

**73-10c-4.2 Drinking water projects -- Loan criteria and requirements -- Process for approval.**

- (1) The Drinking Water Board shall review the plans and specifications for a drinking water project before approval of any loan and may condition approval on the availability of loan funds and on the assurances that the Drinking Water Board considers necessary to ensure that loan funds are used to pay the drinking water project costs and that the drinking water project is completed.
- (2)
  - (a) Each loan shall specify the terms for repayment, with the term, interest rate or rates, including a variable rate, and security as determined by the Drinking Water Board.
  - (b) The loan may be evidenced by general obligation or revenue bonds or other obligations of the political subdivision.
  - (c) Loan payments made by a political subdivision shall be deposited in the Drinking Water Security Subaccount as described in Section 73-10c-5.
  - (d) The loans are subject to the provisions of Title 63B, Chapter 1b, State Financing Consolidation Act.
- (3) In determining the priority for a drinking water project loan, the Drinking Water Board shall consider:
  - (a) the ability of the political subdivision to obtain money for the drinking water project from other sources or to finance such project from its own resources;
  - (b) the ability of the political subdivision to repay the loan;
  - (c) whether or not a good faith effort to secure all or part of the services needed from the private sector of the economy has been made; and
  - (d) whether or not the drinking water project:
    - (i) meets a critical local or state need;
    - (ii) is cost effective;
    - (iii) will protect against present or potential health hazards;
    - (iv) is needed to comply with minimum standards of the federal Safe Drinking Water Act, or any similar or successor statute;
    - (v) is needed to comply with the minimum standards of Title 19, Chapter 4, Safe Drinking Water Act, or any similar or successor statute; and
    - (vi) meets any other consideration considered necessary by the Drinking Water Board.
- (4) In determining the cost effectiveness of a drinking water project the Drinking Water Board shall:
  - (a) require the preparation of a cost-effective analysis of feasible drinking water projects;
  - (b) consider monetary costs, including the present worth or equivalent annual value of all capital costs and operation, maintenance, and replacement cost; and
  - (c) ensure that the alternative selected is the most economical means of meeting applicable water quality or public health requirements over the useful life of the facility while recognizing environmental and other nonmonetary considerations.
- (5) A loan may not be made for a drinking water project that is not in the public interest as determined by the Drinking Water Board.

Amended by Chapter 382, 2008 General Session