

The Watershed

The Latest Happenings in Indiana's State Revolving Fund Loan Programs

Spring 2018

In this issue:

- [Message From the Director](#)
- [Extended Term Financing](#)
- [SRF Interest Rates](#)
- [Lead Line Replacement Incentive](#)
- [Asset Management Program Requirements](#)
- [The Indiana Historic Buildings, Bridges, and Cemeteries Map](#)
- [Indiana Code Revisions](#)
- [Thank You to Doris Roberson and Jack Fisher](#)



**Jackson County Water Utility:
New 600,000 Gallon Water Storage Tank**

Message from the Director

Spring is always an exciting time for the SRF Loan Program as we see projects that we have recently financed push toward project completion while and at the same time we work with prospective SRF participants to identify projects for financing in the upcoming State Fiscal Year.

This year is an especially exciting season as we wrap up one of our most successful years in terms of the amount of funds we have made available to Indiana communities for important wastewater and water projects. For State Fiscal Year 2018, the SRF Loan Program has provided \$273 Million in funding for wastewater projects and \$30 Million in funding for drinking water projects.

The SRF Loan Program has been able to continue to serve the needs of Hoosiers through the day-to-day dedication of our staff, including two of our longest-serving colleagues, Doris Roberson and Jack Fisher, both of whom will soon retire. We have been blessed to work with Doris and Jack over the years and wish them well in their retirement.

As we look forward to a new State Fiscal Year, we are pleased to implement recent changes to our Wastewater and Drinking Water Programs, including implementing Extended Term (up to 35-year financing) and Lead Line Replacement incentives. Please read the short articles in this issue and contact us to discuss how these incentives may benefit Indiana communities. At the same time, please also note, Indiana is joining our neighboring states by requiring that, effective July 1, all SRF borrowers must complete (or demonstrate they will complete), an asset management program. We will soon publish Asset Management Program guidelines to our webpage but in the meantime please see the article in this issue for additional information.

Thank you for reading our Newsletter and join us as together we continue to protect public health and the environment.

Bill Harkins, SRF Director

Extended Term Financing

In an effort to allow all Indiana utilities to address the issue of aging water and sewer infrastructure, while achieving more affordable customer user rates, the Indiana Finance Authority’s State Revolving Fund (SRF) Loan Programs recently received special approval as required from the EPA to offer an Extended Term Financing Program with loan terms up to 35 years for water and sewer pipe projects, having a useful life at least equal to or greater than the loan term.

In order to provide this accommodation to borrowers, an interest rate premium will be assessed at the rate of 10 basis points per each five years that the loan is extended beyond 20 yrs. This increase will be assessed after any interest rate incentives (Lead Remediation, Nonpoint Source, Green Project Reserve/Sustainability/Climate Resilient Projects, and Brownfields) are applied.

SRF Interest Rates

Below are the current SRF Program interest rates, effective April 1, 2018 through June 30, 2018. The interest rates vary based on three ranges of average monthly user rates for an equivalent dwelling unit (User Rates) within each of the three Medium Household Income tiers, creating nine possible interest rates for SRF Borrowers.

Drinking Water SRF Interest Rates	User Rates (Over \$45)	User Rates(\$25 to \$45)	User Rates (Under \$25)
Tier III (MHI*: under \$39,404)	2.00%	2.00%	2.12%
Tier II (MHI: \$39,405 to \$41,566)	2.00%	2.00%	2.37%
Tier I (MHI: over \$49,255)	2.00%	2.12%	2.62%

Wastewater SRF Interest Rates	User Rates (Over \$50)	User Rates(\$30 to \$50)	User Rates (Under \$30)
Tier III (MHI*: under \$39,404)	2.00%	2.00%	2.12%
Tier II (MHI: \$39,405 to \$41,566)	2.00%	2.00%	2.37%
Tier I (MHI: over \$49,255)	2.00%	2.12%	2.62%

**MHI reflected in the 2011-2015 American Community Survey*

Note: Up to an additional .50% reduction may be permitted if a project is financed that includes green/ sustainable , climate resiliency, or lead line replacement components.

Lead Line Replacement Incentive

One of the newest incentives offered by the Indiana SRF Drinking Water Program is the Lead Line Replacement Incentive Program. This Program offers a reduced interest rate incentive for communities to include lead line replacement as part of their SRF financed projects. Lead line replacement projects include replacing complete lead and galvanized pipe service lines (both public and privately owned). Based on the type and cost of these components, a community may be eligible for improved ranking on the SRF Project Priority List as well as an interest rate as low as 0% on its SRF loan.

Lead line replacement projects will follow the same process as a traditional SRF Loan Program financed project and will be required to provide:

1. A description of the project or components that may qualify as lead line replacement.
2. All proposed lead line replacement locations in the PER graphics.
3. The costs associated with the lead line replacement portion of the project, including both construction and design costs.

For more information, please visit the SRF Web site at www.srf.in.gov or contact the SRF Program Administrator, Shelley Love, at 317/232-4396 or slove@ifa.in.gov, with questions.

Asset Management Program Requirements

Pursuant to SB 362, effective July 1, 2018, communities seeking funds from SRF will be required to complete an Asset Management Program (AMP) for their existing utility as well as for the proposed improvements which they are seeking funds. Borrowers will be required to develop and certify that they have an AMP which satisfies the requirements of the SRF Loan Program requirements prior to the completion of the SRF funded project. If the borrower has an existing AMP which satisfies the requirements of the SRF Loan Program requirements, they will provide the certification indicating such prior to completing a financing with the SRF Loan Program. SRF may also ask to view AMPs while on site during inspections. As with previously required SRF Fiscal Sustainability Plans (currently for WW only), SRF will require each borrower provide a certification that the AMP is completed prior to the approval of the last disbursement related to the main project.

The Indiana Historic Buildings, Bridges, and Cemeteries Map

The Indiana Historic Buildings, Bridges, and Cemeteries map (IHBBC) replaces the former SHAARD GIS map, and can be accessed online within the Indiana DNR Division of Historic Preservation and Archaeology website via the [SHAARD Online Database link](#). At the SHAARD Database page, click on the Indiana Historic Buildings, Bridges, and Cemeteries Map link. This will allow you to launch the app and the user can begin to explore the map.

For returning users, this map has many new features and improvements. A User Guide is available and will be updated as new features and updates are added to the map. Contact Megan Copenhaver with DNR (mcopenhaver@dnr.IN.gov) for specific questions or suggestions concerning the map.

At this point, Hancock, Marion and Morgan counties are the only counties that have not been entered into SHAARD. For these counties, please submit both Interim Report maps and IHBBC maps until further notice.

For the counties whose surveys have been completed, the SRF Loan Program prefers that prospective borrowers submit IHBBC maps rather than Interim Report maps. Please provide maps on an aerial image that clearly illustrate the identified historical sites and their associated numbers along with the proposed project disturbance area.

Indiana Code Revisions

A **NEW** ARTICLE HAS BEEN ADDED TO THE INDIANA CODE – HOUSE BILL 1374 – THAT CONSOLIDATES AND REWRITES VARIOUS STATUTES RELATED TO THE **INDIANA FINANCE AUTHORITY, including the SRF Loan Program**

Effective July 1, 2018, House Bill 1374 adds to the Indiana Code a New Article: IC 5-1.2 Indiana Finance Authority

IC-5-1.2 consolidates and rewrites various statutes related to the Indiana Finance Authority (IFA), including the statutes that: 1) establish the IFA; 2) specify the powers, duties and purposes of the IFA and the members of the IFA; and 3) govern the following programs and funds administered by the IFA: A) State facility financing, health facility financing, educational facility financing, recreational development financing, and economic development project financing. B) **The wastewater revolving loan program, the drinking water revolving loan program, the supplemental drinking water and wastewater assistance program, and the environmental remediation revolving loan program.** C) **The flood control revolving fund.** D) The infrastructure assistance program. E) The local infrastructure program. F) The allocation of volume cap under federal law for private activity bonds. G) The IFA’s duty to monitor and study water quality.

The new law repeals the existing statutes governing the above programs.

<u>Name</u>	<u>Previous citation</u>	<u>New IC 5-1.2 citation</u>
Indiana Finance Authority established	IC 4-4-11	5-1.2-3
Wastewater Revolving Loan Program	IC 13-18-13	IC 5-1.2-10
Drinking Water Revolving Loan Program	IC 13-18-21	IC 5-1.2-10
Supplemental drinking water and wastewater assistance program	IC 13-18-21-21	IC 5-1.2-11
Flood Control Revolving Fund	IC 14-28-5	IC 5-1.2-13

Effective July 1, 2018, documents containing citations related to the above programs will need to be updated using the new Indiana Code citation.

Thank You!



Doris Roberson

Doris Roberson has worked for the State of Indiana for 22 years. Her first three years she worked for IDEM's compliance section. She was then hired by the State Revolving Fund Loan Program to work as the Bidding Coordinator along with MBE/WBE and Land Acquisition coordinator. Prior to working for the State, she worked in Florida for the National Underwriters in St. Petersburg Florida. After 11-years in Florida, she choose to move back home again to Indiana to be near her family.

In retirement Doris plans to spend time with her daughter and five grandchildren. Doris is active with her church's choir and plans to volunteer.

Please join us in thanking Doris for her dedicated service to the State of Indiana.



Jack Fisher

Jack Fisher has worked for the State of Indiana for over 34 years and will retire in September. Jack has had a distinguished lifetime career. He served with the U.S. Air Force for 4-years following High School and then enrolled at IUPUI where he earned his degree in engineering. His first job out of college was working for Public Service Indiana (PSI) in the Power Production Department. Following restructuring at PSI Jack was hired on by the State Board of Health. In 1986, when IDEM was formed, Jack moved into the Facilities Planning Section and began reviewing Facility Plans. Jack is one of the original staff members of the State's SRF Loan Program and throughout his tenure reviewing Preliminary Engineering Reports, he became every engineer's go-to reviewer.

In retirement Jack plans to enjoy his family, serve as a Knights of Columbus member and volunteer at his church.

Please join us in thanking Jack for his dedicated service to the State of Indiana.

Jim McGoff, Director of Environmental Programs
(317)233-4337
jmccgoff@ifa.IN.gov

Bill Harkins, SRF Program Director
(317)234-4862
wharkins@ifa.IN.gov

Deborah Wright, SRF General Counsel
(317)234-4863
dwright@ifa.IN.gov

Matt Martin, Finance Manager
(317)234-1278
mmartin@ifa.in.gov

Emma Kottowski, Finance Manager
(317) 234-1463
ekottowski@ifa.IN.gov

Alison Martin, Finance Manager
(317)234-3080
almartin@ifa.IN.gov

Gayle Hicks, Disbursement Coordinator
(317)234-6730
glhicks@ifa.IN.gov

Joanie Jones, Administrative Assistant
(317)234-1279
joajones@ifa.IN.gov

Camille Meiners, P.E., SRF Section Chief
(317)234-3661
cmeiners@ifa.IN.gov

Shelley Love, SRF Program Administrator
(317)232-4396
slope@ifa.IN.gov

Amanda Rickard, P.E., Project Engineer
(317) 234-7703
arickard@ifa.IN.gov

Jack Fisher, Project Engineer
(317) 232-8621
jafisher@ifa.IN.gov

Tracey Trimpe, P.E., Project Engineer
(317) 232-8663
ttrimpe@ifa.IN.gov

April Douglas, Senior Environmental Manager
(317)234-7294
adouglas@ifa.IN.gov

Amy Henninger, SRF Compliance Officer
(317)232-6566
ahenning@ifa.IN.gov

Doris Roberson, Bidding Coordinator
(317)234-1266
droberon@ifa.IN.gov

Indiana State Revolving Fund Loan Programs: Drinking Water, Wastewater, Nonpoint Source

The State Revolving Fund (SRF) Loan Programs provide low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure. The SRF Programs, administered by the Indiana Finance Authority, protect both public health and the environment.



Indiana State Revolving Fund Loan Program
100 N. Senate Avenue, Room 1275
Indianapolis, Indiana 46204
Phone: (317) 234-1279
Fax: (317) 234-1338