



ADMINISTRATIVE RULES OF MONTANA



36.23.104 USE OF THE REVOLVING FUND

- (1) The program must be administered in accordance with the act and the federal act and these rules. To the extent of any conflict therein, the act and the federal act take precedence over the rules.
- (2) Money in the state revolving fund may be used, subject to limitations and compliance in any fiscal year with the intended use plan, to:
 - (a) make loans to community water systems and nonprofit noncommunity water systems as provided in these rules;
 - (b) buy or refinance the debt obligation of a municipality at an interest rate that does not exceed market rates, provided that the obligations were incurred and construction of the project began after July 1, 1993;
 - (c) leverage the total amount of state revolving funds available by providing a source of revenue or security for the payment of principal and interest on revenue or general obligation bonds issued by the state, the net proceeds of which are deposited in the state revolving fund;
 - (d) pay reasonable administrative costs of the program, not to exceed 4% of the annual capitalization grant or the maximum amount allowed under the federal act;
 - (e) if matched by an equal amount of state funds, pay the department's costs in an amount not to exceed 10% of the annual capitalization grant for the following:
 - (i) public water system supervision programs;
 - (ii) administering or providing technical assistance through source water protection programs;
 - (iii) developing and implementing a capacity development strategy under section 300g-9 of the federal act; and
 - (iv) administering an operator certification program in order to meet the requirements of section 300g-8 of the federal act;
 - (f) pay the costs in an amount not to exceed 2% of the annual capitalization grant for the purpose of providing technical assistance to public water systems serving 10,000 or fewer persons. No less than 1.5% of the annual capitalization grant must be contracted by the department to private organizations or individuals for the purposes of this subsection; and
 - (g) reimburse the expenses, as provided for in 2-18-501 through 2-18-503 and 5-2-302, MCA, of the advisory committee while on official committee business.

- (3) Except as provided in (4) , money in the fund may not be used for:
 - (a) expenditures related to monitoring, operation, and maintenance;
 - (b) the acquisition of real property or any interest in real property, unless the acquisition is integral to a project authorized under this rule and the purchase is from a willing seller;
 - (c) providing assistance to a public water system that:
 - (i) does not have the financial, managerial, and technical capability as determined by the department and the department of environmental quality to ensure compliance with the requirements of the federal act; or
 - (ii) is in significant noncompliance with any requirement of a national primary drinking water regulation or variance; or
 - (d) any other activity prohibited from funding under the federal act.
- (4) A public water system described in (3) (c) may receive assistance under this part if:
 - (a) the use of the assistance will ensure compliance; and
 - (b) for a system that the department has determined does not have the financial, managerial, or technical capability to ensure compliance with the federal act, 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, as determined necessary by the department and the department of environmental quality to ensure compliance.
- (5) Prior to providing assistance to a public water system that is in significant noncompliance with any requirement of a national primary drinking water regulation or variance pursuant to the federal act, the department shall determine whether the provisions of (3) (c) (i) apply to the system.

Authorizing statute(s): 75-6-205, MCA

Implementing statute(s): 75-6-212, MCA

History: NEW, 1998 MAR p. 1412, Eff. 5/29/98; AMD, 2004 MAR p. 2288, Eff. 9/24/04.