Certification Page
Regular and Emergency Rules

1. General Information

a. Agency/Board Name *See attached list for references*
State Loan and Investment Board

b. Agency/Board Address	c. Agency/Board City	d. Agency/Board Zip Code
Office of State Lands and Investmetns	Cheyenne	82002

e. Name of Contact Person	f. Contact Telephone Number
Lorraine Fresquez	307-777-6629

g. Contact Email Address	h. Adoption Date:
lorraine.fresquez@wyo.gov	April 12, 2012

i. Program(s) *See attached list for references*
LOAN AND INVESTMENT BOARD

2. Rule Type and Information

a. These rules are: ☐ Emergency Rules *(After completing all of Section 2, proceed to Section 5 below)* ☒ Regular Rules

b. Choose all that apply: ☐ New Rules* ☒ Amended Rules ☐ Repealed Rules

** "New" rules means the first set of regular rules to be promulgated by the Agency after the Legislature adopted a new statutory provision or significantly amended an existing statute.*

If "New," provide the Enrolled Act number and year enacted:

c. Provide the Chapter Number, and Short Title of Each Chapter being Created/Amended/Repealed *(if more than 5 chapters are being created/amended/repealed, please use the Additional Rule Information form and attach it to this certification)*

Chapter Number:	Short Title:
Chapter 11	State Clean Water State Revolving Fund Loans
Chapter 16	State Drinking Water Revolving Account

d. ☒ The Statement of Reasons is attached to this certification.

e. If applicable, describe the emergency which requires promulgation of these rules without providing notice or an opportunity for a public hearing:

3. State Government Notice of Intended Rulemaking

a. Date on which the Notice of Intent containing all of the information required by W.S. 16-3-103(a) was filed with the Secretary of State: 12/29/2011

b. Date on which the Notice of Intent and proposed rules in strike and underscore format were provided to the Legislative Service Office: 12/29/2011

c. Date on which the Notice of Intent and proposed rules in strike and underscore format were provided to the Attorney General: 12/29/2011

4. Public Notice of Intended Rulemaking

a. Notice was mailed 45 days in advance to all persons who made a timely request for advance notice. ☐ Yes ☐ No ☐ N/A

b. A public hearing was held on the proposed rules. ☐ Yes ☒ No

If "Yes:"	Date:	Time:	City:	Location:

5. Final Filing of Rules

a. Date on which the Certification Page with original signatures and final rules were sent to the Attorney General's Office for the Governor's signature: 04/17/2012

b. Date on which final rules were sent to the Legislative Service Office: 04/17/2012

c. Date on which a PDF of the final rules was electronically sent to the Secretary of State: 04/17/2012

6. Agency/Board Certification

The undersigned certifies that the foregoing information is correct.

Signature of Authorized Individual	
Printed Name of Signatory	Ryan M. Lance
Signatory Title	Director
Date of Signature	04/17/2012

7. Governor's Certification

I have reviewed these rules and determined that they:

1. Are within the scope of the statutory authority delegated to the adopting agency;
2. Appear to be within the scope of the legislative purpose of the statutory authority; and, if emergency rules,
3. Are necessary and that I concur in the finding that they are an emergency.

Therefore, I approve the same.

Governor's Signature	
Date of Signature	

Distribution List:

Attorney General

1. Statement of Reasons;
2. Original Certification Page;
3. Summary of Comments (regular rules);
4. Hard copy of rules: clean and strike/underscore; and
5. Memo to Governor documenting emergency (emergency rules).

LSO

1. Statement of Reasons;
2. Copy of Certification Page;
3. Summary of Comments (regular rules);
4. Hard copy of rules: clean and strike/underscore;
5. Electronic copy of rules: clean and strike/underscore; and
6. Memo to Governor documenting emergency (emergency rules).

SOS

1. PDF of clean copy of rules; and
2. Hard copy of Certification Page as delivered by the AG.

DRAFT RULES AND REGULATIONS
STATE LOAN AND INVESTMENT BOARD

Chapter 11

Clean Water State Revolving Fund Loans

Section 1. Authority.

This Chapter is adopted pursuant to W.S. 16-1-203(a).

Section 2. Definitions.

As used in this Chapter:

(a) "Account" means the State Water Pollution Control Revolving Loan Account created by W.S. 16-1-202.

(b) "Board" means the State Loan and Investment Board.

(c) "County" means a political subdivision of the State of Wyoming pursuant to W.S. 18-1-101(a)-(y).

(d) "DEQ" means the Wyoming Department of Environmental Quality.

(e) "Director" means the Director of the Office of State Lands and Investments.

(f) "Initiating Operations" means the earliest point in time when a capital infrastructure project is ready for use even if only for system testing purposes.

(g) "Intended Use Plan (IUP)" means the annual plan that priority ranks eligible Wyoming projects for funding consideration by the Board that meet 1987 Clean Water Act amendments and the requirements of W.S. 16-1-203(c)(i).

(h) "Joint Powers Board(s)" means legally organized Wyoming entities authorized to engage in joint or cooperative action by the Wyoming Joint Powers Act pursuant to W.S. 16-1-101 et.seq.

(i) "Municipalities" means incorporated towns and cities in Wyoming.

(j) "Nonpoint Source" means any source of pollution other than a point source as defined by W.S. 35-11-103(a)(x) and includes leaking underground and aboveground storage tanks.

(k) "OSLI" means the Office of State Lands and Investments which provides

administrative and operational management of the State Loan and Investment Board's programs.

(l) "Special District" means any legally formed special district in Wyoming that is eligible for program funding.

(m) "Special Program Incentives" include, but are not limited to, grants, principal forgiveness and negative interest rates authorized by state or federal legislation and as adopted by the Board.

(n) "Special Program Requirements" include, but are not limited to, restrictions on the types of project materials that may be used, required funding reserves and minimum wage requirements as set forth in state or federal legislation and as adopted by the Board.

(o) "State Environmental Review Process (SERP)" means the review conducted by DEQ, pursuant to W.S. 16-1-204(a), of potential environmental impacts of projects receiving assistance from the Account.

(p) "Substantial Completion" means that stage in a project when the capital infrastructure constructed is capable of initiating operations or can be used for its intended purpose.

(q) "Title VI" means Title VI of the Federal Water Pollution Control Act, 33 U.S.C. §§ 1381 to 1387 (Cum Supp. 1989).

(r) "USEPA" means the United States Environmental Protection Agency.

Section 3. General Policy.

(a) The Board shall approve loans and Special Program incentives under the provisions of this Chapter in such a manner and to such applicants as shall, in the judgment of the Board, inure to the greatest benefit of the citizens of the State of Wyoming and represent a prudent use of loan funds.

Section 4. Special Program Incentives and Special Program Requirements.

(a) Notice. OSLI and DEQ will assess, at least annually, the impacts of state and federal legislation on the Clean Water State Revolving Fund loan program administered under this Chapter. OSLI will provide timely notice to eligible applicants of changes in Special Program incentives and Special Program requirements. Said notice will be not less than thirty (30) calendar days prior to any application deadline. Methods of notice include, but are not limited to, electronic, telephonic, written, website postings, video conferences or combinations of the same.

Section 5. Loan and Special Program Incentives Eligibility.

(a) Applicants. Municipalities, counties, state agencies, special districts, and joint powers boards in Wyoming shall be eligible applicants for loans under this Chapter. This includes eligibility for Special Program incentives when available.

(i) Applicants whose annual median household income (AMHI) is less than seventy percent (70%) of Wyoming's AMHI are eligible for Special Program incentives of up to seventy-five percent (75%) of their loan amount.

(ii) Applicants whose AMHI is seventy percent (70%) or greater, but less than ninety percent (90%) of Wyoming's AMHI, are eligible for Special Program incentives of up to fifty percent (50%) of their loan amount.

(iii) Applicants whose AMHI is over ninety percent (90%) of Wyoming's AMHI are eligible for Special Program incentives of up to twenty-five percent (25%) of their loan amount.

(b) Annual median household income data is based on information obtained from the most recent American Community Survey of the U.S. Census Bureau. Median household income data for special districts must be established by an income survey at district expense or other financial data acceptable to OSLI and the Board. If the applicant is a special district or a joint powers board, it must be legally formed and approved prior to submitting its loan application. Applicants must be in compliance with all applicable reporting requirements of both the Wyoming Department of Revenue and the Wyoming Department of Audit prior to its application being considered by the Board. For consideration at the October Board meeting, applicants must file their current financial reports by September 10th with the Department of Audit and notify the OSLI in writing that the filing was done.

(c) Purposes. Loans and Special Program incentives may be awarded by the Board pursuant to W.S. 16-1-205(a) for either construction of wastewater treatment works as allowed by Title VI or to implement nonpoint source pollution control management programs as allowed by Title VI. The Board may also award loans and Special Program incentives consistent with changes in state or federal law.

(d) Project Eligibility. Only projects on the current Clean Water State Revolving Fund Intended Use Plan are eligible for loans and Special Program incentives under this Chapter. Eligible applicants are responsible for ensuring that their project(s) are listed on the current Clean Water State Revolving Fund Intended Use Plan.

(e) Ineligible Project Costs. The following project costs shall be ineligible for reimbursement:

(i) Costs for any asset that is owned by a private property owner;

(ii) Costs for tap fees, sewer and water fees, and plant investment fees;

(iii) Engineering fees, including design, inspection and contract administration costs, over twenty percent (20%) of Board approved project costs;

(iv) All non-cash costs except land which is integral to the treatment process and if allowable under federal law but not costs for land in excess of current fair market value and/or costs for an amount of land in excess of that needed for project purposes;

(v) Costs for preparation or presentation of grant or loan applications for any source of funding;

(vi) Costs for transportation, meals and lodging incurred anywhere away from the site of the project;

(vii) Costs of tools, supplies and furnishings for capital projects not included in DEQ approved construction contract documents, including but not limited to, capital equipment, hammers, tools, furniture, drapes, blinds, file cabinets, file folders, and survey stakes;

(viii) Legal fees, except as pre-approved by DEQ and OSLI;

(viv) Costs related to the issuance of bonds;

(x) Costs of elections;

(xi) Costs to establish and form special districts or joint powers boards;

(xii) Costs incurred prior to loan award, except costs incurred for architectural and engineering design, surveying, state environmental review process (SERP) requirements or in emergency circumstances.

(xiii) Costs for change orders not approved by DEQ and OSLI;

(xiv) Lump sum contracts unless approved by DEQ and OSLI;

(xv) Costs for meals and incidental expenses in excess of federal per diem rates;

(xvi) Costs in excess of $50.00, unless approved by DEQ and OSLI, based on an invoice(s) or additional documentation submitted by applicant.

Section 6. Application Procedure.

(a) Applications. There are two (2) types of applications under this Chapter, Special Program and Core.

(b) Special Program loan applications are a pared down version of a Core loan application and these applications are the initial application for a Clean Water State Revolving Fund Loan involving Special Program incentives and/or requirements only. Separate Special Program loan applications shall be prepared for each eligible project involving Special Program incentives and/or requirements. Applicants shall submit a Special Program loan application Part I on a form provided by the Director. Special Program loan applications must be timely submitted by applicants in advance of scheduled meetings of the Board. A Special Program loan application must be received by OSLI by close of business on the day of an application deadline to be considered timely submitted. Special Program loan applicants who are conditionally approved for project funding by the Board must complete Special Program loan application Part II within sixty (60) days of the Board's conditional approval. If applicants fail to timely complete their applications, the Board will be informed by the Director at the Board's next scheduled meeting. The Board reserves the right to revoke any conditional approval for lack of post award due diligence to timely completing Application Part II.

(c) Core Loan Applications. The second type of application for a Clean Water State Revolving Fund loan is a Core loan application for a Core program loan. Separate Core loan applications shall be prepared for each eligible project. Applicants shall submit a Core loan application on a form provided by the Director. Applicants must timely submit Core loan applications on or before the established deadline in advance of scheduled meetings of the Board. An application must be received by OSLI by close of business on the day of an application deadline to be considered timely submitted.

(d) Public Meeting Requirement. All eligible applicants must hold a minimum of one public meeting in advance of submitting a Special Program or Core loan application for Board consideration. Notice of the public meeting is to be published in a local or regional newspaper fifteen (15) days prior to the same. The public meeting must provide the public an overview of the proposed project, financing and sustainability. The overview aspect of the public meeting must, at a minimum, address project scope, milestones and costs. The financing aspect of the public meeting must, at a minimum, address the financial impact of project costs upon the public. The sustainability aspect of the public meeting must, at a minimum, address the revenue streams, adjustments of water and sewer rates or other sources required to sustain the proposed project. Eligible applicants must verify compliance with the public meeting requirement through documentation submitted with their Special Program or Core loan applications.

(e) Timing of Board Consideration. Special Program or Core loan applications must be received by the Director at least eighty (80) days prior to any scheduled meeting of the Board. Applicants must cure any defects in their applications no later than forty-five (45) calendar days before any scheduled meeting of the Board. The Board may consider Special Program or Core loan applications for loans under this Chapter at any scheduled meeting.

(f) Incomplete Loan Applications. Incomplete loan applications, those missing one or more of the information items requested and/or failing to meet established deadlines, shall not be presented to the Board for consideration.

Section 7. Evaluation.

(a) Criteria. The Board shall evaluate applications utilizing the following criteria:

(i) Whether the applicant is current on all its repayment obligations to the Board;

(ii) Whether the applicant's dedicated source of revenue is acceptable to the Board and will be sufficient to repay its requested loan;

(iii) Whether the applicant is ready to proceed with construction or implementation of the project;

(iv) Whether the applicant has established an adequate operations and maintenance costs fund for the project for which applicant seeks funding;

(v) Whether the applicant has made a significant commitment of funding resources for the project for which it seeks funding;

(vi) The percentage of the applicant's population directly served by the project;

(vii) The project's priority rank on the current intended use plan (IUP); and

(viii) Whether the project is appropriately sized for the population to be served by the project.

(ix) If assessments are included as part of the dedicated source of repayment, applicant shall establish an annual assessment equal to, or greater than, the amount of the annual debt service payment on the loan. This assessment schedule will be filed with the County Assessor's Office on or before February 15th of each year for the full term of the loan, a copy of which will be sent to the OSLI annually.

(b) Interagency Consultation. The OSLI shall facilitate interagency consultation with DEQ through the review of applications for loans and Special Program incentives and the opportunity to provide comments to the Director for Board consideration. The Board shall request the DEQ to provide the services required under W. S. 16-1-201 through W. S. 16-1-207.

Section 8. Board Consideration.

(a) The Board shall consider each application~~,~~ and allow for comments from the applicant and from the Director. The Board shall also establish loan amounts and terms. Loan terms shall not exceed twenty (20) years.

Section 9. Interest Rates.

(a) The interest rate to the DEQ for corrective actions at leaking underground and aboveground storage tank sites shall be established by the Board pursuant to Chapter 14 of these rules.

(b) The interest rate for eligible applicants that qualify for the funding reserves Special Program requirement, when available, shall be established by the Board pursuant to Chapter 14 of these rules.

(c) The interest rate for all other Clean Water State Revolving Fund loans shall be pursuant to Chapter 14 of these rules.

Section 10. Repayment.

(a) Annual payments for all loans shall begin one year after substantial completion of the project as indicated in the final project contract.

Section 11. Disbursement of Loan Proceeds.

(a) Loan proceeds shall be disbursed in minimum draws of $1,300 in accordance with a schedule that has been agreed upon and stipulated in the loan agreement. Requests for disbursements shall be submitted on a form provided by the Director and include supporting invoices establishing the eligibility of costs submitted for disbursements. Loan proceeds will only be disbursed for eligible project costs as set forth in this Chapter and within federal guidelines following review by the OSLI and DEQ.

Section 12. Audits and Inspections.

(a) The Board shall ensure compliance with the provisions of the Federal Single Audit Act, 1966 Amendments and Office of Management and Budget (OMB) Circular A-133. On an annual basis records of loan recipients shall be, at a minimum, compiled by an independent accounting firm. Notification of compliance shall be made to the Board in the form of a Compilation, Review, or Audited Financial Statement prepared by an independent accounting firm. On an annual basis, recipients receiving five hundred thousand dollars ($500,000) or more in federal funds in any fiscal year shall have their records audited by an independent accounting firm. Notification of compliance shall be made to the Board in the form of an Audited Financial Statement. The Board may, at its expense, conduct an independent audit of the loan recipient's records and inspect the construction and operation of the project. Loan recipients shall maintain project accounts in accordance with Generally Accepted Government Accounting Standards (GAAP).

Section 13. Reports.

(a) The Director, or the Director's designee, shall review all reports prepared by the OSLI and DEQ for submission to the USEPA.

Section 14. Funds Reserved.

(a) Four percent (4%) of the federal capitalization grants shall be reserved to pay administrative costs of this program incurred by the OSLI and DEQ.

Section 15. Program Compliance.

(a) The Board shall administer the water pollution control revolving loan account program in accordance with all applicable federal laws and regulations. The Board shall enter into, and periodically update, a Memorandum of Understanding with the OSLI and DEQ to implement the program and facilitate program compliance.

RULES AND REGULATIONS
STATE LOAN AND INVESTMENT BOARD

Chapter 16

Drinking Water State Revolving Fund Loans

Section 1. Authority.

This Chapter is adopted pursuant to W.S. 16-1-303(b).

Section 2. Definitions.

As used in this Chapter:

(a) "Account" means the State Drinking Water Revolving Loan Account created by W.S. 16-1-302.

(b) "Board" means the State Loan and Investment Board.

(c) "Capacity Development" means that a community water system or nontransient noncommunity water system can adequately demonstrate that it has technical, managerial and financial capabilities to ensure current and future operations of the water system in accordance with all drinking water regulations in effect.

(d) "Community Water System" means a public water supply which has at least fifteen (15) service connections used year-round by residents, or that regularly provides water to at least twenty-five (25) residents year-round, including but not limited to, municipalities and water districts.

(e) "County" means a political subdivision of the State of Wyoming pursuant to W.S. 18-1-101(a)-(y).

(f) "DEQ" means the Wyoming Department of Environmental Quality.

(g) "Director" means the Director of the Office of State Lands and Investments.

(h) "Emergency" means a direct threat to the continued operation of a community water system.

(i) "Initiating Operations" means the earliest point in time when a capital infrastructure project is ready for use even if only for system testing purposes.

(j) "Intended Use Plan (IUP)" means the annual plan adopted by the State Loan and Investment Board and submitted to the United States Environmental Protection Agency (USEPA) that describes how the state intends to use the money in the Drinking Water Revolving

Loan Account.

(k) "Joint Powers Board(s)" means legally organized Wyoming entities authorized to engage in joint or cooperative action by the Wyoming Joint Powers Act pursuant to W.S. 16-1-101 et. seq.

(l) "Municipalities" means incorporated towns and cities in Wyoming.

(m) "Noncommunity Water System" means a public water supply which is not a community water system, including but not limited to, public schools, state park recreational areas and state highway public rest areas.

(n) "Operator" means the person who is directly responsible for and in charge of the operation of a water treatment plant or water distribution system.

(o) "OSLI" means the Office of State Lands and Investments which provides administrative and operational management of the State Loan and Investment Board's programs.

(p) "Priority List" means the list of projects found in the Intended Use Plan (IUP) expected to receive financial assistance under the Program, ranked in accordance with a priority system developed under Section 1452(b)(2)(A) of the Safe Drinking Water Act.

(q) "Program" means the drinking water state revolving fund program pursuant to Section 1452 of the Safe Drinking Water Act (42 U.S.C. § 300j-12).

(r) "Publicly Owned Water System" means a water system which is owned, operated, managed and maintained by an entity of the state, county, city, township, town, school district, water district, improvement district, joint powers board or any other entity constituting a political subdivision under the laws of this state which provides water for use and consumption of the general public through pipes and other constructed conveyances, and which is not owned, operated, managed or maintained by a private individual, association or corporation.

(s) "Safe Drinking Water Act (SDWA)" means the federal Safe Drinking Water Act including the 1996 amendments (Public Law 104-182, 42 U.S.C. § 300f et seq.).

(t) "Select Water Committee" means a state legislative committee comprised of six (6) members from the Wyoming State Senate and six (6) members from the Wyoming House of Representatives (W.S. 21-11-101).

(u) "Special District" means any legally formed special district in Wyoming that is eligible for program funding.

(v) "Special Program Incentives" include, but are not limited to, grants, principal forgiveness and negative interest rates authorized by state or federal legislation and as adopted by the Board.

(w) "Special Program Requirements" include, but are not limited to, restrictions on the types of project materials that may be used, required funding reserves and minimum wage requirements as set forth in state or federal legislation and as adopted by the Board.

(x) "State Environmental Review Process (SERP)" means the review conducted by DEQ, pursuant to W.S. 16-1-304(a), of potential environmental impacts of projects receiving assistance from the Account.

(y) "Substantial Completion" means that stage in a project when the capital infrastructure constructed is capable of initiating operations or can be used for its intended purpose.

(z) "Water Supply System" means a system from the water source to the consumer premises consisting of pipes, structures and facilities through which water is obtained, treated, stored, distributed or otherwise offered to the public for household use or use by humans and which is part of a community water system or a noncommunity water system.

(aa) "WWDO" means the Wyoming Water Development Office which provides administrative and operational management of the programs administered by the Wyoming Water Development Commission.

(bb) "USEPA" means the United States Environmental Protection Agency.

Section 3. General Policy.

(a) The Board shall approve loans and Special Program incentives under the provisions of this Chapter, subject to the Select Water Committee's review and recommendation of projects, in such a manner and to such applicants as shall, in the judgment of the Board, inure to the greatest benefit of the citizens of the State of Wyoming and represent a prudent use of loan funds.

Section 4. Special Program Incentives and Special Program Requirements.

(a) OSLI, DEQ and WWDO will assess, at least annually, the impacts of state and federal legislation on the Drinking Water State Revolving Fund loan program administered under this Chapter. OSLI will provide timely notice to eligible applicants of changes in Special Program incentives and Special Program requirements. Said notice will be not less than thirty (30) calendar days prior to any application deadline. Methods of notice include, but are not limited to, electronic, telephonic, written, website postings, video conferences or combinations of the same.

Section 5. Loan and Special Program Incentives Eligibility.

(a) Applicants. Publicly Owned Water Systems in Wyoming shall be eligible for loans under this Chapter. This includes eligibility for Special Program incentives when available.

(i) Applicants whose annual median household income (AMHI) is less than seventy percent (70%) of Wyoming's AMHI are eligible for Special Program incentives of up to seventy-five percent (75%) of their loan amount.

(ii) Applicants whose AMHI is seventy percent (70%) or greater, but less than ninety percent (90%) of Wyoming's AMHI, are eligible for Special Program incentives of up to fifty percent (50%) of their loan amount.

(iii) Applicants whose AMHI is over ninety percent (90%) of Wyoming's AMHI are eligible for Special Program incentives of up to twenty-five percent (25%) of their loan amount.

(b) Annual median household income data is based on information obtained from the most recent American Community Survey of the U.S. Census Bureau. Median household income data for special districts must be established by an income survey at district expense or other financial data acceptable to OSLI and the Board. If the applicant is a special district or joint powers board, it must be legally formed and approved prior to submitting its loan application. Applicants must be in compliance with all applicable reporting requirements of both the Wyoming Department of Revenue and the Wyoming Department of Audit prior to its application being considered by the Board. For consideration at the October Board meeting, applicants must file their current financial reports by September 10th with the Department of Audit and notify the OSLI in writing that the filing was done.

(c) Purposes. Loans and Special Program incentives may be awarded by the Board to eligible Publicly Owned Water Systems as authorized in W.S. 16-1-305. Eligible projects may be comprised of improvements to all components of a Water Supply System as appropriate and permitted by the Safe Drinking Water Act. The Board may also award loans and Special Program incentives consistent with changes in state or federal law.

(d) Project Eligibility. Only projects on the current Drinking Water State Revolving Fund Intended Use Plan are eligible for loans and Special Program incentives under this Chapter. Eligible applicants are responsible for ensuring that their project(s) are listed on the current Drinking Water State Revolving Fund Intended Use Plan.

(e) Ineligible Project Costs. The following project costs shall be ineligible for reimbursement:

(i) Costs for any asset that is owned by a private property owner;

(ii) Costs for tap fees, sewer and water fees, and plant investment fees;

(iii) Engineering fees, including design, inspection and contract administration costs, over twenty percent (20%) of Board approved project costs;

(iv) All non-cash costs except land which is integral to the treatment process

and if allowable under federal law but not costs for land in excess of current fair market value and/or costs for an amount of land in excess of that needed for project purposes;

(v) Costs for preparation or presentation of grant or loan applications for any source of funding;

(vi) Costs for transportation, meals and lodging incurred anywhere away from the site of the project;

(vii) Costs of tools, supplies and furnishings for capital projects not included in DEQ approved construction contract documents, including but not limited to, capital equipment, hammers, tools, furniture, drapes, blinds, file cabinets, file folders and survey stakes;

(viii) Legal fees, except as pre-approved by DEQ, OSLI and WWDO;

(ix) Costs related to the issuance of bonds;

(x) Costs of elections;

(xi) Costs to establish and form special districts or joint powers boards;

(xii) Costs incurred prior to loan award, except costs incurred for architectural and engineering design, surveying, state environmental review process (SERP) requirements or in emergency circumstances;

(xiii) Costs for change orders not approved by DEQ, OSLI and WWDO;

(xiv) Lump sum contracts unless approved by DEQ, OSLI and WWDO;

(xv) Costs for meals and incidental expenses in excess of federal per diem rates;

(xvi) Costs in excess of $50.00, unless approved by DEQ, OSLI and WWDO based on an invoice(s) or additional documentation submitted by applicant.

Section 6. Application Procedure.

(a) Applications. There are two (2) types of applications under this Chapter, Special Program and Core.

(b) Special Program loan applications are a pared down version of a Core loan application and these applications are the initial application for a Drinking Water State Revolving Fund Loan involving Special Program incentives and/or requirements only. Separate Special Program loan applications shall be prepared for each eligible project involving Special Program incentives and/or requirements. Applicants shall submit a Special Program loan application Part I on a form provided by the Director. Special Program loan applications must be

timely submitted by applicants in advance of scheduled meetings of the Board. A Special Program loan application must be received by OSLI by close of business on the day of an application deadline to be considered timely submitted. Special Program loan applicants who are conditionally approved for project funding by the Board must complete Special Program loan application Part II within sixty (60) days of the Board's conditional approval. If applicants fail to timely complete their applications, the Board will be informed by the Director at the Board's next scheduled meeting. The Board reserves the right to revoke any conditional approval for lack of post award due diligence to timely completing a Part II application

(c) Core Loan Applications. The second type of application for a Drinking Water State Revolving Fund loan is a Core loan application for a Core program loan. Separate Core loan applications shall be prepared for each eligible project. Applicants shall submit a Core loan application on a form provided by the Director. Applicants must timely submit Core loan applications on or before the established deadline in advance of scheduled meetings of the Board. An application must be received by OSLI by close of business on the day of an application deadline to be considered timely submitted.

(d) Public Meeting Requirement. All eligible applicants must hold a minimum of one public meeting in advance of submitting a Special Program or Core loan application for Board consideration. Notice of the public meeting is to be published in a local or regional newspaper fifteen (15) days prior to the same. The public meeting must provide the public an overview of the proposed project, financing and sustainability. The overview aspect of the public meeting must, at a minimum, address project scope, milestones and costs. The financing aspect of the public meeting must, at a minimum, address the financial impact of project costs upon the public. The sustainability aspect of the public meeting must, at a minimum, address revenue streams, adjustments of water and sewer rates or other sources required to sustain the proposed project. Eligible applicants must verify compliance with the public meeting requirement through documentation submitted with their Special Program or Core loan applications.

(e) Timing of Board Consideration. Special Program or Core loan applications must be received by the Director at least eighty (80) days prior to any scheduled meeting of the Board. Applicants must cure any defects in their applications no later than forty-five (45) calendar days before any scheduled meeting of the Board. The Board may consider Special Program or Core loan applications for loans under this Chapter at any scheduled meeting.

(f) Incomplete Loan Applications. Incomplete loan applications, those missing one or more of the information items requested and/or failing to meet established deadlines, shall not be presented to the Board for consideration.

Section 7. Evaluation.

(a) Criteria. The Board shall evaluate applications utilizing the following criteria:

(i) Whether the applicant has an appropriate project Priority List ranking as required in Section 1452(b)(3) of the Safe Drinking Water Act and is listed on the fundable portion of the Intended Use Plan;

(ii) Whether the applicant can demonstrate Capacity Development capabilities in compliance with Section 1420 of the Safe Drinking Water Act and the applicable requirements of DEQ;

(iii) Whether the applicant can obtain or ensure the certification of the Operators of the Publicly Owned Water System in accordance with DEQ rules and regulations prior to obtaining financial assistance approval;

(iv) Whether the applicant is current on all its repayment obligations to the Board;

(v) Whether the applicant's dedicated source of revenue is acceptable to the Board and will be sufficient to provide security to repay its requested loan;

(vi) Whether the applicant is ready to proceed with construction or implementation of the project;

(vii) Whether the applicant has established an adequate operations and maintenance costs fund for the project for which applicant seeks funding.

(viii) Whether the applicant has made a significant commitment of funding resources for the project for which it seeks funding;

(ix) The percentage of the applicant's population directly served by the project;

(x) The project's priority rank on the current intended use plan (IUP); and

(xi) Whether the project is appropriately sized for the population to be served by the project.

ix) If assessments are included as part of the dedicated source of repayment, applicant shall establish an annual assessment equal to, or greater than, the amount of the annual debt service payment on the loan. This assessment schedule will be filed with the County Assessor's Office on or before February 15th of each year for the full term of the loan, a copy of which will be sent to the OSLI annually.

(b) Interagency Consultation. The OSLI shall facilitate interagency consultation with DEQ and WWDO through the review of applications for loans and Special Program incentives and provide comments to the Director for Board consideration. The Board shall request the DEQ and the WWDO to provide the services required under W.S. 16-1-301 through W.S. 16-1-308.

Section 8. Board Consideration.

(a) The Board shall consider each complete application and allow for comments from the applicant, the Director, DEQ and WWDO. The Board shall also establish loan amounts and terms. Loan terms shall not exceed twenty (20) years.

Section 9. Interest Rates.

(a) The interest rate for eligible applicants that qualify for the funding reserves Special Program requirement, when available, shall be pursuant to Chapter 14 of these rules.

(b) The interest rate for all other Drinking Water State Revolving Fund loans shall be pursuant to Chapter 14 of these rules.

Section 10. Repayment.

(a) Annual payments for all loans shall begin one (1) year after substantial completion of the project as indicated in the final project contract.

Section 11. Disbursement of Loan Proceeds.

(a) Loan proceeds shall be disbursed in minimum draws of $1,300. Requests for disbursements shall be submitted on a form provided by the Director and include supporting invoices establishing the eligibility of costs submitted for disbursement. Loan proceeds will only be disbursed for eligible project costs as set forth in this Chapter and within federal guidelines following review by the OSLI, DEQ and WWDO.

Section 12. Audits and Inspections.

(a) The Board shall ensure compliance with the provisions of the Federal Single Audit Act, 1966 Amendments and Office of Management and Budget (OMB) Circular A-133. On an annual basis records of loan recipients shall be, at a minimum, compiled by an independent accounting firm. Notification of compliance shall be made to the Board in the form of a Compilation, Review, or Audited Financial Statement prepared by an independent accounting firm. On an annual basis, recipients receiving five hundred thousand dollars ($500,000) or more in federal funds in any fiscal year shall have their records audited by an independent accounting firm. Notification of compliance shall be made to the Board in the form of an Audited Financial Statement. The Board may, at its expense, conduct an independent audit of the loan recipient's records and inspect the construction and operation of the project. Loan recipients shall maintain project accounts in accordance with Generally Accepted Government Accounting Standards (GAAP).

Section 13. Reports.

(a) The Director, or the Director's designee, shall review all reports prepared by the OSLI, DEQ and WWDO for submission to the USEPA.

Section 14. Funds Reserved.

(a) Four percent (4%) of the federal capitalization grants shall be reserved to pay administrative costs of this program incurred by the OSLI, DEQ and WWDO.

Section 15. Program Compliance.

(a) The Board shall administer the state drinking water revolving loan account program in accordance with all applicable federal laws and regulations. The Board shall enter into, and periodically update, Memorandums of Understanding with DEQ and WWDO to implement the program and facilitate program compliance.

Section 16. Fees

(a) A loan origination fee of one-half of one percent (0.5%) of the amount of the loan will be collected at loan closing. The fees will be deposited to the Administrative Account as authorized by W. S. 16-1-303(d).