**Section 663.430 Loan Eligible Costs**

The loan recipient shall be paid, upon request, in accordance with Section 663.440, for all costs within the scope of the approved project, not to exceed the total amount of the loan, and that are determined to be eligible in accordance with the following criteria:

a) Eligible project costs include all reasonable and necessary costs directly attributable to the project's planning, design, or construction that are not otherwise excluded by this Part. Categories of necessary costs include, but are not limited to, the following:

1) The direct purchase of materials, equipment, and personal services not under the approved construction contract necessary for the completion of a loan funded project;

2) Professional and consultant services contracts necessary for planning, design, bidding, and construction of a loan funded project, except as elsewhere limited by this Part;

3) Costs under approved construction contracts;

4) Costs under a construction contract executed prior to the award of the loan agreement only when the loan applicant has received written approval from the Agency prior to the award of the construction contract; and

5) Costs associated with activities described in Appendix A.

b) Ineligible project costs include, but are not limited to, the following:

1) Laboratory fees for routine compliance monitoring;

2) Operation and maintenance expenses;

3) Costs outside the scope of the approved Project Plan;

4) Construction of any facilities that do not fall within the definition of a community water supply facility as contained in the SDWA or do not qualify in meeting the federal green project reserve requirements;

5) Costs of projects whose main purpose is fire protection or servicing future growth;

6) Corrosion control studies and corrosion control infrastructure;

7) Water meters;

8) Bottled water; and

9) Premise plumbing.