

TITLE 39  
HEALTH AND SAFETY

CHAPTER 76  
PUBLIC DRINKING WATER SYSTEM LOANS

39-7601. AUTHORIZATION OF LOANS. The director is hereby authorized to make loans at or below market interest rates, as funds are available, to any eligible public water system to assist the public water system or which will facilitate their compliance with national primary drinking water regulations applicable to the system or to otherwise significantly further the health protection objectives of this chapter.

[39-7601, added 1997, ch. 26, sec. 2, p. 40.]

39-7602. DISBURSEMENTS BY THE DIRECTOR OF LOANS TO PUBLIC WATER SYSTEMS -- LIMITATIONS ON LOANS -- RULES -- APPROVAL OF THE ATTORNEY GENERAL -- AUDIT OF DISBURSEMENTS. (1) There is hereby created the drinking water loan fund. The department of environmental quality shall use moneys from this fund only for providing loans, or as a source of reserve and security for leveraged loans, the proceeds of which are deposited in the drinking water loan fund, or for other financial assistance authorized in this chapter or by federal law to community water systems and nonprofit noncommunity water systems. Financial assistance under this section may be used by a public water system only for project expenditures, not including monitoring, operation and maintenance expenditures, which will facilitate compliance with national primary drinking water standards applicable to the system or which will significantly further the health protection objectives of this chapter. The funds may also be used for public water systems using constructed conveyances and not piped water systems if they meet the requirements of the safe drinking water act amendments of 1996 and the director determines that the water provided for residential or similar uses for cooking, drinking and bathing is centrally treated or treated at the point of entry to achieve the equivalent level of protection provided by the applicable national primary drinking water regulations. The funds shall not be used for the acquisition of real property or an interest in real property unless the acquisition is integral to the project authorized by this section and the purchase is from a willing seller.

(2) (a) Except as provided in subsection (2)(b) of this section, no loan assistance shall be provided to a public water system that:

(i) Does not have the technical, managerial and financial capability to ensure compliance with the requirements of this chapter; or

(ii) Is in significant noncompliance with any requirement of a national primary drinking water regulation or variance.

(b) A public water system referenced in subsection (2)(a) of this section may receive assistance under this section if:

(i) The assistance will ensure compliance, and

(ii) If subsection (2)(a)(i) of this section applies to the system, the owner or operator of the system agrees to undertake feasible and appropriate changes in operations, including ownership, management, accounting, rates, maintenance, consolidation, alternative water supply or other procedures, and then only if the director determines that the measures are necessary to ensure that

the system has the technical, managerial and financial capability to comply with the requirements of this chapter and the safe drinking water act amendments of 1996.

(3) Except as otherwise prohibited by state law, the amounts deposited into the drinking water loan fund under this chapter may be used only for the following:

(a) To make loans on the conditions that:

(i) The interest rate for each loan is less than or equal to the market interest rate,

(ii) Principal and interest payments on each loan will commence not later than one (1) year after completion of the project for which the loan was made and each loan will be fully amortized not later than twenty (20) years after completion of the project, except that in the case of a disadvantaged community, an extended term for a loan may be allowed if it terminates not later than thirty (30) years after the date the project is completed, and does not exceed the design life of the project,

(iii) The recipient of each loan will establish a dedicated source of revenue, or, in the case of a privately owned system, demonstrate that there is adequate security, for the repayment of the loan, and

(iv) The drinking water loan fund will be credited with all payment of principal and interest on each loan;

(b) To buy or refinance the debt obligation of a municipality or an intermunicipal or interstate agency within the state at an interest rate that is less than or equal to the market interest rate in any case in which a debt obligation is incurred after July 1, 1993;

(c) As a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state if the proceeds of the sale of the bonds will be deposited into the drinking water loan fund; and

(d) To earn interest on the amounts deposited into the drinking water loan fund.

(4) For every agreement between the state and the federal government by which funds are made available, the state shall deposit in the drinking water loan fund an amount equal to at least twenty percent (20%) of the total amount of the grant to be made to the state on or before the dates on which grant payments are made to the state.

(5) The director may promulgate rules necessary for the making and enforcing of loan contracts hereunder and for establishing procedures to be followed in applying for state loans or loan subsidies or training assistance herein authorized as shall be necessary for the effective administration of the loan program.

(6) All contracts entered into pursuant to this chapter shall be subject to approval by the attorney general as to form. All disbursements by the state pursuant to such contracts shall be made after audit and upon warrant as provided by law on vouchers approved by the director.

[39-7602, added 1997, ch. 26, sec. 2, p. 40; am. 2001, ch. 103, sec. 71, p. 311.]

39-7603. INVESTMENT OF FUNDS IN DRINKING WATER LOAN ACCOUNT. Surplus moneys in the drinking water loan account established by section [39-7602](#), Idaho Code, shall be invested by the state treasurer in the manner for idle

state moneys in the state treasury as provided for in section [67-1210](#), Idaho Code. Interest received on all such investments shall be paid into the account. The account shall have paid into it: federal funds which are received by the state to provide for drinking water loans to public water systems together with the required state matching funds; all principal and interest repayments of loans made pursuant to this chapter; all donations and grants from any source which may be used for the provisions of this chapter; fund transfers from the wastewater facility loan account; and any moneys which may hereafter be provided by law.

[39-7603, added 1997, ch. 26, sec. 2, p. 42; am. 2014, ch. 59, sec. 3, p. 142.]

39-7604. APPROPRIATIONS FOR THE DRINKING WATER LOAN ACCOUNT -- PURPOSE OF CHAPTER. Moneys in the drinking water loan account are hereby perpetually appropriated to provide loans and other forms of financial assistance authorized under title XVI of the public health service act known as the safe drinking water act and the safe drinking water act amendments of 1996, 42 U.S.C. 300f et seq., to any eligible public water system in order to enable the system to comply with the above referenced act and relevant regulations.

[39-7604, added 1997, ch. 26, sec. 2, p. 43.]

39-7605. LIMITS ON THE AMOUNTS AND LOANS. The director may make loans to eligible public water systems pursuant to the requirements of this chapter and federal laws and regulations provided, that the projected disbursements for such loans would not cause the projected balance in the loan fund to fall below zero at any time. All loan disbursements shall be subject to the availability of moneys in the account.

[39-7605, added 1997, ch. 26, sec. 2, p. 43.]

39-7606. PUBLIC WATER SYSTEM SUPERVISION FUND. (1) There is hereby created in the state treasury the public water system supervision fund. Moneys in the fund shall consist of fees assessed pursuant to rules of the department on regulated public drinking water systems, federal funds which are received by the state to provide for the public water system supervision program, donations, state appropriations and any other moneys from whatever source.

(2) Idle or surplus moneys in the public water system supervision fund established by this section shall be invested by the state treasurer in the manner for idle state moneys in the state treasury as provided for in section [67-1210](#), Idaho Code. Interest received on all such investments shall be paid into the fund. Moneys in the fund may be expended pursuant to appropriation.

[39-7606, added 2000, ch. 165, sec. 1, p. 416.]