIGATED TO PAY THE PRINCIPAL OR INTEREST, AND THAT NEITHER THE
14 FAITH AND CREDIT NOR THE TAXING POWER OF THE COMMONWEALTH OR ANY
15 POLITICAL SUBDIVISION IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL
16 OF OR THE INTEREST ON THE BONDS.

17 (C) EXEMPTION FROM TAXATION.--BONDS AND NOTES ISSUED UNDER
18 THIS SECTION SHALL BE EXEMPT FROM TAXATION FOR STATE AND LOCAL
19 PURPOSES.

20 (D) NO PRIOR PRECONDITIONS ON BOND ISSUANCE.--BONDS MAY BE
21 ISSUED UNDER THE PROVISIONS OF THIS SECTION WITHOUT OBTAINING
22 THE CONSENT OF ANY DEPARTMENT, DIVISION, BOARD, BUREAU OR AGENCY
23 OF THE COMMONWEALTH AND WITHOUT ANY OTHER PROCEEDING OR THE
24 HAPPENING OF ANY OTHER CONDITIONS OR OTHER THINGS THAN THOSE
25 PROCEEDINGS, CONDITIONS OR THINGS WHICH ARE SPECIFICALLY
26 REQUIRED BY THIS SECTION.

27 (E) COVENANTS AND EXPRESS CONDITIONS ON OBLIGATIONS.--IN ANY
28 RESOLUTION OF THE BOARD AUTHORIZING OR RELATING TO THE ISSUANCE
29 OF BONDS UNDER THIS SECTION, THE BOARD, IN ORDER TO SECURE
30 PAYMENT OF THE BONDS, AND, IN ADDITION TO ITS OTHER POWERS, MAY,

1 BY PROVISIONS IN THE RESOLUTION WHICH SHALL CONSTITUTE COVENANTS
2 BY THE AUTHORITY AND CONTRACTS WITH THE HOLDERS OF THE BONDS, DO
3 THE FOLLOWING:

4 (1) SECURE THE BONDS.

5 (2) MAKE COVENANTS AGAINST PLEDGING ALL OR PART OF ITS
6 REVENUES OR RECEIPTS TO OTHER PARTIES.

7 (3) MAKE COVENANTS LIMITING ITS RIGHT TO SELL, PLEDGE OR
8 OTHERWISE DISPOSE OF NOTES AND BONDS OF GOVERNMENTAL UNITS,
9 LOAN AGREEMENTS OF PUBLIC OR PRIVATE PERSONS OR ENTITIES, OR
10 OTHER PROPERTY OF ANY KIND.

11 (4) MAKE COVENANTS AS TO ADDITIONAL BONDS TO BE ISSUED,
12 THE LIMITATIONS THEREON, THE TERMS AND CONDITIONS THEREOF,
13 AND THE CUSTODY, APPLICATION, INVESTMENT AND DISPOSITION OF
14 THE PROCEEDS THEREOF.

15 (5) MAKE COVENANTS AS TO THE INCURRING OF OTHER DEBTS BY
16 IT.

17 (6) MAKE COVENANTS AS TO THE PAYMENT OF PRINCIPAL OF OR
18 INTEREST ON BONDS, THE SOURCES AND METHODS OF THE PAYMENT,
19 THE RANK OR PRIORITY OF BONDS WITH RESPECT TO LIENS OR
20 SECURITY INTERESTS OR THE ACCELERATION OF MATURITY OF BONDS.

21 (7) PROVIDE FOR REPLACEMENT OF LOST, STOLEN, DESTROYED
22 OR MUTILATED BONDS.

23 (8) MAKE COVENANTS AS TO THE REDEMPTION, PURCHASE OR
24 TENDER OF BONDS BY THE AUTHORITY, OR THE HOLDERS THEREOF, AND
25 THE PRIVILEGES OF EXCHANGING THEM FOR OTHER BONDS.

26 (9) MAKE COVENANTS TO CREATE OR AUTHORIZE THE CREATION
27 OF SPECIAL FUNDS OR ACCOUNTS TO BE HELD IN TRUST OR OTHERWISE
28 FOR THE BENEFIT OF HOLDERS OF BONDS, OR OF RESERVES FOR OTHER
29 PURPOSES AND AS TO THE USE, INVESTMENT AND DISPOSITION OF
30 MONEYS HELD IN THOSE FUNDS, ACCOUNTS OR RESERVES.

1 (10) PROVIDE FOR THE RIGHTS, LIABILITIES, POWERS AND
2 DUTIES ARISING UPON THE BREACH OF A COVENANT, CONDITION OR
3 OBLIGATION AND PRESCRIBE THE EVENTS OF DEFAULT AND THE TERMS
4 AND CONDITIONS UPON WHICH ANY OR ALL OF THE BONDS SHALL
5 BECOME OR MAY BE DECLARED DUE AND PAYABLE BEFORE MATURITY AND
6 THE TERMS AND CONDITIONS UPON WHICH THE DECLARATION AND ITS
7 CONSEQUENCES MAY BE WAIVED.

8 (11) VEST IN A TRUSTEE OR TRUSTEES WITHIN OR WITHOUT
9 THIS COMMONWEALTH IN TRUST ANY PROPERTY, RIGHTS, POWERS AND
10 DUTIES AS THE AUTHORITY MAY DETERMINE. THESE MAY INCLUDE ANY
11 OR ALL OF THE RIGHTS, POWERS AND DUTIES OF ANY TRUSTEE
12 APPOINTED BY THE HOLDERS OF BONDS OR NOTES, INCLUDING RIGHTS
13 WITH RESPECT TO THE SALE OR OTHER DISPOSITION OF NOTES AND
14 BONDS OR GOVERNMENTAL UNITS AND OTHER INSTRUMENTS AND
15 SECURITY PLEDGED PURSUANT TO A RESOLUTION OR TRUST INDENTURE
16 FOR THE BENEFIT OF THE HOLDERS OF BONDS AND THE RIGHT, BY
17 SUIT OR ACTION, TO FORECLOSE ANY MORTGAGE PLEDGED PURSUANT TO
18 THE RESOLUTION OF TRUST INDENTURE FOR THE BENEFIT OF THE
19 HOLDERS OF THE BONDS, NOTES OR OTHER OBLIGATIONS, AND TO
20 LIMIT THE RIGHT OF THE HOLDERS OF ANY BONDS TO APPOINT A
21 TRUSTEE UNDER THIS SECTION AND TO LIMIT THE RIGHTS, POWERS
22 AND DUTIES OF THE TRUSTEE.

23 (12) PAY THE COSTS OR EXPENSES INCIDENT TO THE
24 ENFORCEMENT OF THE BONDS OR THE PROVISIONS OF THE RESOLUTION
25 AUTHORIZING THE ISSUANCE OF THOSE BONDS, OR THE TRUST
26 INDENTURE SECURING THE BONDS OR ANY COVENANT OR AGREEMENT OF
27 THE AUTHORITY WITH THE HOLDERS OF THE BONDS, NOTES OR OTHER
28 OBLIGATIONS.

29 (13) LIMIT THE RIGHTS OF THE HOLDERS OF ANY BONDS TO
30 ENFORCE ANY PLEDGE OR COVENANT SECURING BONDS.

(14) MAKE COVENANTS OTHER THAN OR IN ADDITION TO THE COVENANTS AUTHORIZED BY THIS SECTION OF LIKE OR DIFFERENT CHARACTER AND MAKE COVENANTS TO DO OR REFRAIN FROM DOING ANY ACTS AND THINGS AS MAY BE NECESSARY, OR CONVENIENT AND DESIRABLE, IN ORDER TO BETTER SECURE BONDS OR WHICH, IN THE ABSOLUTE DISCRETION OF THE AUTHORITY, WILL TEND TO MAKE BONDS MORE MARKETABLE, NOTWITHSTANDING THAT THE COVENANTS, ACTS OR THINGS MAY NOT BE ENUMERATED HEREIN.

§ ~~7711~~ 7712. LIMITS ON PROJECT FUNDING. <—

(A) GENERAL RULE.--IN ORDER TO DISTRIBUTE LIMITED LOAN FUNDS AMONG THE MAXIMUM NUMBER OF ELIGIBLE PROJECTS AND TO ENCOURAGE THE USE OF COMMONWEALTH LOAN FUNDS TO ATTRACT AND MATCH OTHER SOURCES OF FINANCING, THE LOAN FUNDS AVAILABLE PURSUANT TO THIS CHAPTER FOR THE FINANCING OF A SPECIFIC PROJECT SHALL BE LIMITED TO A MAXIMUM AMOUNT OF ~~\$5,000,000~~ \$10,000,000 FOR ANY PROJECT SERVING A SINGLE MUNICIPALITY OR A PORTION THEREOF, OR A MAXIMUM AMOUNT OF ~~\$7,500,000~~ \$15,000,000 FOR ANY PROJECT SERVING TWO OR MORE MUNICIPALITIES. <—

(B) EXCEPTION.--THE BOARD BY A VOTE OF AT LEAST NINE MEMBERS MAY AUTHORIZE LOANS IN EXCESS OF \$15,000,000 TO COMPREHENSIVE PROJECTS PROPOSING TO CONSOLIDATE SERVICE TO A REGION ENCOMPASSING ALL OR PARTS OF FOUR OR MORE MUNICIPALITIES. <—

~~(B)~~ (C) FACTORS TO BE CONSIDERED.--IN DETERMINING THE AMOUNT OF FUNDING TO BE ALLOCATED TO A PROJECT WITHIN THE LIMITS SET FORTH IN THIS SECTION, THE BOARD SHALL CONSIDER THE FACTORS ENUMERATED IN SECTIONS ~~7714~~ 7715 (RELATING TO APPLICATION REQUIREMENTS AND CRITERIA FOR OBTAINING LOAN) AND ~~7715~~ 7716 (RELATING TO PRIORITIES FOR PROJECT LOANS). <—

§ ~~7712~~ 7713. COSTS ELIGIBLE FOR LOAN FINANCING. <—

(A) GENERAL RULE.--THE FOLLOWING COSTS OF APPROVED WATER

SUPPLY AND SEWAGE TREATMENT SYSTEM PROJECTS MAY BE CONSIDERED
ELIGIBLE FOR FINANCING THROUGH THE LOAN PROGRAM:

(1) FEASIBILITY AND PLANNING STUDIES.

(2) FINANCIAL CONDITION AND AUDIT REPORTS REQUIRED FOR
LOAN APPLICATIONS.

(3) PROJECT DESIGN AND ENGINEERING.

(4) PROJECT CONSTRUCTION (INCLUDING SITE PREPARATION)
AND INSPECTION DURING CONSTRUCTION.

(5) PERMIT FEES.

(6) INSURANCE.

(7) INTEREST DURING CONSTRUCTION OR FINANCING FOR THE
PROJECT AND ALLOWANCE FOR FUNDS USED DURING CONSTRUCTION.

(8) SECURITY BONDS, NECESSARY RESERVES AND COSTS OF
ESTABLISHING AND SECURING THE TOTAL FINANCING ARRANGEMENTS
FOR THE PROJECT.

(9) LEGAL FEES.

(10) ANY OTHER COSTS DETERMINED TO BE ELIGIBLE IN THE
RULES AND REGULATIONS OF THE BOARD.

(B) FINANCING LIMITATIONS.--NO APPLICANT SHALL BE ELIGIBLE
TO RECEIVE LOAN FUNDS THROUGH THIS LOAN PROGRAM FOR THE
REFINANCING OF A WATER SUPPLY OR SEWAGE TREATMENT SYSTEM PROJECT
OR FOR THE FINANCING OF ANY PHASE OF A WATER SUPPLY OR SEWAGE
TREATMENT SYSTEM PROJECT THAT IS BEING FINANCED WITH GRANT FUNDS
MADE AVAILABLE BY THE FEDERAL ENVIRONMENTAL PROTECTION AGENCY;
EXCEPT THAT SEWAGE TREATMENT SYSTEM PROJECTS COMMENCED AFTER
MARCH 7, 1985, BUT PRIOR TO THE EFFECTIVE DATE OF THIS SECTION,
WHICH HAVE NOT UTILIZED FEDERAL EPA GRANT FUNDS, MAY BE
REFINANCED PURSUANT TO THE PROVISIONS OF THIS CHAPTER.

(C) UNUSED FUNDS.--ANY FUNDS ADVANCED ON ANY LOAN WHICH ARE
UNUSED IN A PROJECT SHALL BE RETURNED TO THE APPROPRIATE LOAN

1 FUND FOR REALLOCATION AND USE IN OTHER PROJECTS.

2 § ~~7713~~ 7714. PLANNING CONSULTATION AND PREFEASIBILITY
3 ASSESSMENTS. <—

4 (A) PLANNING CONSULTATION.--OPERATORS, OWNERS AND
5 APPROPRIATE GOVERNMENTAL UNIT OFFICIALS SHALL CONSULT WITH THE
6 DEPARTMENT EARLY IN THE PROCESS OF PLANNING FOR THE DEVELOPMENT
7 OF A PROPOSED WATER SUPPLY OR SEWAGE TREATMENT SYSTEM PROJECT.
8 PROJECT SPONSORS AND THE DEPARTMENT SHALL JOINTLY REVIEW THE
9 PROBLEMS IN THE AFFECTED AREA AND IN NEIGHBORING COMMUNITIES.

10 (B) PREFEASIBILITY ASSESSMENTS.--PRIOR TO SUBMITTING AN
11 APPLICATION FOR A LOAN PURSUANT TO THIS CHAPTER, A PROJECT LOAN
12 APPLICANT SHALL PREPARE A PREFEASIBILITY ASSESSMENT OF THE
13 PROJECT. THE DEPARTMENT SHALL, AS NECESSARY AND APPROPRIATE,
14 ASSIST OPERATORS, OWNERS AND GOVERNMENTAL UNITS IN PREPARING
15 SAID PREFEASIBILITY ASSESSMENTS. ANY COSTS ENTAILED IN PROVIDING
16 THIS SERVICE MAY BE REIMBURSED PURSUANT TO SECTION 7710(A)
17 (RELATING TO APPROPRIATION OF FUNDS). A PREFEASIBILITY
18 ASSESSMENT SHALL BE UNDERTAKEN BY THE APPLICANT TO REVIEW
19 RELATED WATER SUPPLY OR SEWAGE TREATMENT SYSTEM PROBLEMS IN AN
20 AREA, IDENTIFY THE RANGE OF ALTERNATIVE SOLUTIONS (INCLUDING
21 STRUCTURAL AND NONSTRUCTURAL MEASURES), SCREEN THE ALTERNATIVES
22 MERITING DETAILED CONSIDERATION AND IDENTIFY FINANCIAL AND
23 INSTITUTIONAL ISSUES REQUIRING CONSIDERATION IN PROJECT
24 PLANNING. THE PURPOSE OF THE PREFEASIBILITY ASSESSMENT IS TO
25 ASSIST PROJECT SPONSORS AND THE BOARD IN IDENTIFYING THE
26 APPROPRIATE SCOPE OF PROJECTS MERITING DETAILED CONSIDERATION
27 AND THE PREPARATION OF FEASIBILITY STUDIES PREPARATORY TO A LOAN
28 APPLICATION.

29 § ~~7714~~ 7715. APPLICATION REQUIREMENTS AND CRITERIA FOR
30 OBTAINING LOAN. <—

1 (A) APPLICATION REQUIREMENTS.--APPLICANTS FOR WATER SUPPLY
2 OR SEWAGE TREATMENT SYSTEM PROJECT LOANS SHALL SUBMIT THE
3 FOLLOWING INFORMATION TO THE BOARD:

4 (1) A DESCRIPTION, PLAN AND COST ESTIMATES FOR THE
5 PROJECT, INCLUDING THE FEASIBILITY STUDY EXPLAINING THE
6 ALTERNATIVES ASSESSED AND REASONS FOR SELECTING THE PROPOSED
7 PROJECT AND DOCUMENTING THE ORGANIZATIONAL AND FINANCIAL AS
8 WELL AS ENGINEERING ASPECTS OF THE PROPOSED PROJECT.

9 (2) INFORMATION FOR ASSESSING THE EFFECTIVENESS AND
10 PRIORITY OF THE PROJECT, INCLUDING DATA REGARDING THE PROBLEM
11 TO BE SOLVED BY THE PROJECT AND THE ROLE OF THE PROPOSED
12 PROJECT WITH REGARD TO RELATED PROBLEMS EXPERIENCED IN THE
13 WATER SUPPLY OR SEWAGE TREATMENT SYSTEMS TO BE AIDED BY THE
14 LOAN.

15 (3) A FINANCIAL STATEMENT PREPARED BY A PUBLIC
16 ACCOUNTANT OF THE CURRENT AND PROJECTED FINANCIAL STATUS OF
17 THE APPLICANT.

18 (4) AN ORGANIZATION AND FINANCIAL PLAN FOR THE PROJECT,
19 INCLUDING:

20 (I) THE TOTAL FINANCIAL PACKAGE FOR THE PROJECT AND
21 ARRANGEMENTS FOR OTHER LOANS OR GRANTS NECESSARY TO
22 FINANCE THE PROJECT.

23 (II) THE INSTITUTIONAL AND FINANCIAL ARRANGEMENTS TO
24 BE TAKEN TO ASSURE REPAYMENT OF THE COMMONWEALTH LOAN AND
25 OTHER OBLIGATIONS RELATING TO THE PROJECT (SUCH AS RATE
26 INCREASES, SINKING FUNDS AND RESERVE ACCOUNTS).

27 (III) THE STEPS TO BE TAKEN TO ASSURE PROPER LONG-
28 TERM OPERATION AND MAINTENANCE OF THE WATER SUPPLY OR
29 SEWAGE TREATMENT SYSTEM TO BE AIDED BY THE LOAN.

30 (5) A CERTIFICATION THAT THE APPLICANT CAN REASONABLY BE

1 EXPECTED TO REPAY THE LOAN FROM EXISTING OR REASONABLY
2 ANTICIPATED REVENUES.

3 (6) A CERTIFICATION THAT THE APPLICANT SHALL, IN EVERY
4 CONTRACT FOR THE ACQUISITION, REPAIR, CONSTRUCTION,
5 RECONSTRUCTION, REHABILITATION, EXTENSION, EXPANSION,
6 IMPROVEMENT, ALTERATION OR MAINTENANCE OF ANY WATER SUPPLY OR
7 SEWAGE TREATMENT SYSTEM, COMPLY WITH THE PROVISIONS OF THE
8 ACT OF MARCH 3, 1978 (P.L.6, NO.3), KNOWN AS THE STEEL
9 PRODUCTS PROCUREMENT ACT.

10 (7) ANY OTHER INFORMATION REQUIRED BY THE BOARD RELATING
11 TO THE PROPOSED PROJECT.

12 (B) CRITERIA FOR OBTAINING LOAN.--IN REVIEWING APPLICANTS
13 FOR ELIGIBILITY TO RECEIVE A LOAN FOR A WATER SUPPLY OR SEWAGE
14 TREATMENT SYSTEM PROJECT, THE BOARD SHALL CONSIDER:

15 (1) WHETHER THE PROJECT WILL IMPROVE THE HEALTH, SAFETY,
16 WELFARE OR ECONOMIC WELL-BEING OF THE PEOPLE OF THIS
17 COMMONWEALTH.

18 (2) WHETHER THE PROPOSED PROJECT WILL LEAD TO AN
19 EFFECTIVE OR COMPLETE SOLUTION TO THE PROBLEMS EXPERIENCED
20 WITH THE WATER SUPPLY OR SEWAGE TREATMENT SYSTEM TO BE AIDED
21 INCLUDING COMPLIANCE WITH STATE AND FEDERAL LAWS, REGULATIONS
22 OR STANDARDS.

23 (3) THE COST-EFFECTIVENESS OF THE PROPOSED PROJECT IN
24 COMPARISON WITH OTHER ALTERNATIVES (INCLUDING OTHER
25 INSTITUTIONAL, FINANCIAL AND PHYSICAL ALTERNATIVES).

26 (4) THE CONSISTENCY OF THE PROPOSED PROJECT WITH OTHER
27 STATE AND REGIONAL RESOURCE MANAGEMENT AND ECONOMIC
28 DEVELOPMENT PLANS.

29 (5) WHETHER THE APPLICANT HAS DEMONSTRATED ITS ABILITY
30 TO REPAY THE LOAN AND TO OPERATE AND MAINTAIN THE PROJECT IN

1 A PROPER MANNER OVER THE LIFE OF THE LOAN.

2 (6) THE AVAILABILITY OF OTHER SOURCES OF FUNDS AT
3 REASONABLE RATES TO FINANCE ALL OR A PORTION OF THE PROJECT
4 AND THE NEED FOR A COMMONWEALTH LOAN TO FINANCE THE PROJECT
5 OR TO ATTRACT THE OTHER SOURCES OF FUNDING.

6 (C) CONTINUING EDUCATION OF OPERATORS.--NO AGREEMENT WITH <—
7 INDIVIDUALS OR ENTITIES SHALL BE VALID IN THE ABSENCE OF AN
8 AGREEMENT BY THE INDIVIDUALS OR ENTITIES SEEKING ASSISTANCE
9 UNDER THIS ACT TO ASSURE THAT THE SYSTEM OPERATORS ARE
10 PARTICIPATING OR WILL PARTICIPATE IN CONTINUING EDUCATION
11 PROGRAMS DEVELOPED BY THE DEPARTMENT. IF THE AUTHORITY
12 DETERMINES THAT THE SYSTEM OPERATOR OF A SYSTEM RECEIVING
13 ASSISTANCE IS NOT PARTICIPATING IN CONTINUING EDUCATION
14 PROGRAMS, THE AUTHORITY SHALL TAKE ALL STEPS NECESSARY TO CEASE
15 ALL FINANCIAL ASSISTANCE AND RECOVER ALL PRIOR PAYMENTS,
16 INCLUDING, BUT NOT LIMITED TO, THE IMMEDIATE REPAYMENT OF ANY
17 OUTSTANDING LOANS AND INTEREST AND ANY GRANTS.

18 § ~~7715~~ 7716. PRIORITIES FOR PROJECT LOANS. <—

19 (A) FACTORS TO BE CONSIDERED.--PRIORITIES FOR THE FINANCING
20 OF LOANS FOR PROJECTS TO ACQUIRE, REPAIR, CONSTRUCT,
21 RECONSTRUCT, REHABILITATE, EXTEND, EXPAND AND IMPROVE WATER
22 SUPPLY OR SEWAGE TREATMENT SYSTEMS SHALL BE DETERMINED BASED ON
23 FACTORS WHICH INCLUDE, BUT ARE NOT LIMITED TO:

24 (1) BENEFITS TO PUBLIC HEALTH.

25 (2) BENEFITS TO PUBLIC SAFETY OR WELFARE.

26 (3) IMPROVEMENT IN THE ABILITY OF AN APPLICANT TO COME
27 INTO COMPLIANCE WITH STATE AND FEDERAL STATUTES, REGULATIONS
28 AND STANDARDS.

29 (4) IMPROVEMENT IN THE ADEQUACY OR EFFICIENCY OF THE
30 WATER SUPPLY OR SEWAGE TREATMENT SYSTEM.

1 (5) THE COST-EFFECTIVENESS OF THE PROJECT.

2 (6) THE CONTRIBUTION TO AND IMPACT OF THE PROJECT ON
3 ECONOMIC DEVELOPMENT AS WELL AS SOCIAL AND ENVIRONMENTAL
4 VALUES.

5 (7) WHETHER, ON THE DATE THAT ADOPTION OF THE REFERENDUM
6 AUTHORIZING THE INCURRING OF INDEBTEDNESS FOR THE ISSUANCE OF
7 THESE LOANS OCCURS, THE GOVERNMENTAL UNIT TO BE SERVED BY A
8 SEWAGE TREATMENT SYSTEM IS SUBJECT TO CONSTRUCTION OR
9 CONNECTION LIMITATIONS ISSUED BY THE DEPARTMENT.

10 (8) WHETHER THE PROJECT ENCOURAGES CONSOLIDATION OF <—
11 WATER OR SEWER SYSTEMS, WHERE SUCH CONSOLIDATION WOULD ENABLE
12 THE CUSTOMERS OF THE SYSTEMS TO BE MORE EFFECTIVELY AND
13 EFFICIENTLY SERVED.

14 (B) EMERGENCY RESERVE.--THE BOARD SHALL ATTEMPT TO ENSURE
15 THAT FUNDS ARE ALWAYS AVAILABLE FOR EMERGENCY SITUATIONS WHICH
16 IMMEDIATELY THREATEN THE HEALTH AND SAFETY OF THE RESIDENTS OF
17 THIS COMMONWEALTH AND FOR ECONOMIC DEVELOPMENT PURPOSES WHEN THE
18 PROJECT MUST BE COMPLETED IN A SHORT TIME PERIOD IN ORDER TO
19 ATTRACT OR RETAIN BUSINESS WITHIN THIS COMMONWEALTH.

20 ~~(C) RELATIONSHIP TO OTHER PROGRAMS. AN APPLICANT FOR A LOAN~~ <—

21 (C) GRANTS.-- <—

22 (1) THE GENERAL ASSEMBLY MAY APPROPRIATE MONEYS FROM THE
23 GENERAL FUND TO THE AUTHORITY SO THAT THE AUTHORITY MAY MAKE
24 GRANTS TO APPLICANTS TO HELP FINANCE WATER SUPPLY OR SEWAGE
25 TREATMENT SYSTEM PROJECTS.

26 (2) GRANTS SHALL BE MADE BY THE AUTHORITY UNDER THIS
27 SUBSECTION ONLY WHEN THE AUTHORITY DETERMINES, IN ITS SOLE
28 DISCRETION, THAT THE FINANCIAL CONDITION OF THE RECIPIENT IS
29 SUCH THAT THE PROJECT WOULD NOT BE FINANCIALLY FEASIBLE IF IT
30 WAS TO BE TOTALLY FUNDED BY LOANS.

1 (3) IT IS THE INTENT OF THE GENERAL ASSEMBLY THAT THE
2 AUTHORITY MAKE GRANTS IN AMOUNTS THAT BENEFIT AS MANY
3 PROJECTS MEETING THE CRITERIA IN PARAGRAPH (2) AS REASONABLY
4 POSSIBLE. HOWEVER, THE TOTAL AMOUNT OF GRANTS MADE BY THE
5 AUTHORITY SHALL NOT EXCEED THE AMOUNT APPROPRIATED TO IT FOR
6 THAT PURPOSE BY THE GENERAL ASSEMBLY.

7 (D) RELATIONSHIP TO OTHER PROGRAMS.--IN ADDITION TO GRANTS
8 AUTHORIZED BY SUBSECTION (C), AN APPLICANT FOR A LOAN ON A
9 PROJECT WITH A HIGH PRIORITY CLASSIFICATION PURSUANT TO THE
10 CRITERIA ESTABLISHED IN SUBSECTION (A), THAT IS FINANCIALLY
11 UNABLE TO MEET THE REQUIREMENTS OF SECTIONS 7709(E) (RELATING TO
12 DEBT RETIREMENT) AND ~~7714~~ 7715(A)(4) AND (5) AND (B)(5) <—
13 (RELATING TO APPLICATION REQUIREMENTS AND CRITERIA FOR OBTAINING
14 LOAN), SHALL RECEIVE PRIORITY CONSIDERATION FOR ANY GRANTS THAT
15 ARE MADE AVAILABLE THROUGH OTHER APPLICABLE STATE PROGRAMS, IF
16 THE APPLICATION OF SUCH A GRANT TO THE COST OF THE PROJECT WOULD
17 THEN ENABLE THE APPLICANT TO FINANCIALLY SUSTAIN THE MONETARY
18 REQUIREMENTS ENTAILED WITH OBTAINING A LOAN PURSUANT TO THIS
19 CHAPTER.

20 § ~~7716~~ 7717. IMPLEMENTATION OF PROJECT. <—

21 THE BOARD SHALL REVIEW, CONSIDER AND APPROVE THE MEANS BY
22 WHICH AN APPLICANT INTENDS TO CARRY OUT A PROJECT BEING FINANCED
23 WITH LOAN FUNDS IN ORDER TO ASSURE THAT THE PROJECT WILL BE
24 IMPLEMENTED IN A COST-EFFECTIVE FASHION AND THAT QUALITY
25 STANDARDS FOR THE WORK ARE MET.

26 § ~~7717~~ 7718. SUPERVISION OF PROJECT AND SECURITY FROM DEFAULT. <—

27 (A) INSPECTION OF PROJECT AND RECORDS.--THE APPLICANT SHALL
28 ALLOW THE BOARD, AND ITS SUCCESSORS, AGENTS AND REPRESENTATIVES,
29 THE RIGHT AT ALL REASONABLE TIMES DURING CONSTRUCTION AND AFTER
30 COMPLETION OF THE PROJECT TO ENTER UPON AND INSPECT THE PROJECT,

1 AND TO EXAMINE AND MAKE COPIES OF THE APPLICANT'S BOOKS,
2 RECORDS, ACCOUNTING DATA AND OTHER DOCUMENTS PERTAINING TO THE
3 PROJECT AND THE FINANCIAL CONDITION OF THE APPLICANT.

4 (B) INDEPENDENT AUDITS.--THE APPLICANT MAY BE REQUIRED BY
5 THE BOARD OR ITS AGENT TO HAVE PREPARED INDEPENDENT AUDITS OF
6 ITS FINANCIAL DOCUMENTS AND CONDITIONS AND SUBMIT A CERTIFIED
7 COPY OF THE AUDITS TO THE BOARD.

8 (C) SECURITY FOR LOAN.--THE LOAN SHALL BE SECURED BY
9 AGREEMENTS, MORTGAGES OR SUCH OTHER SECURITY INSTRUMENTS AS THE
10 BOARD FINDS NECESSARY AND ADEQUATE TO SECURE THE LOAN. THE BOARD
11 AND ITS SUCCESSORS MAY USE ANY PROCEDURE OR REMEDY AVAILABLE
12 UNDER ANY OTHER EXISTING OR FUTURE LAWS FOR THE PROTECTION OF
13 CREDITORS.

14 (D) DEFAULT ON WATER SUPPLY OR SEWAGE TREATMENT SYSTEM
15 PROJECTS.--IN THE EVENT OF A DEFAULT ON REPAYMENT OF A LOAN FOR
16 A WATER SUPPLY OR SEWAGE TREATMENT SYSTEM PROJECT, THE BOARD OR
17 ITS SUCCESSORS MAY APPLY TO THE COURT OF COMMON PLEAS OF THE
18 COUNTY WHERE THE PROJECT IS LOCATED TO HAVE A RECEIVER APPOINTED
19 TO ASSUME OPERATION AND SUPERVISION OF THE PROJECT. THE RECEIVER
20 SHALL COLLECT THE REVENUES AND DISBURSE FUNDS TO PAY OPERATING
21 COSTS AND LOAN OBLIGATIONS UNDER THE SUPERVISION OF THE COURT.
22 RECEIVERSHIP SHALL CONTINUE UNTIL THE DEFAULT IS CURED AND
23 REGULAR REPAYMENTS ESTABLISHED.

24 § ~~7718~~ 7719. EXPEDITED APPROVAL OF RATE RELIEF.

<—

25 FOR THE LIMITED AND SPECIAL PURPOSE OF ENSURING REPAYMENT OF
26 PRINCIPAL AND INTEREST ON LOANS MADE PURSUANT TO THIS CHAPTER,
27 THE PENNSYLVANIA PUBLIC UTILITY COMMISSION SHALL APPROVE SUCH
28 SECURITY ISSUES, AFFILIATED INTEREST AGREEMENTS AND RATE
29 INCREASE REQUESTS BY APPLICANTS THAT ARE REGULATED UTILITIES AS
30 ARE NECESSARY AND APPROPRIATE. FOR THIS PURPOSE, THE

1 PENNSYLVANIA PUBLIC UTILITY COMMISSION SHALL ESTABLISH SUCH
2 EXPEDITED PRACTICES, PROCEDURES AND POLICIES AS NECESSARY TO
3 FACILITATE AND ACCOMPLISH REPAYMENT OF THE LOANS. NOTHING IN
4 THIS CHAPTER SHALL BE CONSTRUED AS TO REQUIRE APPROVAL OF RATE
5 INCREASES GREATER THAN THAT NECESSARY TO ACCOMPLISH THE
6 REPAYMENT OF LOANS MADE PURSUANT TO THIS CHAPTER.

7 § ~~7719~~ 7720. COMPREHENSIVE WATER SUPPLY AND SEWAGE TREATMENT <—
8 FACILITIES PLAN.

9 (A) PREPARATION OF THE PLAN.--THE DEPARTMENT SHALL PREPARE
10 AND SUBMIT TO THE BOARD A COMPREHENSIVE PLAN FOR WATER SUPPLY
11 AND SEWAGE TREATMENT SYSTEMS IN THIS COMMONWEALTH. THE PLAN
12 SHALL INCLUDE, BUT NOT BE LIMITED TO:

13 (1) AN INVENTORY OF THE EXISTING FACILITIES LOCATED
14 WITHIN THIS COMMONWEALTH, INCLUDING, BUT NOT LIMITED TO,
15 IDENTIFICATION OF THE TYPE, CAPACITY, LOCATION, CURRENT
16 CONDITION AND YEAR CONSTRUCTED.

17 (2) AN INVENTORY OF WATER SUPPLY AND SEWAGE CONSTRUCTION
18 NEEDS.

19 (3) IDENTIFICATION OF THE MAJOR ISSUES AND PROBLEMS THAT
20 THE COMMONWEALTH MUST ADDRESS IN ORDER TO ASSESS ITS WATER
21 SUPPLY AND SEWAGE TREATMENT SYSTEM INFRASTRUCTURE NEEDS,
22 INCLUDING FINANCIAL AS WELL AS NONFINANCIAL ISSUES.

23 (4) RECOMMENDATIONS FOR PROGRAMS TO ENCOURAGE THE
24 CONSTRUCTION OF WATER SUPPLY AND SEWAGE TREATMENT SYSTEM
25 FACILITIES. THIS MAY INCLUDE INNOVATIVE FINANCING MECHANISMS,
26 ALTERNATIVE TECHNOLOGY AND OWNERSHIP STRUCTURES, AND
27 TECHNICAL ASSISTANCE.

28 (5) IDENTIFICATION OF EMERGING ISSUES, TRENDS AND
29 PROBLEMS THAT MIGHT AFFECT THESE FACILITIES.

30 (B) PLAN UPDATE.--THE PLAN SHALL BE UPDATED AT LEAST EVERY

1 FIVE YEARS.

2 (C) COMMUNITY INPUT.--IN FORMULATING THE PLAN, THE
3 DEPARTMENT SHALL NOTIFY THE CHAIRMAN OF THE COUNTY COMMISSIONERS
4 FOR EACH COUNTY AND THE CHAIRMAN OF EACH MULTI-COUNTY REGIONAL
5 PLANNING AND DEVELOPMENT COMMISSION WITHIN THE COMMONWEALTH FOR
6 THE PURPOSE OF SEEKING COMMENTS REGARDING THE PREPARATION OF THE
7 PLAN.

8 (D) USE OF PLAN.--THE BOARD SHALL USE THIS COMPREHENSIVE
9 PLAN AS A GUIDE WHEN EVALUATING LOAN APPLICATION REQUESTS
10 SUBMITTED FOR WATER SUPPLY AND SEWAGE TREATMENT SYSTEM PROJECTS
11 DURING ANY GIVEN FIVE-YEAR PERIOD.

12 § ~~7720~~ 7721. ANNUAL REPORT. <—

13 THE BOARD SHALL PROVIDE THE GENERAL ASSEMBLY WITH AN ANNUAL
14 REPORT DETAILING ALL PROJECTS FUNDED PURSUANT TO THIS CHAPTER.

15 § ~~7721~~ 7722. TRANSFER OF WATER FACILITIES LOAN BOARD. <—

16 (A) REMOVAL OF MEMBERS.--ON THE EFFECTIVE DATE OF THIS
17 SECTION, ALL EXISTING MEMBERS OF THE WATER FACILITIES LOAN BOARD
18 ARE REMOVED FROM OFFICE.

19 (B) ~~BOARD~~ AUTHORITY TO SERVE AS WATER FACILITIES LOAN <—
20 BOARD.--FOR PURPOSES OF SATISFYING ALL OUTSTANDING OBLIGATIONS
21 OF THE WATER FACILITIES LOAN BOARD AND FOR PURPOSES OF
22 COLLECTING LOAN AND INTEREST REPAYMENTS, THE BOARD ESTABLISHED
23 IN SECTION 7704 (RELATING TO PENNSYLVANIA INFRASTRUCTURE
24 INVESTMENT ~~LOAN BOARD~~ AUTHORITY) SHALL CONSTITUTE THE MEMBERSHIP <—
25 OF THE WATER FACILITIES LOAN BOARD.

26 (C) TRANSFER OF FUNCTION.--ALL REMAINING APPROPRIATIONS,
27 RIGHTS, POWERS, DUTIES, OBLIGATIONS, LIABILITIES, RECORDS AND
28 EQUIPMENT OF THE WATER FACILITIES LOAN BOARD ARE TRANSFERRED TO
29 THE PENNSYLVANIA INFRASTRUCTURE INVESTMENT ~~LOAN BOARD~~ AUTHORITY <—
30 CREATED PURSUANT TO THIS CHAPTER.

1 § 7723. GUIDELINES AND REGULATIONS.

2 (A) ONE-YEAR EXEMPTION FROM REVIEW.--IN ORDER TO FACILITATE
3 THE SPEEDY IMPLEMENTATION OF THIS PROGRAM, THE BOARD SHALL HAVE
4 THE POWER AND AUTHORITY TO PROMULGATE, ADOPT AND USE GUIDELINES
5 WHICH SHALL BE PUBLISHED IN THE PENNSYLVANIA BULLETIN. THE
6 GUIDELINES SHALL BE SUBJECT TO REVIEW PURSUANT TO SECTION 205 OF
7 THE ACT OF OCTOBER 15, 1980 (P.L.950, NO.164), KNOWN AS THE
8 COMMONWEALTH ATTORNEYS ACT, AND SHALL NOT BE SUBJECT TO REVIEW
9 PURSUANT TO THE ACT OF JUNE 25, 1982 (P.L.633, NO.181), KNOWN AS
10 THE REGULATORY REVIEW ACT, AND SHALL BE EFFECTIVE FOR A PERIOD
11 NOT TO EXCEED ONE YEAR FROM THE EFFECTIVE DATE OF THIS CHAPTER.

12 (B) EXPIRATION OF EXEMPTION.--AFTER THE EXPIRATION OF THE
13 ONE-YEAR PERIOD, ALL GUIDELINES SHALL EXPIRE AND SHALL BE
14 REPLACED BY REGULATIONS WHICH SHALL HAVE BEEN PROMULGATED,
15 ADOPTED AND PUBLISHED AS PROVIDED BY LAW.

16 (C) BOARD ACTIVITY.--IMMEDIATELY UPON THE EFFECTIVE DATE OF
17 THIS SUBSECTION, THE BOARD SHALL BEGIN TO TAKE SUCH ACTIONS AS
18 NECESSARY TO ENSURE THAT UPON VOTER APPROVAL, THE IMPLEMENTATION
19 OF THIS PROGRAM FOR SEWER PROJECTS SHALL BEGIN.

20 SUBCHAPTER B

21 REFERENDUM

22 SEC.

23 7731. REFERENDUM.

24 7732. CERTIFICATION.

25 7733. FORM OF QUESTION.

26 7734. CONDUCT OF ELECTION.

27 7735. USE OF BOND PROCEEDS.

28 § 7731. REFERENDUM.

29 THE QUESTION OF INCURRING INDEBTEDNESS OF \$450,000,000 FOR
30 LOANS FOR THE ACQUISITION, REPAIR, CONSTRUCTION, RECONSTRUCTION,

1 REHABILITATION, EXTENSION, EXPANSION AND IMPROVEMENT OF WATER
2 SUPPLY AND SEWAGE TREATMENT SYSTEMS, SUBJECT TO IMPLEMENTATION
3 THROUGH THIS CHAPTER, SHALL BE SUBMITTED TO THE ELECTORS AT THE
4 NEXT PRIMARY, MUNICIPAL OR GENERAL ELECTION FOLLOWING THE
5 EFFECTIVE DATE OF THIS SUBCHAPTER.

6 § 7732. CERTIFICATION.

7 THE SECRETARY OF THE COMMONWEALTH SHALL FORTHWITH CERTIFY THE
8 QUESTION TO THE COUNTY BOARDS OF ELECTIONS.

9 § 7733. FORM OF QUESTION.

10 THE QUESTION SHALL BE IN SUBSTANTIALLY THE FOLLOWING FORM:

11 DO YOU FAVOR THE INCURRING OF INDEBTEDNESS BY THE
12 COMMONWEALTH OF \$450,000,000 FOR USE AS LOANS TO ACQUIRE,
13 REPAIR, CONSTRUCT, RECONSTRUCT, REHABILITATE, EXTEND,
14 EXPAND AND IMPROVE WATER SUPPLY AND SEWAGE TREATMENT
15 SYSTEMS, SUBJECT TO IMPLEMENTATION BY LAW, IN ORDER TO
16 IMPROVE THE HEALTH, SAFETY AND ECONOMIC WELL-BEING OF THE
17 PEOPLE OF THIS COMMONWEALTH?

18 § 7734. CONDUCT OF ELECTION.

19 THE ELECTION SHALL BE CONDUCTED IN ACCORDANCE WITH THE ACT OF
20 JUNE 3, 1937 (P.L.1333, NO.320), KNOWN AS THE PENNSYLVANIA
21 ELECTION CODE.

22 § 7735. USE OF BOND PROCEEDS.

23 AS DETERMINED BY THE GENERAL ASSEMBLY PURSUANT TO THIS
24 CHAPTER, PROCEEDS OF BORROWING SHALL BE USED FOR LOANS THAT
25 PROVIDE FOR THE ACQUISITION, REPAIR, CONSTRUCTION,
26 RECONSTRUCTION, REHABILITATION, EXTENSION, EXPANSION AND
27 IMPROVEMENT OF WATER SUPPLY AND SEWAGE TREATMENT SYSTEMS
28 NECESSARY TO ENSURE COMPLIANCE WITH STATE AND FEDERAL HEALTH AND
29 SAFETY STANDARDS AND TO PROMOTE THE ECONOMIC DEVELOPMENT OF THIS
30 COMMONWEALTH.

1 SECTION 2. APPROPRIATION. <—

2 THE SUM OF \$500,000, OR AS MUCH THEREOF AS MAY BE NECESSARY,
3 IS HEREBY APPROPRIATED FROM THE GENERAL FUND TO THE PENNSYLVANIA
4 INFRASTRUCTURE INVESTMENT AUTHORITY FOR THE FISCAL YEAR JULY 1,
5 1987, TO JUNE 30, 1988, TO CARRY OUT THE PROVISIONS OF THIS ACT.

6 SECTION ~~2~~ 3. REPEALS. <—

7 (A) ABSOLUTE.--THE FOLLOWING ACTS OR PARTS OF ACTS ARE
8 REPEALED:

9 THE DEFINITIONS OF "COMMUNITY WATER SUPPLY SYSTEM,"
10 "DEPARTMENT," "FLOOD CONTROL FACILITY," "PORT FACILITY,"
11 "PROJECT" AND "WATER FACILITY" IN SECTIONS 7502, 7503, 7504(B),
12 (C), (D) AND (E), 7506, 7510, 7511, 7512, 7513, 7514, 7515 AND
13 7516 OF TITLE 32 OF THE PENNSYLVANIA CONSOLIDATED STATUTES
14 (RELATING TO FORESTS, WATERS AND STATE PARKS).

15 (B) LIMITED.--THE FOLLOWING ACTS OR PARTS OF ACTS ARE
16 REPEALED:

17 SECTION 1, 1.1, 2 AND 3 OF THE ACT OF AUGUST 20, 1953
18 (P.L.1217, NO.339), ENTITLED "AN ACT PROVIDING FOR PAYMENTS BY
19 THE COMMONWEALTH TO MUNICIPALITIES WHICH HAVE EXPENDED MONEY TO
20 ACQUIRE AND CONSTRUCT SEWAGE TREATMENT PLANTS IN ACCORDANCE WITH
21 THE CLEAN STREAMS PROGRAM AND THE ACT, APPROVED THE TWENTY-
22 SECOND DAY OF JUNE, ONE THOUSAND NINE HUNDRED THIRTY-SEVEN
23 (PAMPHLET LAWS 1987), AND MAKING AN APPROPRIATION," AS APPLIED
24 TO PROJECTS FUNDED UNDER THE PROVISIONS OF THE ACT.

25 (C) INCONSISTENT.--ALL OTHER ACTS AND PARTS OF ACTS ARE
26 REPEALED INsofar AS THEY ARE INCONSISTENT WITH THIS ACT.

27 ~~SECTION 3. EFFECTIVE DATE.~~ <—

28 ~~THIS ACT SHALL TAKE EFFECT AS FOLLOWS:~~

29 ~~(1) SECTION 1 (RELATING TO SUBCHAPTER A OF CHAPTER 77)~~

30 ~~AND SECTION 2 SHALL TAKE EFFECT 60 DAYS FROM THE DATE THAT~~

1 ~~THE REFERENDUM AUTHORIZED BY THIS ACT IS APPROVED.~~

2 ~~(2) THE REMAINDER OF THIS ACT SHALL TAKE EFFECT~~
3 ~~IMMEDIATELY.~~

4 SECTION 4. EFFECTIVE DATE. <—

5 (1) AS MUCH OF SECTION 1 (RELATING TO SUBCHAPTER A OF
6 CHAPTER 77) AS RELATES TO SEWER PROJECTS AND NEW WATER
7 PROJECTS REQUIRING ADDITIONAL BOND FUNDING AND SECTION 3
8 SHALL TAKE EFFECT IMMEDIATELY UPON THE DATE THAT THE
9 REFERENDUM AUTHORIZED BY THIS ACT IS APPROVED.

10 (2) AS MUCH OF SECTION 1 (RELATING TO SUBCHAPTER B OF
11 CHAPTER 77) SHALL TAKE EFFECT IMMEDIATELY.

12 (3) THE REMAINDER OF SECTION 1 (RELATING TO SUBCHAPTER A
13 OF CHAPTER 77) RELATING TO THE PENNSYLVANIA INFRASTRUCTURE
14 INVESTMENT AUTHORITY, INCLUDING SECTION 7723, THE TRANSFER OF
15 POWERS AND WATER PROJECTS TO BE FUNDED UNDER EXISTING BOND
16 AUTHORIZATION AND THE REMAINDER OF THIS ACT SHALL TAKE EFFECT
17 IN 30 DAYS.