

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, STACK AND C. WILLIAMS, APRIL 3, 2008

SENATOR M. WHITE, ENVIRONMENTAL RESOURCES AND ENERGY, AS AMENDED, JUNE 10, 2008

AN ACT

1 Authorizing the incurring of indebtedness, with the approval of
2 the electors, of ~~\$1,000,000,000~~ \$400,000,000 for the
3 acquisition, repair, construction, reconstruction,
4 rehabilitation, extension, expansion and improvement of water
5 supply and sewage treatment systems; and providing for the
6 powers and duties of the Pennsylvania Infrastructure
7 Investment Authority.

<—

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

10 Section 1. Short title.

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

13 Section 2. Legislative findings.

14 The General Assembly finds and declares as follows:

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

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

1 (3) Changing Federal and State regulations relative to
2 the treatment of drinking water and wastewater are creating
3 financial problems for drinking water and wastewater
4 treatment systems.

5 (4) Many of the drinking water and wastewater treatment
6 systems must manage aging infrastructure and the maintenance
7 and replacement costs are estimated to be in excess of
8 \$18,000,000,000.

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

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

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

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

22 Section 3. Definitions.

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

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

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

30 "Eligible cost." The cost of all labor, materials, necessary

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

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

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

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

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

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

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

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

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

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

7 Section 4. Approval of debt incurrence by electors.

8 The question of incurring indebtedness of ~~\$1,000,000,000~~ <—
9 \$400,000,000 for grants and loans for the cost of all labor, <—
10 materials, necessary operational machinery and equipment, lands,
11 property, rights and easements, plans and specifications,
12 surveys, estimates of costs and revenues, prefeasibility
13 studies, engineering and legal services and all other expenses
14 necessary or incident to the acquisition, construction,
15 improvement, expansion, extension, repair or rehabilitation of
16 all or part of a project shall be submitted to the electors at
17 the next primary, municipal or general election following the
18 effective date of this section.

19 Section 5. Certification.

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

22 Section 6. Form of question.

23 The question under section 4 shall be in substantially the
24 following form:

25 Do you favor the incurring of indebtedness by the
26 Commonwealth of ~~\$1,000,000,000~~ \$400,000,000 for grants <—
27 and loans to municipalities for the cost of all labor,
28 materials, necessary operational machinery and equipment,
29 lands, property, rights and easements, plans and
30 specifications, surveys, estimates of costs and revenues,

1 prefeasibility studies, engineering and legal services
2 and all other expenses necessary or incident to the
3 acquisition, construction, improvement, expansion,
4 extension, repair or rehabilitation of all or part of
5 drinking water system and wastewater treatment system
6 projects?

7 Section 7. Election.

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

11 Section 8. Proceeds.

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

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

21 (c) Borrowing authorized.--Pursuant to section 7(a)(3) of
22 Article VIII of the Constitution of Pennsylvania, the issuing
23 officials are authorized and directed to borrow, on the credit
24 of the Commonwealth, money not exceeding in the aggregate
25 ~~\$1,000,000,000~~ \$400,000,000 in increments of not more than <—
26 ~~\$300,000,000~~ \$150,000,000 every year over a ~~four-year~~ THREE-YEAR <—
27 period after the effective date of this section.

28 (d) Grant limitations.--

29 (1) The aggregate amount of grants awarded under this
30 section shall not exceed ~~\$500,000,000~~ \$200,000,000. <—

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

4 (3) The board shall have no power to award any grant, <—
5 LOAN OR COMBINATION THEREOF that exceeds the following
6 monetary limits:

7 (i) For a sewage treatment system that has an annual
8 average daily flow greater than 100,000,000 gallons per
9 day or a water system that serves a population greater
10 than 300,000 people, ~~\$50,000,000~~ \$20,000,000. <—

11 (ii) For a sewage treatment system that has an
12 annual average daily flow greater than \$50,000,000
13 gallons per day but less than 100,000,000 gallons per day
14 or a water system that serves a population between
15 100,000 and 300,000 people, ~~\$35,000,000~~ \$15,000,000. <—

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

21 (iv) For a sewage treatment system that has an
22 annual average daily flow greater than 10,000,000 gallons
23 per day but less than 20,000,000 gallons per day or a
24 water system that serves a population between 3,301 and
25 10,000 people, ~~\$20,000,000~~ \$5,000,000. <—

26 (v) For a sewage treatment system that has an annual
27 average daily flow greater than 1,000,000 gallons per day
28 but less than 10,000,000 gallons per day or a water
29 system that serves a population between 501 and 3,300
30 people, ~~\$15,000,000~~ \$3,000,000. <—

1 (vi) For a sewage treatment system that has an
2 annual average daily flow less than 1,000,000 gallons per
3 day or a water system that serves a population less than
4 500 people, ~~\$10,000,000~~ \$2,000,000. ←

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

10 ~~(c) Further restrictions on grants and loans. Prior to~~ ←
11 ~~January 1, 2009, the General Assembly may enact priorities for~~
12 ~~the expenditure of funds and the awarding of grants and loans~~
13 ~~under this act.~~

14 (E) RESTRICTIONS.--GRANTS AND LOANS AWARDED UNDER THIS ACT ←
15 SHALL NOT BE SUBJECT TO SECTION 10(E) OF THE ACT OF MARCH 1,
16 1988 (P.L.82, NO.16), KNOWN AS THE PENNSYLVANIA INFRASTRUCTURE
17 INVESTMENT AUTHORITY ACT, OR TO 25 PA. CODE §§ 961.5(E)
18 (RELATING TO WASTEWATER PROJECT EVALUATION CRITERIA) AND 961.9
19 (RELATING TO GRANTS).

20 Section 9. Powers and duties of board.

21 (a) General rule.--By March 31, 2009, the board shall
22 implement and administer the proceeds of the bond under section
23 8 in conformity with the provisions of section 10 of the act of
24 March 1, 1988 (P.L.82, No.16), known as the Pennsylvania
25 Infrastructure Investment Authority Act.

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

28 (1) Develop forms for the applications of grants and
29 loans.

30 ~~(2) Fix priorities for the awarding of grants and loans~~ ←

