

73-10d-6 Contents of agreements and reports required where bonds are issued that mature more than 10 years after project begins operation.

- (1) If a municipality or county issues bonds to finance the cost of a privatization project and the bonds mature more than 10 years after the privatization project begins operation, the political subdivision contracting with a private owner/operator for the services of the privatization project shall assure that the minimum level of services under contract, payment for the services, and the supply of drinking water, water, or wastewater required in connection with the provision of those services will be sufficient to generate enough income, after payment of operating expenses, to fund reserves for repair and replacement, and to discharge any other obligation of the political subdivision to the private owner/operator under any agreement, and together with all other sources of revenue pledged for payment of the bonds, to pay all principal and interest on the bonds during the term of the bonded indebtedness. The assurance may take the form of:
 - (a) long-term agreements, at least equal to the period of the bonded indebtedness, with other political subdivisions or other persons; or
 - (b) ordinances, franchises, or other forms of regulation requiring sufficient quantities of drinking water, water, or wastewater.
- (2) The supervising agency shall establish rules for periodic reporting by any political subdivision that establishes ordinances, franchises, or other forms of regulation under Subsection (1) and Subsection 73-10d-4(3). The reports shall include information about the services being provided by the privatization project and whether the charges made for those services together with all other sources of revenue pledged for the payment of principal and interest on the bonds, are sufficient to meet the debt service on the bonds.

Amended by Chapter 245, 1985 General Session