START\_STATUTE48-725.  Wastewater treatment or drinking water facility and nonpoint source projects; loan repayment agreements; definitions

A.  Notwithstanding any other law, a community facilities 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 pursuant to title 49, chapter 8.

B.  To repay a loan from the water infrastructure finance authority of Arizona, a 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 board of directors 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 repayment of the loan as the water infrastructure finance authority of Arizona deems proper.  Loan agreements may provide for the payment of interest on the unpaid principal balance of that agreement at the rates established in the agreement.  The agreement may also provide for payment of the community facilities district's proportionate share of the expense of administering the clean water and drinking water revolving funds established by sections 49‑1221 and 49‑1241 and may provide that the community facilities 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 community facilities district shall also agree to pay the authority's cost in issuing bonds or otherwise borrowing to fund a loan.

E.  A loan repayment agreement under this section does not create a debt of the community facilities district, and the authority 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 community facilities district may employ or contract for the services of attorneys, accountants, financial consultants and other experts in their fields 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 district may borrow money or issue bonds.  This section shall be construed as the exclusive authorization to enter into loan agreements with the water infrastructure finance authority.

H.  For purposes of this section:

1.  "Authority" means the water infrastructure finance authority of Arizona.

2.  "Board" means the water infrastructure finance authority of Arizona board of directors.

3.  "Drinking water facility" has the same meaning prescribed in section 49‑1201.

4.  "Wastewater treatment facility" has the same meaning prescribed in section 49‑1201. END\_STATUTE