

## 98TH GENERAL ASSEMBLY State of Illinois 2013 and 2014 HB4382

by Rep. Elaine Nekritz

## SYNOPSIS AS INTRODUCED:

415 ILCS 5/4 from Ch. 111 1/2, par. 1004 415 ILCS 5/19.2 from Ch. 111 1/2, par. 1019.2 415 ILCS 5/19.3 from Ch. 111 1/2, par. 1019.3

Amends the Environmental Protection Act. Removes a provision requiring rule to include a requirement for a local match of 30% of the total project cost for projects funded through grants. Adds to the definition of "treatment works". Provides that the Water Pollution Control Loan Program shall be used and administered by the Environmental Protection Agency to provide any financial assistance that may be provided under a specified provision of the Federal Water Pollution Control Act for any projects eligible for assistance under that provision. Effective immediately.

LRB098 19526 MGM 54702 b

1 AN ACT concerning safety.

## Be it enacted by the People of the State of Illinois, represented in the General Assembly:

- Section 5. The Environmental Protection Act is amended by changing Sections 4, 19.2 and 19.3 as follows:
- 6 (415 ILCS 5/4) (from Ch. 111 1/2, par. 1004)
- Sec. 4. Environmental Protection Agency; establishment; duties.
- 9 (a) There is established in the Executive Branch of the State Government an agency to be known as the Environmental 10 Protection Agency. This Agency shall be under the supervision 11 and direction of a Director who shall be appointed by the 12 Governor with the advice and consent of the Senate. The term of 13 14 office of the Director shall expire on the third Monday of January in odd numbered years, provided that he or she shall 15 16 hold office until a successor is appointed and has qualified. 17 The Director shall receive an annual salary as set by the Compensation Review Board. The Director, in accord with the 18 19 Personnel Code, shall employ and direct such personnel, and 20 shall provide for such laboratory and other facilities, as may 21 be necessary to carry out the purposes of this Act. In 22 addition, the Director may by agreement secure such services as he or she may deem necessary from any other department, agency, 23

- or unit of the State Government, and may employ and compensate such consultants and technical assistants as may be required.
  - (b) The Agency shall have the duty to collect and disseminate such information, acquire such technical data, and conduct such experiments as may be required to carry out the purposes of this Act, including ascertainment of the quantity and nature of discharges from any contaminant source and data on those sources, and to operate and arrange for the operation of devices for the monitoring of environmental quality.
  - (c) The Agency shall have authority to conduct a program of continuing surveillance and of regular or periodic inspection of actual or potential contaminant or noise sources, of public water supplies, and of refuse disposal sites.
  - (d) In accordance with constitutional limitations, the Agency shall have authority to enter at all reasonable times upon any private or public property for the purpose of:
    - (1) Inspecting and investigating to ascertain possible violations of this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order; or
    - (2) In accordance with the provisions of this Act, taking whatever preventive or corrective action, including but not limited to removal or remedial action, that is necessary or appropriate whenever there is a release or a substantial threat of a release of (A) a hazardous substance or pesticide or (B) petroleum from an underground

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- 1 storage tank.
  - (e) The Agency shall have the duty to investigate violations of this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order; to issue administrative citations as provided in Section 31.1 of this Act; and to take such summary enforcement action as is provided for by Section 34 of this Act.
    - (f) The Agency shall appear before the Board in any hearing upon a petition for variance, the denial of a permit, or the validity or effect of a rule or regulation of the Board, and shall have the authority to appear before the Board in any hearing under the Act.
    - (q) The Agency shall have the duty to administer, in accord with Title X of this Act, such permit and certification systems as may be established by this Act or by regulations adopted thereunder. The Agency may enter into written delegation agreements with any department, agency, or unit of State or local government under which all or portions of this duty may be delegated for public water supply storage and transport systems, sewage collection and transport systems, pollution control sources with uncontrolled emissions of 100 tons per year or less and application of algicides to waters of the State. Such delegation agreements will require that the work to be performed thereunder will be in accordance with Agency criteria, subject to Agency review, and shall include such financial and program auditing by the Agency as may be

1 required.

- The Agency shall have authority to require submission of complete plans and specifications from any applicant for a permit required by this Act or by regulations thereunder, and to require the submission of such reports regarding actual or potential violations of this Act, any rule or regulation adopted under this Act, any permit or term or condition of a permit, or any Board order, as may be necessary for the purposes of this Act.
- 10 (i) The Agency shall have authority to make recommendations
  11 to the Board for the adoption of regulations under Title VII of
  12 the Act.
  - (j) The Agency shall have the duty to represent the State of Illinois in any and all matters pertaining to plans, procedures, or negotiations for interstate compacts or other governmental arrangements relating to environmental protection.
  - (k) The Agency shall have the authority to accept, receive, and administer on behalf of the State any grants, gifts, loans, indirect cost reimbursements, or other funds made available to the State from any source for purposes of this Act or for air or water pollution control, public water supply, solid waste disposal, noise abatement, or other environmental protection activities, surveys, or programs. Any federal funds received by the Agency pursuant to this subsection shall be deposited in a trust fund with the State Treasurer and held and disbursed by

- 1 him in accordance with Treasurer as Custodian of Funds Act,
- 2 provided that such monies shall be used only for the purposes
- 3 for which they are contributed and any balance remaining shall
- be returned to the contributor. 4
- 5 The Agency is authorized to promulgate such regulations and
- 6 enter into such contracts as it may deem necessary for carrying
- 7
- out the provisions of this subsection. 8 (1) The Agency is hereby designated as water pollution 9 agency for the state for all purposes of the Federal Water 10 Pollution Control Act, as amended; as implementing agency for 11 the State for all purposes of the Safe Drinking Water Act,
- 12 Public Law 93-523, as now or hereafter amended, except Section
- 1425 of that Act; as air pollution agency for the state for all 13
- purposes of the Clean Air Act of 1970, Public Law 91-604, 14
- approved December 31, 1970, as amended; and as solid waste 15
- 16 agency for the state for all purposes of the Solid Waste
- 17 Disposal Act, Public Law 89-272, approved October 20, 1965, and
- amended by the Resource Recovery Act of 1970, Public Law 18
- 19 91-512, approved October 26, 1970, as amended, and amended by
- 20 the Resource Conservation and Recovery Act of 1976, (P.L.
- 94-580) approved October 21, 1976, as amended; as noise control 21
- 22 agency for the state for all purposes of the Noise Control Act
- 23 of 1972, Public Law 92-574, approved October 27, 1972, as
- 24 amended; and as implementing agency for the State for all
- 25 of the Comprehensive Environmental
- Compensation, and Liability Act of 1980 (P.L. 96-510), as 26

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

Act of 1986.

amended; and otherwise as pollution control agency for the State pursuant to federal laws integrated with the foregoing laws, for financing purposes or otherwise. The Agency is hereby authorized to take all action necessary or appropriate to secure to the State the benefits of such federal Acts, provided that the Agency shall transmit to the United States without change any standards adopted by the Pollution Control Board pursuant to Section 5(c) of this Act. This subsection (1) of Section 4 shall not be construed to bar or prohibit the Environmental Protection Trust Fund Commission from accepting, receiving, and administering on behalf of the State any grants, gifts, loans or other funds for which the Commission is eligible pursuant to the Environmental Protection Trust Fund Act. The Agency is hereby designated as the State agency for all purposes of administering the requirements of Section 313 of the federal Emergency Planning and Community Right-to-Know

Any municipality, sanitary district, or other political subdivision, or any Agency of the State or interstate Agency, which makes application for loans or grants under such federal Acts shall notify the Agency of such application; the Agency may participate in proceedings under such federal Acts.

(m) The Agency shall have authority, consistent with Section 5(c) and other provisions of this Act, and for purposes of Section 303(e) of the Federal Water Pollution Control Act, as now or hereafter amended, to engage in planning processes

- and activities and to develop plans in cooperation with units of local government, state agencies and officers, and other appropriate persons in connection with the jurisdiction or duties of each such unit, agency, officer or person. Public hearings shall be held on the planning process, at which any person shall be permitted to appear and be heard, pursuant to procedural regulations promulgated by the Agency.
  - (n) In accordance with the powers conferred upon the Agency by Sections 10(g), 13(b), 19, 22(d) and 25 of this Act, the Agency shall have authority to establish and enforce minimum standards for the operation of laboratories relating to analyses and laboratory tests for air pollution, water pollution, noise emissions, contaminant discharges onto land and sanitary, chemical, and mineral quality of water distributed by a public water supply. The Agency may enter into formal working agreements with other departments or agencies of state government under which all or portions of this authority may be delegated to the cooperating department or agency.
  - (o) The Agency shall have the authority to issue certificates of competency to persons and laboratories meeting the minimum standards established by the Agency in accordance with Section 4(n) of this Act and to promulgate and enforce regulations relevant to the issuance and use of such certificates. The Agency may enter into formal working agreements with other departments or agencies of state government under which all or portions of this authority may be

delegated to the cooperating department or agency.

- (p) Except as provided in Section 17.7, the Agency shall have the duty to analyze samples as required from each public water supply to determine compliance with the contaminant levels specified by the Pollution Control Board. The maximum number of samples which the Agency shall be required to analyze for microbiological quality shall be 6 per month, but the Agency may, at its option, analyze a larger number each month for any supply. Results of sample analyses for additional required bacteriological testing, turbidity, residual chlorine and radionuclides are to be provided to the Agency in accordance with Section 19. Owners of water supplies may enter into agreements with the Agency to provide for reduced Agency participation in sample analyses.
- (q) The Agency shall have the authority to provide notice to any person who may be liable pursuant to Section 22.2(f) of this Act for a release or a substantial threat of a release of a hazardous substance or pesticide. Such notice shall include the identified response action and an opportunity for such person to perform the response action.
- (r) The Agency may enter into written delegation agreements with any unit of local government under which it may delegate all or portions of its inspecting, investigating and enforcement functions. Such delegation agreements shall require that work performed thereunder be in accordance with Agency criteria and subject to Agency review. Notwithstanding

any other provision of law to the contrary, no unit of local government shall be liable for any injury resulting from the exercise of its authority pursuant to such a delegation agreement unless the injury is proximately caused by the willful and wanton negligence of an agent or employee of the unit of local government, and any policy of insurance coverage issued to a unit of local government may provide for the denial of liability and the nonpayment of claims based upon injuries for which the unit of local government is not liable pursuant to this subsection (r).

- (s) The Agency shall have authority to take whatever preventive or corrective action is necessary or appropriate, including but not limited to expenditure of monies appropriated from the Build Illinois Bond Fund and the Build Illinois Purposes Fund for removal or remedial action, whenever any hazardous substance or pesticide is released or there is a substantial threat of such a release into the environment. The State, the Director, and any State employee shall be indemnified for any damages or injury arising out of or resulting from any action taken under this subsection. The Director of the Agency is authorized to enter into such contracts and agreements as are necessary to carry out the Agency's duties under this subsection.
- (t) The Agency shall have authority to distribute grants, subject to appropriation by the General Assembly, to units of local government for financing and construction of wastewater

- 1 facilities in both incorporated and unincorporated areas. With
- 2 respect to all monies appropriated from the Build Illinois Bond
- 3 Fund and the Build Illinois Purposes Fund for wastewater
- 4 facility grants, the Agency shall make distributions in
- 5 conformity with the rules and regulations established pursuant
- to the Anti-Pollution Bond Act, as now or hereafter amended.
- 7 (u) Pursuant to the Illinois Administrative Procedure Act,
- 8 the Agency shall have the authority to adopt such rules as are
- 9 necessary or appropriate for the Agency to implement Section
- 10 31.1 of this Act.
- 11 (v) (Blank.)
- 12 (w) Neither the State, nor the Director, nor the Board, nor
- any State employee shall be liable for any damages or injury
- 14 arising out of or resulting from any action taken under
- 15 subsection (s).

- 16 (x)(1) The Agency shall have authority to distribute
- 17 grants, subject to appropriation by the General Assembly,
- 18 to units of local government for financing and construction
- of public water supply facilities. With respect to all
- 20 monies appropriated from the Build Illinois Bond Fund or
- 21 the Build Illinois Purposes Fund for public water supply
- 22 grants, such grants shall be made in accordance with rules
- 23 promulgated by the Agency. Such rules shall include a
- 24 requirement for a local match of 30% of the total project
- 25 cost for projects funded through such grants.
  - (2) The Agency shall not terminate a grant to a unit of

2

3

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

26

local government for the financing and construction of public water supply facilities unless and until the Agency adopts rules that set forth precise and complete standards, pursuant to Section 5-20 of the Illinois Administrative Procedure Act, for the termination of such grants. The Agency shall not make determinations on whether specific grant conditions are necessary to ensure the integrity of a project or on whether subagreements shall be awarded, with respect to grants for the financing and construction of public water supply facilities, unless and until the Agency adopts rules that set forth precise and complete standards, pursuant to Section 5-20 of the Illinois Administrative Procedure Act, for making such determinations. The Agency shall not issue a stop-work order in relation to such grants unless and until the Agency adopts precise and complete standards, pursuant to Section 5-20 of Illinois Administrative Procedure Act, for determining whether to issue a stop-work order.

- (y) The Agency shall have authority to release any person from further responsibility for preventive or corrective action under this Act following successful completion of preventive or corrective action undertaken by such person upon written request by the person.
- (z) To the extent permitted by any applicable federal law or regulation, for all work performed for State construction projects which are funded in whole or in part by a capital

- 1 infrastructure bill enacted by the 96th General Assembly by
- 2 sums appropriated to the Environmental Protection Agency, at
- 3 least 50% of the total labor hours must be performed by actual
- 4 residents of the State of Illinois. For purposes of this
- 5 subsection, "actual residents of the State of Illinois" means
- 6 persons domiciled in the State of Illinois. The Department of
- 7 Labor shall promulgate rules providing for the enforcement of
- 8 this subsection.
- 9 (aa) The Agency may adopt rules requiring the electronic
- 10 submission of any information required to be submitted to the
- 11 Agency pursuant to any State or federal law or regulation or
- 12 any court or Board order. Any rules adopted under this
- 13 subsection (aa) must include, but are not limited to,
- 14 identification of the information to be submitted
- 15 electronically.
- 16 (Source: P.A. 98-72, eff. 7-15-13.)
- 17 (415 ILCS 5/19.2) (from Ch. 111 1/2, par. 1019.2)
- 18 Sec. 19.2. As used in this Title, unless the context
- 19 clearly requires otherwise:
- 20 (a) "Agency" means the Illinois Environmental Protection
- 21 Agency.
- 22 (b) "Fund" means the Water Revolving Fund created pursuant
- 23 to this Title, consisting of the Water Pollution Control Loan
- 24 Program, the Public Water Supply Loan Program, and the Loan
- 25 Support Program.

2

3

4

5

6

7

8

9

10

11

12

13

14

15

16

17

18

19

20

21

22

23

24

25

- (c) "Loan" means a loan made from the Water Pollution Control Loan Program or the Public Water Supply Loan Program to an eligible applicant as a result of a contractual agreement between the Agency and such applicant.
  - (d) "Construction" means any one or more of the following which is undertaken for a public purpose: preliminary planning to determine the feasibility of the treatment works or public water supply, engineering, architectural, legal, fiscal or economic investigations or studies, surveys, designs, plans, working drawings, specifications, procedures or necessary actions, erection, building, acquisition, alteration, remodeling, improvement or extension of treatment public water supplies, or the works or inspection supervision of any of the foregoing items. "Construction" also includes implementation of source water quality protection measures and establishment and implementation of wellhead protection programs in accordance with Section 1452(k)(1) of the federal Safe Drinking Water Act.
    - (e) "Intended use plan" means a plan which includes a description of the short and long term goals and objectives of the Water Pollution Control Loan Program and the Public Water Supply Loan Program, project categories, discharge requirements, terms of financial assistance and the loan applicants to be served.
- (f) "Treatment works" means any devices and systems owned by a local government unit and used in the storage, treatment,

recycling, and reclamation of severage of industrial wastes of
a liquid nature, including intercepting sewers, outfall
sewers, sewage collection systems, pumping power and other
equipment, and appurtenances; extensions, improvements,
remodeling, additions, and alterations thereof; elements
essential to provide a reliable recycled supply, such as
standby treatment units and clear well facilities; and any
works, including site acquisition of the land that will be an
integral part of the treatment process for wastewater
facilities. In addition, "treatment works" means any other
methods or systems that qualify as treatment works under
Section 212 of the Federal Water Pollution Control Act.

- (g) "Local government unit" means a county, municipality, township, municipal or county sewerage or utility authority, sanitary district, public water district, improvement authority or any other political subdivision whose primary purpose is to construct, operate and maintain wastewater treatment facilities or public water supply facilities or both.
  - (h) "Privately owned community water supply" means:
    - (1) an investor-owned water utility, if under Illinois Commerce Commission regulation and operating as a separate and distinct water utility;
    - (2) a not-for-profit water corporation, if operating specifically as a water utility; and
    - (3) a mutually owned or cooperatively owned community water system, if operating as a separate water utility.

15

16

17

18

19

20

21

22

23

24

- 1 (Source: P.A. 91-36, eff. 6-15-99; 91-52, eff. 6-30-99; 91-501,
- 2 eff. 8-13-99; 92-16, eff. 6-28-01.)
- 3 (415 ILCS 5/19.3) (from Ch. 111 1/2, par. 1019.3)
- 4 Sec. 19.3. Water Revolving Fund.
- 5 (a) There is hereby created within the State Treasury a
  6 Water Revolving Fund, consisting of 3 interest-bearing special
  7 programs to be known as the Water Pollution Control Loan
  8 Program, the Public Water Supply Loan Program, and the Loan
  9 Support Program, which shall be used and administered by the
  10 Agency.
- 11 (b) The Water Pollution Control Loan Program shall be used 12 and administered by the Agency to provide assistance for the 13 following purposes:
  - (1) to accept and retain funds from grant awards, appropriations, transfers, and payments of interest and principal;
    - (2) to make direct loans at or below market interest rates and to provide additional subsidization, including, but not limited to, forgiveness of principal, negative interest rates, and grants, to any eligible local government unit to finance the construction of wastewater treatments works and projects that fulfill federal State Revolving Fund grant requirements for a green project reserve;
      - (2.5) with respect to funds provided under the American

Recovery and Reinvestment Act of 2009:

- (A) to make direct loans at or below market interest rates to any eligible local government unit and to provide additional subsidization to any eligible local government unit, including, but not limited to, forgiveness of principal, negative interest rates, and grants;
- (B) to make direct loans at or below market interest rates to any eligible local government unit to buy or refinance debt obligations for treatment works incurred on or after October 1, 2008; and
- (C) to provide additional subsidization, including, but not limited to, forgiveness of principal, negative interest rates, and grants for treatment works incurred on or after October 1, 2008;
- (3) to make direct loans at or below market interest rates and to provide additional subsidization, including, but not limited to, forgiveness of principal, negative interest rates, and grants, to any eligible local government unit to buy or refinance debt obligations for costs incurred after March 7, 1985, for the construction of wastewater treatment works, and projects that fulfill federal State Revolving Fund grant requirements for a green project reserve;
- (3.5) to make direct loans at or below market interest rates for the implementation of a management program

1	established	under	Section	319	of	the	Federal	Water
2	Pollution Control Act, as amended;							

- (4) to guarantee or purchase insurance for local obligations where such action would improve credit market access or reduce interest rates;
- (5) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State or any political subdivision or instrumentality thereof, if the proceeds of such bonds will be deposited in the Fund;
- (6) to finance the reasonable costs incurred by the Agency in the administration of the Fund; and
- (7) to transfer funds to the Public Water Supply Loan Program; and  $\div$
- (8) notwithstanding any other provision of this subsection (b), to provide any financial assistance that may be provided under Section 603 of the Federal Water Pollution Control Act for any projects eligible for assistance under that Section.
- (c) The Loan Support Program shall be used and administered by the Agency for the following purposes:
- (1) to accept and retain funds from grant awards and appropriations;
  - (2) to finance the reasonable costs incurred by the Agency in the administration of the Fund, including activities under Title III of this Act, including the

- administration of the State construction grant program;
- 2 (3) to transfer funds to the Water Pollution Control
  3 Loan Program and the Public Water Supply Loan Program;
  - (4) to accept and retain a portion of the loan repayments;
  - (5) to finance the development of the low interest loan programs for water pollution control and public water supply projects;
  - (6) to finance the reasonable costs incurred by the Agency to provide technical assistance for public water supplies; and
  - (7) to finance the reasonable costs incurred by the Agency for public water system supervision programs, to administer or provide for technical assistance through source water protection programs, to develop and implement a capacity development strategy, to delineate and assess source water protection areas, and for an operator certification program in accordance with Section 1452 of the federal Safe Drinking Water Act.
  - (d) The Public Water Supply Loan Program shall be used and administered by the Agency to provide assistance to local government units and privately owned community water supplies for public water supplies for the following public purposes:
    - (1) to accept and retain funds from grant awards, appropriations, transfers, and payments of interest and principal;

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

- (2.5) with respect to funds provided under the American Recovery and Reinvestment Act of 2009:
  - (A) to make direct loans at or below market interest rates to any eligible local government unit or to any eligible privately owned community water supply, and to provide additional subsidization to any eligible local government unit or to any eligible privately owned community water supply, including, but not limited to, forgiveness of principal, negative interest rates, and grants;
  - (B) to buy or refinance the debt obligation of a local government unit for costs incurred on or after October 1, 2008; and
  - (C) to provide additional subsidization, including, but not limited to, forgiveness of principal, negative interest rates, and grants for a local government unit for costs incurred on or after October 1, 2008;

- (3) to make direct loans at or below market interest rates and to provide additional subsidization, including, but not limited to, forgiveness of principal, negative interest rates, and grants, to any eligible local government unit or to any eligible privately owned community water supply to buy or refinance debt obligations for costs incurred on or after July 17, 1997, for the construction of water supplies and projects that fulfill federal State Revolving Fund requirements for a green project reserve;
- (4) to guarantee local obligations where such action would improve credit market access or reduce interest rates;
- (5) as a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the State or any political subdivision or instrumentality thereof, if the proceeds of such bonds will be deposited into the Fund; and
- (6) to transfer funds to the Water Pollution Control Loan Program.
- (e) The Agency is designated as the administering agency of the Fund. The Agency shall submit to the Regional Administrator of the United States Environmental Protection Agency an intended use plan which outlines the proposed use of funds available to the State. The Agency shall take all actions necessary to secure to the State the benefits of the federal

- Water Pollution Control Act and the federal Safe Drinking Water
  Act, as now or hereafter amended.
- 3 (f) The Agency shall have the power to enter intergovernmental agreements with the federal government or 4 5 the State, or any instrumentality thereof, for purposes of capitalizing the Water Revolving Fund. Moneys on deposit in the 6 7 Water Revolving Fund may be used for the creation of reserve 8 funds or pledged funds that secure the obligations of repayment 9 of loans made pursuant to this Section. For the purpose of 10 obtaining capital for deposit into the Water Revolving Fund, 11 the Agency may also enter into agreements with financial 12 institutions and other persons for the purpose of selling loans 13 and developing a secondary market for such loans. The Agency 14 shall have the power to create and establish such reserve funds 15 and accounts as may be necessary or desirable to accomplish its 16 purposes under this subsection and to allocate its available 17 moneys into such funds and accounts. Investment earnings on moneys held in the Water Revolving Fund, including any reserve 18 19 fund or pledged fund, shall be deposited into the Water 20 Revolving Fund.
- 21 (Source: P.A. 96-8, eff. 4-28-09; 96-917, eff. 6-9-10.)
- 22 Section 99. Effective date. This Act takes effect upon 23 becoming law.