START\_STATUTE48-622.  Wastewater treatment or drinking water facility and nonpoint source projects; loan repayment agreements; definition

A.  Notwithstanding any other law, a municipal improvement district may construct, acquire or improve a wastewater treatment facility, drinking water facility or nonpoint source project with monies borrowed from or financial assistance including forgivable principal provided by the water infrastructure finance authority of Arizona.

B.  To repay a loan from the water infrastructure finance authority of Arizona, a municipal improvement district may enter into a loan repayment agreement with the authority.  A loan repayment agreement is payable from any revenues otherwise authorized by law to be used to pay long-term obligations.

C.  The governing body shall obtain approval for the loan repayment agreement in the same manner provided by law for approving and issuing other long-term obligations payable from those revenues that are to be used to pay the loan.

D.  A loan repayment agreement entered into pursuant to this section shall contain the covenants and conditions pertaining to the construction, acquisition or improvement of a wastewater treatment facility, drinking water facility or nonpoint source project and repaying the loan as the water infrastructure finance authority of Arizona deems proper.  Loan agreements may provide for paying interest on the unpaid principal balance of the agreement at the rates established in the agreement.  The agreement may also provide for paying the municipal improvement district's proportionate share of the expenses of administering the clean water and drinking water revolving funds established by sections 49‑1221 and 49‑1241 and may provide that the municipal improvement district pay financing and loan administration fees approved by the water infrastructure finance authority.  These costs may be included in the assessment amounts pledged to repay the loan.  Districts are bound by and shall fully perform the loan repayment agreements, and the agreements are incontestable after the loan is funded by the water infrastructure finance authority of Arizona.  The municipal improvement district shall also agree to pay the authority's costs in issuing bonds or otherwise borrowing to fund a loan.  Notwithstanding the provisions of section 48‑597, principal and interest on a loan repayment agreement may be paid on the dates and in the manner agreed upon by the municipality and the authority.

E.  A loan repayment agreement under this section does not create a debt of the municipal improvement district, and the water infrastructure finance authority of Arizona shall not require that payment of a loan agreement be made from other than those sources permitted in subsection B of this section.

F.  A municipal improvement district may employ or contract for the services of attorneys, accountants, financial consultants and other experts in their field as deemed necessary to perform services with respect to the loan repayment agreement.

G.  This section is supplemental and alternative to any other law under which a municipal improvement district may borrow money or issue bonds.  This section shall not be construed as the exclusive authorization to enter into loan agreements with the water infrastructure finance authority.

H.  For purposes of this section, "nonpoint source project" has the same meaning prescribed in section 49‑1201. END\_STATUTE