**Section 664.1020 Use of Loan Funds and Payment of Unallowable Costs**

a) Loan funds shall be expended solely for approved allowable costs incurred in the design and construction of the project.

b) The loan recipient shall agree to pay the unallowable costs associated with the project, as well as all allowable costs that exceed the amount of the loan, and shall construct the project or cause it to be constructed to final completion in accordance with the plans and specifications and on the schedule approved by the Agency.

c) The loan recipient shall commit itself to complete the construction of the operable public water supply facilities.