## 224A.085 Interim financing.

The authority may enter into interim financing agreements with governmental agencies, and governmental agencies may enter into interim financing agreements with the authority in connection with eligible projects. Each such interim financing agreement may be subject to the approval by the State Water Pollution Agency, or the State Public Service Commission, if applicable, may contain and include such provisions as may be agreed upon by the parties thereto, and shall include and prescribe the following provisions:

- (1) An estimate of the reasonable cost of the eligible project, as determined by the authority;
- (2) The amount of state or federal grants or loans to be made to the governmental agency;
- (3) The time or times at which such state or federal grants or loans shall become payable to the governmental agency;
- (4) The specific purpose or purposes for which the proceeds of state or federal grants or loans made to the governmental agency shall be expended;
- (5) The conditions under which state or federal grants or loans may be expended on account of the eligible project by the governmental agency;
- (6) An agreement by the governmental agency:
  - (a) To proceed expeditiously with and promptly complete the eligible project or cause same to be completed in accordance with the plans and specifications approved by federal and state agencies;
  - (b) To commence or cause to be commenced operation of the eligible project on completion of construction and not to discontinue operations or dispose of such eligible project without the approval of the authority, and the State Water Pollution Agency or State Public Service Commission, if applicable;
  - (c) To operate and maintain or cause to be operated and maintained the eligible project in accordance with applicable provisions of federal and state law and the terms and conditions of the loan documents implementing federal or state grants or loans to the governmental agency;
  - (d) To provide for the payment of the governmental agency's share of the cost of the eligible project through the issuance of the governmental agency long term debt obligations in the appropriate manner and at the appropriate time in order that sufficient funds will be available to repay and retire bond anticipation notes issued by the authority on behalf of said governmental agency.

Effective: July 13, 1984 History: Created 1984 Ky. Acts ch. 216, sec. 14, effective July 13, 1984.