
THE GENERAL ASSEMBLY OF PENNSYLVANIA

SENATE BILL

No. 1341 Session of
2008

INTRODUCED BY MUSTO, RAFFERTY, STOUT, ERICKSON, LAVALLE, FUMO,
COSTA, WONDERLING, O'PAKE, TARTAGLIONE, WOZNIAK, FONTANA,
BOSCOLA, GREENLEAF, MELLOW, KASUNIC, KITCHEN, WASHINGTON AND
STACK, APRIL 3, 2008

REFERRED TO ENVIRONMENTAL RESOURCES AND ENERGY, APRIL 3, 2008

AN ACT

1 Authorizing the incurring of indebtedness, with the approval of
2 the electors, of \$1,000,000,000 for the acquisition, repair,
3 construction, reconstruction, rehabilitation, extension,
4 expansion and improvement of water supply and sewage
5 treatment systems; and providing for the powers and duties of
6 the Pennsylvania Infrastructure Investment Authority.

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

9 Section 1. Short title.

10 This act shall be known and may be cited as the Water and
11 Sewer Systems Assistance Act.

12 Section 2. Legislative findings.

13 The General Assembly finds and declares as follows:

14 (1) Pennsylvania has an estimated 2,200 drinking water
15 systems and 1,060 wastewater systems.

16 (2) Drinking water and wastewater treatment systems
17 protect public health and the environment and are responsible
18 for cleaning and treating waters of this Commonwealth.

19 (3) Changing Federal and State regulations relative to

1 the treatment of drinking water and wastewater are creating
2 financial problems for drinking water and wastewater
3 treatment systems.

4 (4) Many of the drinking water and wastewater treatment
5 systems must manage aging infrastructure and the maintenance
6 and replacement costs are estimated to be in excess of
7 \$18,000,000,000.

8 (5) According to the Environmental Protection Agency,
9 Pennsylvania ranks seventh in infrastructure financing needs
10 for water infrastructure.

11 (6) Additional funding sources are needed if
12 Pennsylvania is to have a sustainable water infrastructure in
13 the future.

14 (7) The Governor signed executive order 2008-02 creating
15 a water infrastructure task force to ensure that Pennsylvania
16 maintains a sustainable drinking water and wastewater
17 infrastructure.

18 (8) It is beyond the financial means of local ratepayers
19 to fund all the improvements that are needed for a
20 sustainable drinking water and wastewater infrastructure.

21 Section 3. Definitions.

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

25 "Authority." The Pennsylvania Infrastructure Investment
26 Authority.

27 "Board." The board of directors of the Pennsylvania
28 Infrastructure Investment Authority.

29 "Eligible cost." The cost of all labor, materials, necessary
30 operational machinery and equipment, lands, property, rights and

1 easements, plans and specifications, surveys, estimates of costs
2 and revenues, prefeasibility studies, engineering and legal
3 services and all other expenses necessary or incident to the
4 acquisition, construction, improvement, expansion, extension,
5 repair or rehabilitation of all or part of a project.

6 "Grant." A direct payment from the Pennsylvania
7 Infrastructure Investment Authority to a municipality.

8 "Municipality." A county, city, borough, incorporated town,
9 township, home rule municipality and any municipal authority
10 responsible for the provision of drinking water or sewage
11 treatment services to any of them.

12 "Project." The acquisition, construction, improvement,
13 expansion, extension, repair, rehabilitation or security
14 measures of all or part of a facility or system, whether
15 publicly or, in the case of paragraphs (1) and (2), privately
16 owned for:

17 (1) the collection, treatment or disposal of wastewater,
18 including industrial waste;

19 (2) the supply, treatment, storage or distribution of
20 drinking water;

21 (3) the control and elimination of combined sewer
22 overflows, defined as a point source discharge from a sewer
23 system that combines sanitary wastewaters and storm waters;

24 (4) the reductions of nitrogen, phosphorus and sediment
25 to comply with Pennsylvania's Chesapeake Bay Tributary
26 Strategy;

27 (5) the control of storm water, which may include, but
28 is not limited to, the transport, storage and the
29 infiltration of storm water; or

30 (6) the best management practices to address point or

1 nonpoint source pollution associated with storm water runoff
2 or any other innovative techniques identified in the county-
3 prepared watershed plans pursuant to the act of October 4,
4 1978 (P.L.864, No.167), known as the Storm Water Management
5 Act.

6 Section 4. Approval of debt incurrence by electors.

7 The question of incurring indebtedness of \$1,000,000,000 for
8 grants and loans for the cost of all labor, materials, necessary
9 operational machinery and equipment, lands, property, rights and
10 easements, plans and specifications, surveys, estimates of costs
11 and revenues, prefeasibility studies, engineering and legal
12 services and all other expenses necessary or incident to the
13 acquisition, construction, improvement, expansion, extension,
14 repair or rehabilitation of all or part of a project shall be
15 submitted to the electors at the next primary, municipal or
16 general election following the effective date of this section.

17 Section 5. Certification.

18 The Secretary of the Commonwealth shall certify the question
19 under section 4 to the county board of elections.

20 Section 6. Form of question.

21 The question under section 4 shall be in substantially the
22 following form:

23 Do you favor the incurring of indebtedness by the
24 Commonwealth of \$1,000,000,000 for grants and loans to
25 municipalities for the cost of all labor, materials,
26 necessary operational machinery and equipment, lands,
27 property, rights and easements, plans and specifications,
28 surveys, estimates of costs and revenues, prefeasibility
29 studies, engineering and legal services and all other
30 expenses necessary or incident to the acquisition,

1 construction, improvement, expansion, extension, repair
2 or rehabilitation of all or part of drinking water system
3 and wastewater treatment system projects?

4 Section 7. Election.

5 The election shall be conducted in accordance with the act of
6 June 3, 1937 (P.L.1333, No.320), known as the Pennsylvania
7 Election Code.

8 Section 8. Proceeds.

9 (a) Use.--Proceeds of borrowing shall be deposited in a
10 special fund in the State Treasury and shall be used for grants
11 and loans by the Pennsylvania Infrastructure Investment
12 Authority for drinking water system and wastewater treatment
13 system projects.

14 (b) Appropriation.--The proceeds of all bonds sold under
15 this act are hereby appropriated on a continuing basis to the
16 Pennsylvania Infrastructure Investment Authority for the purpose
17 of making loans and grants under this act.

18 (c) Borrowing authorized.--Pursuant to section 7(a)(3) of
19 Article VIII of the Constitution of Pennsylvania, the issuing
20 officials are authorized and directed to borrow, on the credit
21 of the Commonwealth, money not exceeding in the aggregate
22 \$1,000,000,000 in increments of not more than \$300,000,000 every
23 year over a four-year period after the effective date of this
24 section.

25 (d) Grant limitations.--

26 (1) The aggregate amount of grants awarded under this
27 section shall not exceed \$500,000,000.

28 (2) No grant awarded under this act shall be used to
29 repair, rehabilitate or improve any sewage treatment system
30 or drinking water system on private property.

1 (3) The board shall have no power to award any grant
2 that exceeds the following monetary limits:

3 (i) For a sewage treatment system that has an annual
4 average daily flow greater than 100,000,000 gallons per
5 day or a water system that serves a population greater
6 than 300,000 people, \$50,000,000.

7 (ii) For a sewage treatment system that has an
8 annual average daily flow greater than 50,000,000 gallons
9 per day but less than 100,000,000 gallons per day or a
10 water system that serves a population between 100,000 and
11 300,000 people, \$35,000,000.

12 (iii) For a sewage treatment system that has an
13 annual average daily flow greater than 20,000,000 gallons
14 per day but less than 50,000,000 gallons per day or a
15 water system that serves a population between 10,000 and
16 100,000 people, \$25,000,000.

17 (iv) For a sewage treatment system that has an
18 annual average daily flow greater than 10,000,000 gallons
19 per day but less than 20,000,000 gallons per day or a
20 water system that serves a population between 3,301 and
21 10,000 people, \$20,000,000.

22 (v) For a sewage treatment system that has an annual
23 average daily flow greater than 1,000,000 gallons per day
24 but less than 10,000,000 gallons per day or a water
25 system that serves a population between 501 and 3,300
26 people, \$15,000,000.

27 (vi) For a sewage treatment system that has an
28 annual average daily flow less than 1,000,000 gallons per
29 day or a water system that serves a population less than
30 500 people, \$10,000,000.

1 (4) However, the board by a vote of at least nine
2 members may authorize a grant in excess of the limits
3 established in paragraph (3) to comprehensive projects
4 providing or proposing consolidated service to a region
5 encompassing all or parts of two or more municipalities.

6 (e) Further restrictions on grants and loans.--Prior to
7 January 1, 2009, the General Assembly may enact priorities for
8 the expenditure of funds and the awarding of grants and loans
9 under this act.

10 Section 9. Powers and duties of board.

11 (a) General rule.--By March 31, 2009, the board shall
12 implement and administer the proceeds of the bond under section
13 8 in conformity with the provisions of section 10 of the act of
14 March 1, 1988 (P.L.82, No.16), known as the Pennsylvania
15 Infrastructure Investment Authority Act.

16 (b) Specific powers of board.--In addition to any powers
17 under subsection (a), the board shall have the power to:

18 (1) Develop forms for the applications of grants and
19 loans.

20 (2) Fix priorities for the awarding of grants and loans
21 consistent with section 8(e).

22 (3) Promulgate regulations to implement the provisions
23 of this act.

24 (4) Take all other actions necessary to implement and
25 administer the provisions of this act.

26 Section 10. Effective date.

27 This act shall take effect immediately.