

**RULES
OF
THE TENNESSEE COMPTROLLER OF THE TREASURY
UTILITY MANAGEMENT REVIEW BOARD**

**CHAPTER 1715-03
UTILITY RELOCATION LOAN PROGRAM**

TABLE OF CONTENTS

1715-03-.01 Purpose
1715-03-.02 Definitions

1715-03-.03 Determination of Eligibility

1715-03-.01 PURPOSE.

The primary purpose of the “Utility Relocation Loan Program” is to provide loan financing related to the relocating moving, or re-installing of utility facilities, without any additions thereto, when located within the rights-of-way of highways on the system of state highways and required because of highway construction projects administered by the Tennessee Department of Transportation. In applying for these loans, all local governments providing utility services shall be eligible.

Authority: T.C.A. §§ 4-5-202 and 7-82-702. **Administrative History:** Original rule filed March 7, 1990; effective April 21, 1990. Transferred from chapter 1200-22-08 on November 3, 2022, pursuant to Public Chapter 86 of 2007.

1715-03-.02 DEFINITIONS.

As used in this part:

- (1) Board. The Utility Management Review Board.
- (2) Construction. The excavation, relocation and replacement of utility facilities including the engineering, architectural, legal, fiscal and economic investigations and studies, surveys, designs, plans, working drawings, specifications, procedures, easements, and the inspection and supervision of the eligible project.
- (3) Department. The Tennessee Department of Health and Environment.
- (4) Eligible project. A project which includes relocating, moving, or re-installing utility facilities without any additions or betterments thereto, as required by Tennessee Department of Transportation.
- (5) Loan. State funds extended to a local government to be repaid by said local government.
- (6) Local Government. Any county, town, city, metropolitan government, utility district or non-for-profit business organizations empowered to provide utility services, or any combination of two (2) or more of the foregoing acting jointly in connection with an eligible project.
- (7) State Funding Board. The Board created by T.C.A. §§ 9-9-101 through 9-9-406.

Authority: T.C.A. §§ 4-5-202 and 7-82-702. **Administrative History:** Original rule filed March 7, 1990; effective April 21, 1990. Transferred from chapter 1200-22-08 on November 3, 2022, pursuant to Public Chapter 86 of 2007.

1715-03-.03 DETERMINATION OF ELIGIBILITY.**(1) Applicants.**

- (a) Only local governments as defined in this chapter shall be eligible for loans to assist in financing the cost of construction utility relocation projects.
- (b) The applicant shall certify to the satisfaction of the Board all of the following:
 - 1. The applicant is a local government as defined in this chapter;
 - 2. The applicant shall certify that the additional debt, together with the applicant's existing debt, is within the debt limitation provisions of the general laws of the State;
 - 3. The applicant will comply with all applicable laws, rules, and regulations of the State; and
 - 4. As determined from the detailed engineering report and other available information, the estimated revenues to be derived from the project under the applicant's proposed schedule of fees and charges will provide for proper operation, maintenance, depreciation, administration, reasonable expansion of the utility facilities and repayment of present and proposed indebtedness. For this purpose, if the project described in the application is to be an integral part of existing utility facilities, the revenues to be derived from operation of the entire system shall be utilized in determining the adequacy of the applicant's proposed schedule of fees and charges.

(2) Applications and Loan Program Agreements.

- (a) An application for a loan shall include but not be limited to the following:
 - 1. A letter from the local government;
 - 2. A letter from the Tennessee Department of Transportation describing the project and requiring the local government to relocate its utility facilities;
 - 3. An engineering report describing the project, including all estimated costs;
 - 4. Estimated time of construction;
 - 5. Cash flow projections;
 - 6. Evidence of inability to obtain other financing, including but not limited to letters from lending institutions; and
 - 7. Three (3) years of audited financial statements.
- (b) Complete applications will be processed on a first-come, first-served basis by the Board.

(3) Project Costs.

Eligible project costs shall include but not be limited to: actual cost of construction, materials, equipment, and appurtenances; actual cost of engineering, legal and fiscal services related to the project; actual costs of purchase or acquisition of real property or interests therein; and

(Rule 1715-03-.03, continued)

actual costs caused by change orders and the costs of meritorious contractor claims provided the costs are within the scope of the project.

Authority: T.C.A. §§ 4-5-202 and 7-82-702. **Administrative History:** Original rule filed March 7, 1990; effective April 21, 1990. Transferred from chapter 1200-22-08 on November 3, 2022, pursuant to Public Chapter 86 of 2007.