

Fall 2022

Indiana State Revolving Fund Loan Program Newsletter

From the Director

The Indiana Finance Authority's (IFA) State Revolving Fund (SRF) Loan Program is in a transformative period, as a result of last year's Bipartisan Infrastructure Law (BIL), requiring our program to implement new funding programs targeting projects to remove lead service lines and emerging contaminants. These new federal resources, along with our base program funds, provide a once in a generation opportunity to substantially increase our investment in our State's water and wastewater utility infrastructure to improve the lives of Hoosiers.

While we have allotted all of State Fiscal Year (SFY) 2023 (July 1, 2022 – June 30, 2023) funds, we encourage municipalities to reach out to us now to plan for SFY 2024. The new BIL funds will provide the SRF Loan Programs with additional financing tools to address emerging contaminants, replace lead service lines, and make needed improvements to aging infrastructure in disadvantaged communities in each of the next four years.

Inside this newsletter you will find important articles, including one article that discusses new State requirements related to <u>Asset Management Program</u> and another that describes new federal <u>Build America</u>, <u>Buy America</u> (<u>BABA</u>) requirements. These two requirements will apply to SRF financings beginning in SFY 2024.

We look forward to working with you to identify and develop projects to take advantage of this generational opportunity to improve water quality and public health for all Hoosiers.

With thanks,

Bill

Bill Harkins, SRF Director

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Intended Use Plan Public Notice

The Indiana Finance Authority continues to work to implement new funding opportunities received through the Bipartisan Infrastructure Law (BIL). One key priority of the BIL funding is to ensure disadvantaged communities benefit equitably from this new investment in water infrastructure. To meet these goals, the IFA's SRF Programs will direct grant funding to Indiana communities which meet the definition of a Disadvantaged Community, as stated in the IFA's Intended Use Plans (IUPs).

IUPs for some programs under BIL are in draft, and will be out for public notice soon. The IUPs are posted for a three-week public comment period. Please check the SRF website for the IUP postings this fall. SRF encourages public comment on the IUPs.

Final IUPs that have completed public notice are posted on the SRF website and can be reviewed on our "Reports and PPLs" page.



Build America, **Buy America** (BABA)

The Bipartisan Infrastructure Law (BIL) includes the Build America, Buy America (BABA) Act. The Act requires that federally funded projects must document that all iron, steel, manufactured products, and construction materials incorporated in the project are produced in the United States. More information can be found here.

While final implementation guidance is pending, the EPA has finalized an adjustment period waiver of the requirements of BABA. The waiver states any SRF project that has initiated project design planning prior to May 14, 2022, will be exempt from the requirement.

Please note, the AIS is not superseded by BABA. All projects fully or partially funded by the SRF loan funds must continue to comply with the AIS requirement. Contact Amy Henninger at 317-232-6566 with questions.

<u>Please note:</u> As the EPA's Lead and Copper Rule (LCR) will be going through a revision in the coming months, the SRF will ask communities doing distribution improvements to identify how they plan to comply with these revisions for their communities.

The Clean Water State Revolving Fund Loan Program is seeking assistance!

The U.S. Environmental Protection Agency's (EPA) 2022 Clean Watershed Needs Survey (CWNS) is in progress. This nationwide survey is a comprehensive assessment of the capital needs of wastewater utilities to meet the water quality goals established in the Clean Water Act. This report is used by Congress to assist with informed budget decisions and provide information on water quality issues to the public. To be a success, input from communities is vital!

Participation in the Needs Survey can increase your community's Clean Water SRF project score and placement on the CWSRF Project Priority Lists (PPLs) for projects submitted between now and 2026. If your community has not submitted information to the Authority yet, there's still time! Documents will be accepted through January 2023.

To participate, simply provide the SRF with copies of planning documents and cost estimates for wastewater infrastructure improvements that have been created for your community, with a goal of outlining all projects necessary to meet water quality goals over the next twenty years. SRF staff and other resources are available to assist you. For more information, please contact Amy Henninger at 317-232-6566, or via e-mail at ahenning@ifa.in.gov.



Regional Planning Meetings

The purpose of the Regional Planning Meetings is to build on the benefits resulting from neighboring utilities collaborating to solve similar issues. Utilities may attend a regional planning meeting is not specific to their location, but the intention is that they eventually do so to interact with their own neighbors. Utilities determine the discussion topics, which may include utility operations, long-term planning, employee recruitment and retainage, and compliance.

As a reminder, utilities must attend at least one regional meeting per year and attendance is required for funding assistance from the IFA (IC 5-1.2-11.5-5). The IFA tracks attendance on a 12-month rolling basis. For example, if your utility attended on April 2, 2022, your utility meets the requirement of the rule until April 2, 2023. The list of utilities who have attended a regional meeting is available on the IFA website. Please note: these meetings are for utility personnel, board members, and elected officials, and only these individuals can meet the attendance requirement. Consultants and contractors are welcome to attend when they attend at the invitation of a utility who is also attending.

Upcoming meeting information is on the IFA website: https://www.in.gov/ifa/regional-planning-meetings/ If you have questions, please email WaterResources@ifa.in.gov

Cybersecurity Training

The Indiana Section American Water Works Association (AWWA) is providing Cybersecurity Training for municipality staff, local government leadership, and staff at water and wastewater utilities in Indiana. Trainings provide basic knowledge on cybersecurity. Attendees will learn about cybersecurity risk assessment and response planning needed to meet the state and federal requirements for Indiana municipalities and counties to implement cybersecurity plans.

The trainings will be conducted via webinar or class lasting 4 hours. There is no cost to the attendee. Each attendee, and will receive AWWA materials for the class. Each attendee needs to register and provide a unique email address for log in and tracking purposes. The funding for this training is provided by the Indiana Finance Authority.

Remaining 2022 Training:

December 6, 2022, In-person French Lick Resort 8670 IN-56, French Lick, IN 47432

This in-person training is held in conjunction with the 2022 Indiana AWWA Water Institute. Registration for this workshop does not register you for the Water Institute Conference, which must be registered for separately. Registration is limited to 50 attendees - please register early. Lunch is included.

Additional 2023 dates to come. Visit the Indiana AWWA Events Page (https://www.inawwa.org/events) for more information and to register for a training.



Asset Management Program Changes for SFY 2024

In response to Indiana Senate Enrolled Act 272 (2022) IC 5-1.2-4-1, all PERs submitted to the IFA's SRF Programs must include a completed Asset Management Program (AMP). To align with the SFY 2024 (July 1, 2023 – June 30, 2024) PER submittal deadline, all PERs submitted to the SRF must include an AMP certification by **April 1, 2023** to be ranked on the SFY 2024 Q1 PPL.

All PERs currently on the PPL that have not closed by **June 30, 2023**, and any PERs received by April 1, 2023, for SFY 2024 funding will be scored; however, to be ranked, PERs must include an AMP Certification, demonstrating completing of an AMP.

Please contact Camille Meiners at cmeiners@ifa.in.gov or 317-234-3661 with questions. Please note that if your community's financing is completed PRIOR to July 1, 2023, the AMP may be completed after the loan closes, with the certification submitted prior to the final draw on the loan.

Water Loss Audits

In 2019, Indiana utilities produced 46.7 billion gallons of water that did not generate any revenue, resulting in a loss of \$58.4 million. To better understand non-revenue water, the Indiana Legislature adopted IC 8-1-30.8, which obligates water utilities to complete annual water loss audits, and, in every even-numbered year, requires water loss audits to be validated by a certified, third-party water audit validator, and submitted to the IFA for compilation into a biennial report to the Indiana General Assembly.

For reporting year 2021, the IFA is currently analyzing over 400 validated water loss audits received and preparing the biennial report, which will be posted to the IFA water loss website in December.

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