

567—44.10(455B) General administrative requirements.

44.10(1) Allowable costs. Allowable costs shall be limited to those costs deemed necessary, reasonable, and directly related to the efficient completion of the project. The director will determine project costs eligible for state assistance in accordance with rule 567—44.6(455B). Land purchase, easement, or rights-of-way costs are ineligible with the exception of land which is integral to a project needed to meet or maintain public health protection and which is needed to locate eligible treatment or distribution works. Source water protection easements are considered to be integral to a project. (The acquisition of land or easements has to be from a willing seller.) In addition to those costs identified in this chapter, unallowable costs include the following:

- a. Costs of service lines, except lead-containing service lines and connectors which are exterior to a home.
- b. Costs of in-house plumbing.
- c. Administrative costs of the loan recipient.
- d. Vehicles and tools.

44.10(2) Audits. The recipient shall provide access at all times for the department, the authority, the state auditor and the Office of the Inspector General (OIG) at EPA to all project records and documents for inspection and audit purposes for a period of three years from the date of the final loan payment. The same access to the project site(s) shall be provided for inspection purposes.

44.10(3) Cross-cutters. Other federal and state statutes and programs, including federal “cross-cutters,” will be applicable to DWSRF projects.

44.10(4) Additional loan amount. If eligible costs exceed the loan amount, the recipient may request an increase. The director in coordination with the authority will evaluate the request by considering available money in the fund as well as compliance with other state and federal requirements.

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