STATE OF INDIANA

Clean Water
State Revolving Fund
Loan Program

Intended Use Plan

State Fiscal Year 2011
July 1, 2010

Clean Water State Revolving Fund Loan Program
Intended Use Plan SFY 2011

Table of Contents

			Page:
I.	Introduction		1
II.	Project Priority List		1-3
	A.	Project Scoring and Ranking System	2
	B.	Fundable Range	2
	C.	Bypass Process	2-3
III.	2011 CWSRF Loan Program Goals and Objectives		4-5
	A.	Short-Term Goals and Objectives	4
	B.	Long-Term Goals and Objectives	5
IV.	Financial Status of the CWSRF Fund		6-9
	A.	Sources and Uses of Funds	6
	B.	Available Funds	6
	C.	Allocation of Available Funds	6-7
	D.	Other Types of Assistance Provided	7
	E.	Transfers between the CWSRF and DWSRF	7
	F.	Interest Rates	7-8
	G.	Terms	8
	H.	Cross-collateralization of the CWSRF with the DWSRF	8
	I.	Fees Assessed on Recipients	8
	J.	CWSRF Financial Planning and Long-Term Financial Health	9
	K.	Assurances, Specific Proposals	9
	L.	Expenses	9
V.	Public Participation		9-10

EXHIBITS:

Exhibit A: CWSRF Loan Program Definitions
Exhibit B: Indiana's Project Priority Lists (PPLs)
A: Small Systems List
B: Large Systems List
Exhibit C: 20% Green Project Reserve
Exhibit D: IFA WW SRF Loan Program Project Scoring and Ranking Worksheet
Exhibit E: Intended Uses of Funds

State of Indiana
Clean Water State Revolving Fund Loan Program
Intended Use Plan
SFY 2011

I. Introduction

Pursuant to Sections 603(g), 606(c) and 216 of the Clean Water Act and Fiscal Year (FY) 2011 Appropriations Law (P.L. 112-10), the State of Indiana (State), acting through its Indiana Finance Authority (Authority), hereby submits to the United States Environmental Protection Agency (EPA) and the public the Intended Use Plan (IUP) for State Fiscal Year (SFY) 2011, for its Clean Water State Revolving Fund (CWSRF). Acronyms and terms used herein are defined in Exhibit A, Definitions.

This IUP supports all funds appropriated to the CWSRF during SFY 2011. Collectively, all grants to the CWSRF are referred to herein as Capitalization Grants.

The mission of the CWSRF is to provide Participants in Indiana with low-cost financial assistance in order to construct necessary and environmentally sound treatment works; facilitate statewide compliance with State and Federal water quality standards; establish a fiscally self-sufficient program as a continuing source of funding for improvement and protection of water quality and public health; and conduct any other activity permitted by the Clean Water Act (CWA).

The CWSRF Loan Program is administered by the Authority. The Authority is responsible for setting priorities for loan assistance from the CWSRF, which is evidenced by the CWSRF Loan Program Project Priority Lists (PPLs) for SFY 2011 which is attached as Exhibit B.

II. Project Priority List (PPL)

The SFY 2011 PPLs includes all applications and Projects. Projects for which a PER has been submitted have been ranked and scored. All other Projects for which the Authority received applications but for which PERs have not been submitted, are listed alphabetically un-scored and un-ranked. There are two PPLs, one for populations less than 10,000 and one for populations of 10,000 or greater.

In addition to the PPL, Exhibit C shows the percentage of SRF funds that are currently estimated to be used toward the Green Project Reserve Sustainability Incentive Program.

Nonpoint Source (NPS) Projects are integrated with the Projects and are included with their score and rank on the PPLs.

The State expects to use the CWSRF to finance the planning, design and construction of the following Project categories under Section 212 of the Clean Water Act:

PROJECT CATEGORIES

I. Secondary Treatment	IVA. New Collection Systems
II. Advanced Treatment	IVB. New Interceptors
III. Infiltration/Inflow Correction	V. Combined Sewer Overflow Correction
IIIB. Major Sewer System Rehabilitation and Correction	VI. Non-point Source Water Pollution Abatement

A. Project Scoring and Ranking System

The Indiana SRF Loan Program Scoring and Ranking System can be found in Exhibit D. Scoring reflects the State's water quality goals and accounts for population differences. Priorities include:

1. Project need categories;
2. Water quality points;
3. Brownfield reuse;
4. Financial Capability;
5. Bonus points will be available for Projects that include Green Project Reserve (GPR) Sustainability Incentive Program components.

This IUP, including the PPLs and Project Ranking System (See Exhibit D), has been subject to public review and comment in accordance with the CWA as described in Section VI below.

In addition to being ranked and scored and in the Fundable Range, "Project readiness criteria" will be applied to assure that Projects are ready for CWSRF Loan Program financing. Steps towards "project readiness" can be demonstrated by: (1) Submitting a PER, (2) Obtaining PER Approval, construction permit issued, and bidding the project pursuant to the CWSRF Loan Program established timeframes, and (3) Initiating the steps required by State statute and the CWSRF Loan Program to proceed with a financial closing with the CWSRF Loan Program. This involves completing the steps required to issue valid bonds, retaining a nationally recognized bond counsel to issue its unqualified, approving opinion on the validity of the bonds at closing and demonstrating the ability to repay the CWSRF Loan Program loan.

B. Fundable Range

To inform the public of current estimates regarding the CWSRF's financial capacity and to efficiently direct CWSRF Loan Program assistance to the highest priorities where possible, the State calculated a "Fundable Range" for those Projects that are on the PPLs.

The CWSRF Loan Program uses the Fundable Range to plan and prioritize its responsibilities and resources. On July 1, 2010 the Authority determined that funds available were insufficient to fund all Projects on the PPLs, therefore, those Projects within the Fundable Range are afforded priority of resources; most notably, preference in closing a loan as soon as the necessary programmatic and financial steps are completed.

Projects that are outside of the Fundable Range may receive funding in advance of those Projects identified in the Fundable Range by following the Bypass Procedure outlined below. In addition, Projects that have Green Project Reserve components and/or Projects that are eligible for Additional Subsidization may be funded in advance of Projects in the Fundable Range to meet the additional requirements of the FY 2011 Appropriations Law. In addition to the PPLs, Exhibit C shows the percentage of SRF funds that are currently estimated to be used toward Green Project Reserve activities.

Projects were included in the Fundable Range based on a Project's rank and score.

C. Bypass Process

The Authority has determined that funds on-hand are insufficient to fund projects in addition to those within the Fundable Range, therefore, the State will use the following bypass procedures to allow other projects on the PPL to receive financial assistance from the CWSRF during SFY 2011. The Bypass Process enables Projects originally identified outside the Fundable Range to be funded when higher-priority Projects have not yet progressed to a stage allowing for loan closing. However, if a bypassed Project becomes ready to proceed, it will have funding priority over other Projects below it on the PPL. The following Bypass Process will be used in SFY 2011:

1. The CWSRF Loan Program will note the Fundable Range on each SFY 2011 PPL and notify all Participants with Projects on the PPL of their status. Participants will be advised that being in the Fundable Range does not mean that a loan commitment is made or that funding is guaranteed or reserved; rather, it means funding priority will be given to those Projects.

2. All Participants that are eligible for subsidized financing must bid the entire SRF financed Project in advance of a CWSRF loan closing.

3. Up to December 31, 2010, only Projects in the Fundable Range will be permitted to close a CWSRF subsidized loan. However, to meet the additional requirements of the FY 2011 Appropriations Law the CWSRF Loan Program will give Projects that are eligible to receive Additional Subsidization (in the form of principal forgiveness) or Projects that have Green Project Reserve components, priority and permit those Projects to be funded in advance of Projects in the Fundable Range.

4. After December 31, 2010, the CWSRF Loan Program will permit a bypassing of Projects within the Fundable Range that have not closed or scheduled to close their loan. The CWSRF Loan Program will extend the Fundable Range by the amount of such bypassed Projects. This is intended to afford Participants nearly within the original Fundable Range to gain priority in working quickly to close their loans.

5. After December 31, 2010, any Project that meets the necessary programmatic and financial steps may close a CWSRF Loan Program loan under applicable CWSRF Loan Program lending requirements. If the CWSRF Loan Program determines there is insufficient lending capacity, then the highest-scored Projects at a readiness-to-proceed stage may close.

6. Notwithstanding the foregoing, after December 31, 2010, the CWSRF Loan Program may institute additional or alternative conditions and limits other than as expressed in this IUP to tentatively select Participants for closing eligibility and to bypass any such tentatively selected Participant. Without limitation, these may include (i) bypassing Participants that fail to close within a 30-day (or shorter) period of being notified of timing and eligibility to close, (ii) limiting loan closing amounts to lesser amounts than requested, (iii) requiring evidence of full Project funding if all funding needs are not provided through the CWSRF Loan Program at a loan closing, (iv) conditionally reserving funding for any Participant commitments, (v) bidding Project prior to loan closing, etc.

7. The 2011 Capitalization Grant requires at least 30% of the funds appropriated to be used to provide Additional Subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these. The CWSRF Loan Program has the authority to offer loans and other financial assistance (i.e. additional subsidization) to or for the benefit of participants under Indiana Code 13-18-13-2(a). The CWSRF Loan Program intends to provide at least 30% of the 2011 Capitalization Grant funds as Additional Subsidization in the form of principal forgiveness. The majority of the minimum amount of funds required to be given as Additional Subsidization shall be provided to those communities that have a lower median household income and/or high post-project user rates. This will allow the CWSRF Loan Program to assist, as much as possible, communities that could not otherwise afford an SRF loan to receive the additional subsidization. The CWSRF Loan Program has not set a cap on the amount of principal forgiveness that a community may receive. The CWSRF Loan Program shall identify those communities who will receive Additional Subsidization and the amount of the Additional Subsidization prior to executing a financial assistance agreement. All CWSRF Loan Program requirements must be complied with. In cases where a Project cost exceeds principal forgiveness, base SRF loan funds will make up a portion or all of the difference.

8. All unfunded Projects are eligible to remain on subsequent SFY's PPLs if they inform the CWSRF Loan Program of their desire to do so.

III. 2011 CWSRF Loan Program Goals and Objectives

The goal of the CWSRF Loan Program is to facilitate statewide compliance with State and Federal water quality standards by prioritizing funding of Projects that provide enhancement or protection of water quality and public health, as well as to provide Participants in Indiana with low-cost financial assistance in order to construct necessary and environmentally sound treatment works while long-term goals and objectives are those the State expects to achieve over a longer course of time. For purposes of this IUP, short-term goals and objectives are those the State expects to achieve in SFY 2011.

A. Short-Term Goals and Objectives

During SFY 2011, the CWSRF Loan Program expects to achieve the following short-term goals and objectives:

(ST1) Seek the immediate award of the Federal Fiscal Year (FFY) 2011 Capitalization Grant. Continue to disburse loan proceeds such that the 2011 Capitalization Grant can promptly be deposited and, as expenditures are incurred or paid, be converted to cash. Ensure that at least 30% of the 2011 Capitalization Grant is used to provide Additional Subsidization in the form of principal forgiveness, negative interest loans or grants. Ensure that 20% of the 2011 Capitalization Grant is allocated to fund Green Project Reserve Projects. Work diligently to identify and fund Projects that address or have components of Green Project Reserve infrastructure, water or energy efficiency improvements or include other environmentally innovative activities. Exhibit C shows the percentage of SRF funds that may be used toward Green Project Reserve activities. Ensure that Davis Bacon wage rules apply to all assistance agreements made with funds appropriated under the 2011 Capitalization Grant.

(ST2) Document the environmental benefits derived from the CWSRF financed Projects using the one-page forms sanctioned by EPA.

(ST3) Work diligently with Participants who received ARRA funds to effectively manage their Projects so as to meet all the requirements of the ARRA, including the following:

> (ST3a) Ensure that none of the funds appropriated are used for the construction, alteration, maintenance, or repair of a public building or public work unless all of the iron, steel, and manufactured goods used in the Project is produced in the United States unless a waiver is given by EPA. This requirement shall be applied in a manner consistent with the U.S. obligations under international agreements.
>
> (ST3b) The CWSRF shall report no less than weekly on the use of the funds provided under the ARRA. The CWSRF Benefits Reporting database will be used to gather information regarding key Project characteristics and milestones. Project data shall be entered into the reporting system as soon as loan agreements are signed with recipients The CWSRF shall meet all reporting requirements established under the ARRA.
>
> (ST3c) Ensure that Davis-Bacon Act wage rules apply to all assistance agreements made in whole or in part with the funds appropriated.

(ST4) Conduct at least 30 technical inspections during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

(ST5) Conduct financial audits to assess Participants financial strength and their ability to repay loans, and work with Participants as needed.

(ST6) Work diligently with Participants and effectively manage Projects to assist Participants in closing loans and constructing their Projects in a timely, efficient manner.

B. Long-Term Goals and Objectives

During SFY 2011, the State will continue to work to achieve the following long-term goals:

(LT1) Provide financial assistance to current and future Participants, by providing low-cost financing commensurate with prudent fiscal and credit standards.

(LT2) Maintain the long-term financial integrity of the CWSRF by judiciously managing its assets in order to realize a rate of return that will sustain the CWSRF in perpetuity.

(LT3) Monitor all outstanding loans and the financial capability of Participants through the use of an in-house monitoring system and, in conjunction with the Bank of New York, ensure the CWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts audit in the current calendar year. Require new Participants to utilize paying agent agreements and offer all prior Participants the opportunity to enter into a paying agent agreement. Conduct financial on-site visits as warranted.

(LT4) Leverage EPA Capitalization Grants to generate loans that exceed two-times the awarded grant amounts.

(LT5) Monitor Participant's draw of funds to assure loans are being drawn within two years. Assure that un-drawn funds are returned to the loan pool and made available to other Participants.

(LT6) Submit required reports to EPA in a well-prepared and timely manner, and ensure that EPA funds are accessed within one week of being made available to the State.

(LT7) Provide interest rate breaks to communities which adopt Nonpoint Source Projects. The CWSRF Loan Program will meet quarterly with the Indiana Department of Environmental Management (IDEM) Nonpoint section to identify Projects on the CWSRF Loan Program PPL which may benefit from SRF funding.

(LT8) Work with the IDEM Total Maximum Daily Load (TMDL) section to develop a system to assist communities in the implementation of TMDLs and offer interest rate breaks to communities which implement TMDL Projects which are CWSRF Loan Program eligible.

(LT9) Periodically publish an SRF Loan Program newsletter.

(LT10) Work with the other State and Federal clean water infrastructure financing agencies to coordinate efficient and effective financing of clean water Projects.

(LT11) Develop a comprehensive database for staff to reference all information related to each SRF Project.

(LT12) Utilize the Clean Watershed Need Survey information database when a new application is received and use this information to confirm the need of the Project as well as providing input to the scoring of the Project.

(LT13) Coordinate the co-funding of an Indiana Brownfield's Program and CWSRF Loan Program Project.

(LT14) Provide incentives to Participants through the Green Project Reserve Sustainability Incentive Program. The SRF Loan Programs created the GPR Sustainability Incentive Program to encourage CW and DW SRF Loan Program participants to include green projects components in their SRF projects. The GPR Sustainability Incentive Program provides two main benefits:

1) Up to 0.5% percent interest rate discount over the entire loan and
2) Improved ranking on the SRF Project Priority List.

IV. Financial Status of the CWSRF Fund

A. Sources and Uses of Funds

Capitalization Grants, Guarantee Revenue Bond proceeds and State Match Revenue Bond proceeds are used to capitalize the CWSRF Loan Program. The majority of the bond proceeds are, in turn, loaned to Participants for eligible Projects. The CWSRF Loan Program utilizes its Capitalization Grants to serve as security for Guarantee Revenue Bonds issued by the State, the proceeds of which are loaned to Participants. Earnings on the Capitalization Grants serve as a source of payment for Guarantee Revenue Bonds and State Match Revenue Bonds issued by the State.

As required by 40 CFR 35.3135 (c), Exhibit E, Intended Uses of the Funds, identifies the intended uses of the funds held in CWSRF accounts, and how those uses support the goals of the CWSRF Loan Program. Exhibit E also demonstrates how the Authority meets the requirements of 40 CFR 35.3135(d) by using all of the funds in the CWSRF in an expeditious and timely manner.

B. Available Funds

During SFY 2011, the State intends to provide funds to continue meeting existing loan commitments and to make additional loans for new Projects by causing additional Guarantee Revenue Bonds and State Match Bonds to be issued. The issuance of these bonds will occur as, when and in amounts that are necessary for the State to meet the cash flow borrowing needs of existing and new loans. Binding Commitments are only made from the CWSRF if and when a financial assistance agreement is entered into with a Participant.

The State was awarded the 2011 Capitalization Grant in the amount of $35,588,000 million. When added to the funds currently available to the State, the State estimates that it could, in aggregate, generate additional funds for lending in an amount sufficient to fund the majority of Projects that have been scored and ranked on the SFY 2011 CWSRF PPLs.

The maximum amount of funding ultimately available for loans will depend on the following:

- Demand for the CWSRF Loan Program as evidenced by Projects;
- Participant's readiness-to-proceed as evidenced by completion of a PER and other steps necessary to secure a CWSRF Loan Program loan within SFY 2011; and
- The capacity of the CWSRF Loan Program to issue additional Guarantee Revenue Bonds and State Match Revenue Bonds to generate additional loanable funds, which requires sufficient cash flows to repay them.

The State's CWSRF Loan Program is an established and highly-rated borrower in the national bond market and has issued Revenue Bonds to finance the CWSRF Loan Program. These bond issues have also provided the needed State Match funding and provided funds for loans. The balance of the bond proceeds, not available for loans, are used for reserve funds, administrative expenses, costs of issuance, etc.

C. Allocation of Available Funds

Projects will be financed subject to the availability of funds, readiness to proceed, and the ability of the Participant to comply with the conditions set forth in the State's Binding Commitment with the Participant and CWSRF Loan Program requirements.

In addition to being ranked and scored and in the Fundable Range, "Project readiness criteria" will be applied to assure that Projects that are ready for CWSRF Loan Program financing will be given priority.

Disbursements of CWSRF Loan Program funds will be made on a cost-incurred basis in accordance with the CWA and state law.

D. Other Types of Assistance Provided

The CWSRF Pooled Program supplements the CWSRF Loan Program. The CWSRF Loan Program's Pooled Program provides communities with an interest rate equivalent to a AAA-rated loan if and when the traditional SRF Loan Program becomes unable to satisfy all the needs of the applicants on the PPLs. Pooled Loan Closings are tentatively scheduled for Fall 2010. The Authority will determine the number of Projects and available loan amount. Based on that information, the Authority will secure funds for those Projects ready to proceed and close an SRF loan. The State will have the right to blend a large Project with assistance from both the CWSRF Pooled Program and the traditional CWSRF Loan Program. The State may require non-construction loans ("planning and design") to be funded by the CWSRF Pooled Program. Furthermore, the State may require loans that are requests for additional funding to be funded by the CWSRF Pooled Program.

The State will consider refinancing, commensurate with federal and state law, where (i) a Participant is proposing a new wastewater Project that will result in a significant improvement in water quality and (ii) as a result of state law or other restrictions on the Participant (including existing bond ordinance, trust indenture or credit agreement provisions), a refinancing of the existing debt is necessary or convenient as a matter of law or prudent fiscal or credit policy.

E. Transfers between CWSRF and DWSRF

The State has retained the flexibility to permit transfers between the DWSRF and the CWSRF of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the CWA and the Safe Drinking Water Act (SDWA). Exhibit E, Intended Uses of the Funds, identifies transfer balances.

Any transfer would only be made between accounts established for like purposes and subject to like restrictions in the SRF Loan Programs and would be accounted for on a cumulative net basis. Consistent with prior transfers, the State expects that transfers would be from funds held in its Restricted Sub-account of the Equity Fund or other funds held in the SRF Loan Program and that such funds would be used to generate additional lending capacity under the leverage loan structure of the DWSRF Loan Program. The State would not expect such transfers to have a material impact on the capacity of the CWSRF Loan Program to finance Projects during SFY 2010. Notwithstanding the foregoing but subject to the Safe Drinking Water Act, the State retains the flexibility to transfer un-drawn CWSRF grants and/or to fund direct DWSRF loans with transfers. The State would expect to only make transfers in a manner consistent with agreements related to outstanding Guarantee Revenue Bonds and State Match Revenue Bonds.

F. Interest Rates

Indiana's CWSRF Loan Program uses a Base Interest Rate, which is re-set on the first business day of each January, April, July and October. The Base Rate is calculated by using 90 percent of the average 20-year AAA-rated, general obligation bond Municipal Market Data (MMD) composite index for the most recent calendar month. The Base Rate is then discounted further on the basis of the Participant's Median Household Income (MHI) from 2000 Census data and projected user rates.

The Participant's financial information is reviewed by the CWSRF Loan Program to finalize a CWSRF Loan Program interest rate. The Participant's rate consultant completes this rate study before a rate ordinance is adopted at the local level.

In the past when Participants had outstanding debt, they often wrapped new CWSRF Loan Program debt service around the old debt so that aggregate debt service was level. Wrapped CWSRF Loan Program loans

may be charged 25 additional basis points to help offset the additional subsidy they afford. The CWSRF Loan Program will have discretion to waive the extra charge for Participants. Any Participant proposing to use a wrap structure will be required to justify it by showing a substantial effect on User Rates.

	User rates (Over $50)	**User rates between $30-$50**	**User rates under $30**
MHI under $33,669	{C} Rate – 0.75%	{C} Rate – 0.50%	{A} Rate – 0.50% = {C} Rate
MHI between $33,670-$41,566	{B} Rate – 0.75%	{B} Rate – 0.50%	{A} Rate – 0.25% = {B} Rate
MHI over $41,567	{A} Rate – 0.75%	{A} Rate – 0.50%	Base Rate = {A} Rate

G. Terms

Consistent with applicable law, all CWSRF Loan Program loans will be structured so that there are at least annual principal repayments commencing one year after expected completion of the Project, and a final principal payment no later than 20 years after expected completion of the Project. Additionally, the State expects level debt service payments except in limited circumstances, such as where CWSRF Loan Program debt service is wrapped around existing debt on the basis of user rate affordability. Executing a CWSRF Loan Program loan on any basis other than level, aggregate annual debt service is subject to additional State review and approval.

H. Cross-collateralization of the CWSRF with the DWSRF

To the extent permitted by the CWA and the SDWA, and their incumbent regulations, the State has cross-collateralized the CWSRF and the DWSRF Loan Programs to optimize capitalization requirements and to better manage the specific funding needs of Projects.

This cross-collateralization arrangement maximizes the security for bonds issued by the State to capitalize the SRF Loan Programs. Accordingly, this could relate to and affect all types of funds held in them. The State would expect that any such transfers would occur at any time necessary to prevent a default on any such bonds and would be made between accounts established for like purposes and subject to like restrictions. To date, no transfers of this nature have been made.

The State would expect to retain the flexibility to reimburse, on a cumulative net basis, any transfers made under a cross-collateralization arrangement. Because such a cross-collateralization arrangement is a contingent security concept and transfers are not expected or planned to occur, the State would not expect this to negatively affect the funding capacity of the SRF Loan Programs. However, if such transfers occur and are not reimbursed, it may affect the burdened fund's ability to make some volume of additional loans it otherwise might have been able to make.

I. Fees Assessed on Recipients

The State assesses all Participants a Loan Closing Fee of $1,000. The CWSRF Loan Program may also assess a Non-Use Fee on funds not used for Project costs two years following the loan closing. The total dollar amount in the CWSRF Administrative Fee account as of June 30, 2010 was $80,856.

Participants must use non-SRF monies to fund payment of the above mentioned fees.

J. CWSRF Financial Planning and Long-term Financial Health

The State employs financial advisor, Lamont Financial Services Corporation, to evaluate the financial status and health of the CWSRF and make recommendations that support sustainability.

K. Assurances, Specific Proposals

The State provides the necessary assurances and certifications under its present Operating Agreement with the EPA; however, as required by 40 CFR 35.3150(b) (4), the State further certifies that it will:

(a) Perform environmental reviews in accordance with federal law and state law.

(b) Enter into Binding Commitments with Participants for wastewater treatment Projects in amounts equal to at least 120 percent of each quarterly federal Capitalization Grant payment within one year of the receipt of each such payment in accordance with Section 602(b)(3) of the CWA. As of June 30, 2010, Binding Commitments exceeded 120 percent of all grants awarded to date (that is, FFY 1994 through 2009), significantly in advance of the foregoing Binding Commitment deadlines. Further, such Binding Commitments would exceed 200 percent of Capitalization Grants (inclusive of the estimated and FFY 2011 Capitalization Grant). Such amounts are banked toward meeting future Binding Commitment requirements.

(b) Expend all CWSRF Loan Program funds in a timely and expeditious manner in accordance with Section 602(b) (4) of the CWA. As demonstrated by Exhibit E, the State has used all CWSRF funds in a timely and expeditious manner and will continue to do so.

(c) Use first the Capitalization Grants, the State Matches, and whatever loan repayments are required to be so used to assure maintenance of progress toward compliance with enforceable deadlines, goals and requirements of Section 602(b) (5) of the CWA and to this end, the State asserts that all national municipal policy Projects in Indiana have been funded and are in compliance or have an enforceable schedule, an enforcement action filed or a funding commitment.

In accordance with Section 606(b) of the Clean Water Act, the Authority, hereby affirms that it retains an independent auditor to review and audit the use of funds deposited in the CWSRF in accordance with the auditing procedures of the federal General Accounting Office and the requirements the federal Single Audit Act and the federal Office of Management and Budget Circular A-133.

L. Expenses

The State intends to use the maximum allowable percentage of each federal Capitalization Grant to offset CWSRF Loan Program costs, including administrative, legal and financial fees and expenses, to the extent permitted by Section 603(d)(7) of the Clean Water Act to operate the CWSRF Loan Program in perpetuity.

VI. Public Participation

Public notice is made through the SRF Loan Program website, www.srf.in.gov. The CWSRF Loan Program has public noticed the IUP on the SRF website. The public notice period is from June 16 through June 30, 2011. Copies of this proposed IUP and PPLs are also available to the public upon request. The PPLs are also posted on the SRF Loan Program website.

The CWSRF Loan Program will respond to any major SFY 2011 IUP comment or concerns the process of such response will be determined by the nature of the comment or concern.

This IUP, including the PPLs, may be amended during SFY 2011 in accordance with federal and state Law. As described under Part III, Exhibit B Criteria for Project List (PPL) Ranking, the State intends to amend the PPL quarterly during SFY 2011. The IUP may also be amended from time-to-time to reflect any minor changes which constitute data revision or clarification.

EXHIBIT A

Definitions

Exhibit A
CWSRF Loan Program Definitions

Terms used in this document have the following meanings:

Additional Subsidization means to provide assistance in the form of principal forgiveness, negative interest rate loans, or grants in accordance with Fiscal Year (FY) 2011 Appropriations law (P.L. 112-10) (a). Priority for additional subsidies should be given to communities that could not otherwise afford such projects.

ARRA means the "American Recovery and Reinvestment Act of 2019" enacted on February 17, 2009.

Binding Commitment means a closed CWSRF loan.

Bypass Process means the procedure which allows the State to bypass projects identified in a Fundable Range if the Authority determines that there may be insufficient resources to fund all loans on the PPL during the SFY. It allows other projects originally identified outside the fundable range to be funded when higher-priority projects have not yet progressed to a stage allowing for loan closing.

Capitalization Grant means a federal grant, as evidenced by an agreement with the United States Environmental Protection Agency that provides funds to capitalize the CWSRF.

Clean Water State Revolving Fund (CWSRF) Loan Program means the State's revolving fund loan program for wastewater infrastructure established under and pursuant to I.C. 13-18-13 and the programs afforded thereby.

CWA means the Clean Water Act of 1972, as amended and supplemented and codified at 33 United States Code Section 1251 et seq., and the rules and regulations promulgated thereunder.

Drinking Water SRF (DWSRF) means the State's Drinking Water State Revolving Fund created in accordance with the SDWA and state Law.

Environmental Protection Agency (EPA) means the federal agency responsible for promulgating regulations to implement environmental statutes including the Clean Water Act and from which the CWSRF receives capitalization grants.

Federal Fiscal Year (FFY) means the fiscal beginning October 1st and ending September 30th.

Fiscal Year (FY) means the fiscal year for the year indicated.

Fundable Range means an estimated current loan capacity which is determined by various assumptions. Defined at the commencement of the SFY, it determines which projects on the PPL are expected to receive assistance from the available funds subject to the CWSRF's Bypass Process.

Green Project Reserve (GPR) Sustainability Incentive Program means a program offered by the SRF Loan Programs to Participants to encourage the incorporation of green project components into Projects.

Guarantee Revenue Bonds means one or more series of revenue bonds issued from time-to-time by the State to fund the CWSRF Loan Program. Federal capitalization grants provide security for, and the CWSRF is the source of revenue for, the payment of Guarantee Revenue Bonds. Guarantee Revenue Bond net proceeds are loaned to Participants to finance projects.

Indiana Department of Environmental Management (IDEM) means the State environmental regulatory agency.

Indiana Finance Authority (Authority) means the State entity that administers the Indiana SRF Loan Programs pursuant to IC 4-4-11.

Intended Use Plan (IUP) means state document that is required to be prepared annually by the CWSRF Loan Program to support the State's capitalization grant application, which identifies the intended uses of all monies available to the CWSRF.

Median Household Income (MHI) means the average annual income for a given region as determined by the most recent federal census data.

Municipal Market Data (MMD) means the composite index used in pricing municipal bonds.

Nonpoint Source (NPS) means water pollution from diffuse, rather than discrete sources. It is caused by precipitation moving over or through the ground.

Participant means a political subdivision, Municipal Corporation, special taxing district, sanitary/conservancy district, regional water, sewer, or waste district, or any other separate local governmental entity. "Political Subdivision" is more specifically described in Indiana Code 13-11-2-164.a Political Subdivision that is eligible for financial assistance from the CWSRF Loan Program.

Preliminary Engineering Report (PER) means the document(s) submitted by the Participant that provides the information necessary for the CWSRF Loan Program to determine the technical, economic and environmental adequacy of a Project.

Pre-Planning Meeting means an initial meeting held with a Participant to gain an understanding of the Participant's needs and to explain CWSRF Loan Program requirements.

Project Priority List (PPL) means the list of eligible Projects, seeking financial assistance, in the order of their priority ranking. It includes Projects that are preliminarily scored and unranked as well as those that are scored and ranked on the basis of needs, prepared pursuant to Section 216 of the Clean Water Act.

Project means the wastewater infrastructure project and NPS project proposed by Participants for CWSRF financing in SFY 2011, which will be reviewed for qualification and ranking under Section 212 of the Clean Water Act.

Scoring and Ranking System means the priority ranking system; a system by which the CWSRF Loan Program staff evaluates and ranks Projects for listing on the CWSRF Loan Program PPL.

State means the state of Indiana.

State Fiscal Year (SFY) means the period of time beginning July 1st and ending June 30th.

State Match means the State's commitment to provide matching funds equal to 20 percent of each federal capitalization grant for the CWSRF.

State Match Revenue Bonds means one or more series of revenue bonds issued by the Indiana Finance Authority as needed to fund its State Match.

State Revolving Fund (SRF) Loan Programs or SRF Loan Programs means both the CWSRF and DWSRF Loan Programs.

EXHIBIT B

Project Priority Lists

WASTEWATER STATE REVOLVING FUND (WWSRF) LOAN PROGRAM

2011 Project Priority List (July 1, 2010)

Projects Applying for Financial Assistance (20 year loan) in State Fiscal Year 2011 (July 1, 2010 - June 30, 2011)

List A: Small Systems: Population less than 10,000

PPL Rank[2]	PPL Score	Project Name	MHI[1]	Population	NPDES #	SRF Project No.	Green Project Reserve	Project Description[3]	Total Project Cost	Estimated Post-Project User Rate (per 4,000 gallons)[1]
1	42	Russiaville	40,875	1,092	IN0020532	WW096434 01	N/A	I,IIIA	$1,705,000	$47.40
2	40	Luce Township	37,883	3,109	TBD	CS182362 01	N/A	I,IVA	$16,183,000	$100.00
3	39	South West Lake Maxinkuckee	42,581	404	TBD	WW094950 01	N/A	IVA	$2,361,000	$132.00
4	37	Eaton	31,563	1,603	IN0021652	WW0911118 01	N/A	IIIB	$973,000	$26.90
5	37	Thralls Station	30,829	1,264	IN0109592	WW094584 01	N/A	I	$3,350,000	$71.20
6	35	English	20,870	673	IN0039993	WW0913713 01	N/A	IIIB	$1,008,000	$46.37
7	35	Edwardsport	27,100	348	TBD	WW101542 01	N/A	I	$3,123,000	$140.00
8	32	Damon Run CD (Mallards Pt)	54,155	508	IN0024368	WW0913664 03	N/A	IVB	$385,500	$29.38
9	30	Mount Vernon	41,723	7,478	IN0035696	WW0649652	$1,100,000	V	$12,814,000	$23.08
10	29	Culver	33,047	1,539	IN0021288	WW0911350 02	N/A	I	$1,998,000	$38.01
11	28	Wadesville-Blairsville	51,705	1,250	TBD	WW101665 01	N/A	I,IVB	$10,549,598	TBD
12	28	Cannelton	27,361	1,209	IN0021016	WW0911962 01	N/A	V	$1,322,810	$74.57
13	27	Winamac	31,413	2,418	IN0020516	WW094166 01	N/A	V	$4,440,000	$52.41
14	26	Summitville	37,303	1,002	IN0024562	WW094648 01	N/A	V	$939,000	$75.27
15	26	Rensselaer	49,845	6,400	IN0024414	WW100437 02	N/A	IVA	$1,080,000	$33.06
16	25	Boonville	25,377	3,834	IN0022420	WW101487 04	N/A	V	$8,335,000	$27.36
17	25	Battleground	52,857	1,323	IN0020036	WW100879 01	N/A	I,IIIB	$2,780,000	$43.40
18	24	Clark County	40,111	5,993	IN0001163	WW0911810 01	N/A	IVA	$2,350,000	$23.50
19	24	Rockport	27,275	2,160	IN0021067	WW0801074 03	N/A	V	$4,565,000	$43.32
20	24	Scott County RSD (Green Acres)	34,656	140	IN0020397	WW095972 02	N/A	I,IVA	$1,300,000	$48.45
21	23	Clark County	49,405	3,450	IN0035521	WW0911810 01	N/A	IIIB	$1,125,000	$68.60
22	23	Scott County RSD (Lexington)	34,656	462	IN0062551	WW095872 01	N/A	I,II,IVA	$2,830,000	$48.45
23	20	Mooresville	47,292	9,273	IN0023825	WW100355 01	$1,300,000	I	$10,000,000	$24.76
24	17	Brookville	29,390	1,191	IN0022446	WW0912124 01	N/A	IIIB	$350,000	$39.76
25	16	Union City	26,526	3,622	IN0020982	WW0558681	N/A	I,IIIA,IIIB	$9,500,000	$69.06
26	15	Austin	28,495	4,724	IN0025135	WW0912672 01	N/A	I,IIIB	$4,270,000	$27.08
27	13	Winona Lake	49,599	4,285	IN0024805	WW094043 01	N/A	I	$5,127,000	TBD
28	5	Chesterfield	37,143	2,969	TBD	WW100648 02	$469,000	II	$7,110,000	$70.30
29	3	Edgewood	63,591	1,866	TBD	WW101248 01	N/A	I	$5,500,000	$53.32
30	0	Scottsbuirg	30,687	6,040	IN0020397	WW095772 01	N/A	I	$5,100,000	$25.50
31	0	Cumberland	57,875	5,500	IN0021300	WW102249 02	N/A	I	$1,800,000	$25.50

Fundable Range: $50

TOTAL PRELIMINARY ENGINEERING REPORTS SUBMITTED **$2,869,000** **$134,273,908**

Appplications Only: Not Scored and Unranked

PPL Rank[2]	PPL Score	Project Name	MHI [1]	Population	NPDES #	SRF Project No.	Green Project Reserve	Project Description[3]	Total Project Cost	Post-Project / Current User Rate (per 4,000 gallons)[1]
Application Only	--	Aurora	32,500	3,965	IN0050903	WW0912715 02	N/A	IIIB	$3,000,000	$51.69
Application Only	--	Bean Blossom RSD	45,446	260	TBD	WW110107 01	N/A	I,IVA	$2,790,000	$65.00
Application Only	--	Bloomfield	30,224	2,542	IN0022373	WW100218 02	N/A	I,IIIA,IVA	$2,264,000	$47.50
Application Only	--	Dearborn County	48,899	464	IN0029947	WW080215 01	N/A	I,II,IVA	$1,120,000	TBD
Application Only	--	Frankton	39,130	1,905	IN0020028	WW101748 01	N/A	I	$1,196,000	$24.35
Application Only	--	Greencastle	29,798	9,880	IN0021032	WW091667 02	N/A	IVA	$3,059,000	$152.70
Application Only	--	JNRU: Hayden	39,702	1,500	IN0056049	WW100140 03	N/A	IVA	$10,220,000	$90.00
Application Only	--	Lakeland Rsd	43,939	5,000	TBD	WW091143 01	N/A	I,IVA	$30,000,000	$70.00
Application Only	--	Ligonier	36,546	4,357	IN0023582	WW100457 01	N/A	V	$4,489,000	$34.99
Application Only	--	Linton	26,477	5,774	IN0020575	WW100628 01	N/A	I,IIIA	$3,238,000	$18.95
Application Only	--	Mitchell	28,559	4,567	IN0023787	WW100747 01	N/A	I,IIIB,IVA	$2,996,000	$22.18
Application Only	--	Morgantown	33,158	964	IN0036820	WW097355 01	N/A	I,IIIA,IVA,V	$3,580,000	$71.17
Application Only	--	Oldenburg	42,292	647	IN0023973	WW100124 01	N/A	I,IIIA	$2,530,000	$31.33
Application Only	--	Romney RSD	50,938	377	TBD	WW102079 01	N/A	IVA	$3,106,990	$78.30
Application Only	--	Wanatah	50,625	1,013	IN0656669	WW101846 02	N/A	I	$777,000	$40.96
TOTAL APPLICATIONS ONLY SUBMITTED									**$74,365,990**	
TOTAL PRELIMINARY ENGINEERING REPORTS and APPLICATIONS SUBMITTED							**$2,869,000**		**$208,639,898**	

Footnotes:

[1] Additional subsidization may be provided to participants who have a low MHI and/or high post-project user rates. The amount of the additional subsidization shall be determined and set forth in the financial assistance agreement.

[2] A community must submit a complete Preliminary Engineering Report to the WWSRF Loan Program in order for the project to be scored and ranked on the PPL.

[3] I=Secondary Treatment,II=Advanced Treatment,IIIA=Inflow/Infiltration Correction,IIIB=Major Sewer System Rehabilitation,IVA=New Collection Sewers,IVB=New Interceptors,V=Combined Sewer Overflow Correction,VI= Non-Point Source

INDIANA WASTEWATER STATE REVOLVING FUND (WWSRF) LOAN PROGRAM

2011 Project Priority List (July 1, 2010)

Projects Applying for Financial Assistance (20 year loan) in State Fiscal Year 2011 (July 1, 2010 - June 30, 2011)

List B: Large systems: Population equal to or greater than 10,000

PPL Rank[2]	PPL Score	Project Name	MHI [1]	Population	NPDES #	SRF Project No.	Green Project Reserve	Project Description [3]	Total Project Cost	Total	Estimated Post-Project User Rate (per 4,000 gallons)[1]
1	36	Speedway	37,713	12,881	IN0032972	WW0914549 04	N/A	I,V	$23,605,650	$23,605,650	$11.36
2	35	Anderson (WWTP)	32,557	59,734	IN0032476	WW092048 01	N/A	II	$397,000	$24,002,650	$34.96
3	35	Jeffersonville	37,234	27,362	IN0023302	WW0612102	$3,225,000	I,IVA	$28,300,000	$52,302,650	$31.34
4	34	Indianapolis (LS 101 C)	40,154	791,926	IN0023183	Loan 13	N/A	IIIB	$9,950,000	$62,252,650	$12.30
5	33	Indianapolis (Castleton)	40,154	791,926	IN0023183	Loan 13	N/A	IVB	$16,000,000	$78,252,650	$12.30
6	31	Hammond SD	43,600	88,048	IN0023060	CS18230601	$1,248,125	V	$51,625,000	$129,877,650	$10.77
7	31	Huntington (Riverfork)	35,600	17,450	IN0023132	WW099335 05	N/A	IVA	$2,152,000	$132,029,650	$19.35
8	31	Logansport	33,483	19,684	IN0023604	WW098409 01	N/A	I	$4,000,000	$136,029,650	$13.55
9	31	Montgomery County RSD	44,177	37,629	TBD	WW097554 01	N/A	I,IIIB	$8,246,000	$144,275,650	TBD
10	30	Indianapolis (Baley Dcs)	40,154	791,926	IN0023183	Loan 13	$6,000,000	I	$12,000,000	$156,275,650	$12.30
11	30	Indianapolis (Sm. Dia)	40,154	791,926	IN0023183	Loan 13	$1,500,000	IIIB	$2,000,000	$158,275,650	$12.30
12	29	South Dearborn RSD	36,785	288,400	IN0024538	WW092915 01	N/A	I	$3,136,000	$161,411,650	$40.58
13	29	Valparaiso	47,191	29,951	IN0024660	WW0912864 02	N/A	V	$1,200,000	$162,611,650	$30.41
14	28	Fall Creek RSD	46,204	15,800	IN0049026	WW091748 03	$2,500,000	IVA	$3,162,000	$165,773,650	$34.36
15	28	Lowell	46,743	18,069	IN0023621	WW098345 01	N/A	I	$5,955,000	$171,728,650	$32.64
16	27	Anderson (I/I)	32,557	59,734	IN0032476	WW092048 01	N/A	IIIA	$2,429,000	$174,157,650	$34.96
17	27	Lagrange County	32,333	34,909	TBD	WW0914944 01	N/A	I	$3,220,000	$177,377,650	TBD
18	26	Huntington (Digester)	35,600	17,450	IN0023132	WW099035 02	N/A	I	$965,000	$178,342,650	$19.35
19	24	Huntington (Salamonie Ave.)	35,600	17,450	IN0023132	WW099035 02	N/A	V	$840,000	$179,182,650	$19.35
20	24	St.Joseph County RSD	89,839	10,614	NA	WW096271 02	N/A	IVA,VI	$4,100,000	$183,282,650	TBD
21	24	Evansville (Cass)	36,518	121582	IN0032956	WW081382 05	N/A	V	$10,472,000	$193,754,650	TBD
22	23	Howard County	45,725	84,964	NA	WW092634 01	N/A	VI	$1,632,000	$195,386,650	TBD
23	23	Plainfield	46,782	18,396	IN0021202	WW092432 01	$832,500	V	$5,193,000	$200,579,650	$18.20
24	22	Mishawaka (NW Trunk Liner)	38,597	49,439	IN0025640	WW093671 03	N/A	IIIB	$984,000	$201,563,650	$64.94
25	22	Seymour	36,883	18,101	IN0024473	WW100336 02	N/A	IIIB	$8,160,000	$209,723,650	$27.54
26	21	South Bend	32,439	107,789	IN0024520	WW095471 02	N/A	V	$4,497,000	$214,220,650	$27.75
27	20	Crown Point	52,889	19,806	IN0025763	WW0911445 02	N/A	I,IIIB	$1,470,000	$215,690,650	$25.31
28	17	Evansville (Mt. Auburn)	36,518	121,582	IN0033073	WW091282 06	N/A	IVA	$3,513,125	$219,203,775	$25.86
29	17	Evansville (Cave)	36,518	121,582	IN0033073	WW091282 07	$145,000	IVA	$45,840,000	$265,043,775	$25.86
30	14	Crowfordsville	34,571	15,243	IN0032964	WW0911554 01	N/A	IIIB	$1,855,000	$266,898,775	$18.72
31	11	Fishers	87,942	52,390	IN0055484	WW0910829 01	N/A	IVA	$6,900,000	$273,798,775	TBD
32	11	Mishawaka (Milburn/Holy Cross)	38,597	49,439	IN0025640	WW093671 03	N/A	IIIB, V	$19,349,900	$293,148,675	$64.94
33	4	Newburgh	41,581	31,002	IN0023892	WW06598705	N/A	V	$4,594,000	$297,742,675	$40.55
34	2	Huntington (Airport)	35,600	17,450	IN0023132	WW099235 04	N/A	IVA	$1,012,000	$298,754,675	$19.35
35	2	Huntington (Northside)	35,600	17,450	IN0023132	WW099135 03	N/A	IVA	$781,000	$299,535,675	$19.35
36	2	New Albany	34,923	37,603	IN0023884	WW097122 05	$1,163,293	IIIA, IVB	$7,234,000	$306,769,675	$25.20
37	0	Indianapolis (LS101 D)	40,154	791,926	IN0023183	Loan 13	N/A	IIIB	$2,000,000	$308,769,675	$12.30
38	0	Michigan City	33,732	32,900	IN0023752	WW0914146 01	N/A	VI	$5,500,000	$314,269,675	$19.05
TOTAL PRELIMINARY ENGINEERING REPORTS SUBMITTED							**$16,613,918**		**$314,269,675**		

Fundable Range: $100 Million

Appplications Only: Not Scored and Unranked

PPL Rank[2]	PPL Score	Project Name	MHI[1]	Population	NPDES #	SRF Project No.	Green Project Reserve	Project Description[3]	Total Project Cost	Total	Post-Project / Current User Rate (per 4,000 gallons)[1]
Application Only	--	Clarksville	35,473	21,400	IN0047058	WW100510 01	N/A	VI	$1,740,000	$1,740,000	$15.50
Application Only	--	Columbus BF	41,723	39,059	NA	WW102303 05	N/A	I	$815,300	$2,555,300	TBD
Application Only	--	Hammond SD	35,528	88,048	IN0023183	WW081445 05	N/A	II	$14,750,000	$17,305,300	$10.77
Application Only	--	Hammond SD	35,528	88,048	IN0023183	WW100245 06	N/A	II	$7,700,000	$25,005,300	$10.77
Application Only	--	Indianapolis PER 5C	40,154	791,926	IN0023183	Various	N/A	IIIB,IVA,V	$54,114,000	$79,119,300	$14.63
Application Only	--	Indianapolis PER 5D	40,154	791,926	IN0023183	Various	N/A	IIIB,IVA,V	$239,507,000	$318,626,300	$14.63
Application Only	--	Indianapolis PER 5E	40,154	791,926	IN0023183	Various	N/A	IVA	$68,863,000	$387,489,300	$14.63
Application Only	--	Indianapolis PER 6A	40,154	791,926	IN0023183	Various	N/A	I,II	$82,080,000	$469,569,300	$14.63
Application Only	--	Indianapolis PER 6B	40,154	791,926	IN0023183	Various	N/A	I	$196,665,000	$666,234,300	$14.63
Application Only	--	St. Joseph County Rsd	40,420	10,614	NA	WW096171 01	N/A	I	$2,400,000	#REF!	TBD
Application Only	--	Terre Haute	28,018	72,672	IN0025607	WW100584 01	N/A	IIIB	$92,200,000	#REF!	$35.00
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913229 01	N/A	IIIB	$2,500,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913329 02	N/A	I	$130,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913429 03	N/A	IIIB	$100,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913529 04	N/A	IIIB	$100,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913629 05	N/A	I	$90,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913729 06	N/A	I	$342,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913829 07	N/A	N/A	$200,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0913929 08	N/A	N/A	$120,000	#REF!	$35.07
Application Only	--	Westfield	52,963	25,000	IN0059544	WW0914029 09	N/A	N/A	$100,000	#REF!	$35.07

TOTAL APPLICATIONS ONLY SUBMITTED **$764,516,300**

TOTAL PRELIMINARY ENGINEERING REPORTS and APPLICATIONS SUBMITTED **$16,613,918** **$1,078,785,975**

Footnotes:

[1] Additional subsidization may be provided to participants who have a low MHI and/or high post-project user rates. The amount of the additional subsidization shall be determined and set forth in the financial assistance agreement.

[2] A community must submit a complete Preliminary Engineering Report to the WWSRF Loan Program in order for the project to be scored and ranked on the PPL.

[3] I=Secondary Treatment,II=Advanced Treatment,IIIA=Inflow/Infiltration Correction,IIIB=Major Sewer System Rehabilitation,IVA=New Collection Sewers,IVB=New Interceptors,V=Combined Sewer Overflow Correction,VI= Non-Point Source

EXHIBIT C

Green Reserve Projects – Verification of Meeting the 20% Requirement

Indiana WW SRF Loan Program
Exhibit B-1 - 20% Green Reserve

CWSRF Loan Program FFY 2011 Capitialization Grant **$35,588,000**
20% = **$7,117,600**

Community	Project Description	Total Project Cost	Green Project Description	Business Case (BC) or Categorical Exemption (CE)	Category 1: Green Infrastructure	Category 2: Water Efficiency	Category 3: Energy Efficiency	Category 4: Environmentally Innovative	Total Eligible GPR Cost (sum of Categories 1-4)
Large Systems PPL									
Evansville	Cass Ave.	$40,340,000	VFD's	BC			$145,000		$145,000
Fall Creek RWD	Sewer Rehabilitation	$3,162,000	Sewer Rehab	BC			$2,500,000		$2,500,000
Hammond SD	WWTP Improvements	$45,925,000	vfd/pmps	BC			$1,148,125		$1,148,125
Hammond SD	Non-Point Source	$5,700,000	nps	BC		$100,000			$100,000
Indianapolis	Sewer Rehabilitation	$2,000,000	Sewer Rehab	BC			$1,500,000		$1,500,000
Indianapolis	Baley DSC	$12,000,000	process control system	BC			$6,000,000		$6,000,000
Jeffersonville	North WWTP, Tenth Street P.S., New Outfall @ Existing WWTP, Spring Street P.S.	$28,300,000	VFD's, Efficient aeration system	BC			$3,225,000		$3,225,000
New Albany	New interceptor	$7,234,000	I/I Reduction	BC		$136,200	$1,027,093		$1,163,293
Plainfield	WWTP Improvements	$5,193,000	screw pumps/scada	BC			$832,500		$832,500
Large System Project Cost Total:		**$149,854,000**					**Large System GPR Total:**		**$16,613,918**

Small Systems PPL

Community	Project Description	Total Project Cost	Green Project Description	Business Case (BC) or Categorical Exemption (CE)	Category 1: Green Infrastructure	Category 2: Water Efficiency	Category 3: Energy Efficiency	Category 4: Environmentally Innovative	Total Eligible GPR Cost (sum of Categories 1-4)
CHESTERFIELD	New WWTP	$7,110,000	VFD's, Fine Bubble Aeration	BC			$469,000		$469,000
MOORESVILLE	WWTP Improvements	$10,000,000	VFDs/SCADA	BC			$1,300,000		$1,300,000
MOUNT VERNON	CSO/LTCP	$12,814,000	VFD's, SCADA, Blowers, I/I	BC			$1,100,000		$1,100,000
Small System Project Cost Total:		$29,924,000					**Small System GPR Total:**		$2,869,000

Total Large and Small Systems Project Cost:	$179,778,000

Total Large and Small Systems GPR:	$19,482,918

EXHIBIT D

Scoring and Ranking System

EXHIBIT C

INDIANA FINANCE AUTHORITY

WASTEWATER STATE REVOLVING FUND LOAN PROGRAM

PROJECT SCORING AND RANKING WORKSHEET

Project Name: _____

SRF Project Number: _____

NPDES#: _____

SRF Worksheet Reviewer: _____

Date: _____

PER Submittal Date: _____

Attachments:

A. Project Categories
B. SRF Sustainable Design Incentive Checklist

Attachment A.
Project Categories

Category Definitions

The portion of the cist of a wastewater treatment construction project (including an appropriate portion of administrative, legal and architect and engineering, contingency, and the like) that is…..

SECONDARY TREATMENT: Required to provide "best practicable wastewater treatment technology". Identified alternative conveyance systems for small communities are to be included in this category. Also included are individual on-site systems and sludge management.

ADVANCED TREATMENT: Required to achieve treatment levels more stringent than secondary. This requirement generally exists where water quality standards require removal of such pollutants as phosphorus, ammonia, nitrates, organic or other substances. Also included are polishing lagoons which temporarily retain effluents from secondary treatment facilities.

INFILTRATION/INFLOW CORRECTIONS: Required for the correction of sewer system infiltration and inflow (I/I) problems. All costs that are necessary for removing excessive I/I from the sewer system such as replacement or relining sewer selections, flow routing systems, downspout disconnections, elimination of sanitary/storm sewer cross connections etc. and including the treatment plant component costs specifically required to treat I/I flows which cannot be reduced in a cost-effective manner.

MAJOR SEWER SYSTEM REHABILITATION: Required for replacement and/or major rehabilitation of existing sewer system throughout the municipality. Costs are applicable if the corrective actions are necessary for the total integrity of the system. Major rehabilitation is considered to be extensive repair of existing sewers (collector and interceptor) beyond the scope of normal maintenance programs, when sewers are collapsing or structural unsound.

NEW COLLECTORS and APPURTENANCES: Required for construction of new collector sewer systems and appurtenances, designed to correct violations caused by raw discharges, seepage to water from septic tanks, and similar problems, and/or to comply with federal , state or local enforcement actions.

NEW INTERCEPTOR SEWERS: Required for construction of new interceptor sewers and transmission pumping stations necessary for the bulk transport of wastewaters. Costs for force mains and pumping stations should be included in this category.

COMBINED SEWER OVERFLOW CORRECTION: Required for construction of facilities to prevent and control periodic bypassing of untreated wastes from combined sewers in order to achieve water quality objectives. This category does not include treatment and/or control of storm waters.

NONPOINT SOURCE:
Nonpoint sources of water pollution are not regulated as a point source. NPS pollution sources are diffuse. They do not have a single point of origin and/or are not introduced into a receiving stream from a specific outlet. NPS pollutants may be a result of runoff, precipitation, atmospheric deposition, drainage, seepage, or hydrological modification. NPS pollution includes runoff from agriculture, silviculture, urban development, mining, hydromodification, construction, dams and channels, inappropriate land disposal of waste, marinas and saltwater intrusion.

A. NPS Control: Agriculture (Cropland)

This category includes all costs that address NPS pollution control needs associated with agricultural activities such as plowing, pesticide spraying, irrigation, fertilizing, planting and harvesting. Some typical best management practices (BMPs) used to address agriculture (cropland) needs are conservation tillage, nutrient management, irrigation water management, and structural (e.g., terraces, waterways) BMPs.

B. NPS Control: Agriculture (Animals)

This category includes all costs that address NPS pollution control needs associated with agricultural activities related to animal production such as confined animal facilities and grazing. Some typical BMPs used to address agriculture (animal) needs are animal waste storage facilities, animal waste nutrient management, composing facilities, and planned grazing. If the facility has a NPDES permit, these needs are classified as Category VIII, Confined Animal Point Source.

C. NPS Control: Silviculture

This category includes all costs that address NPS pollution control needs associated with forestry activities, such as removal of streamside vegetation, road construction and use, timber harvesting, and mechanical preparation for the planting of trees. Some typical BMPs used to address silviculture needs are pre harvest planning, streamside buffers, road management, revegetation of disturbed areas and structural practices, and equipment (e.g., sediment control structures, timber harvesting equipment).

D. NPS Control: Urban

This category includes all costs that address NPS pollution control needs associated with new or existing development in urban or rural settings, such as erosion, sedimentation and discharge of pollutants (e.g., inadequately treated wastewater, oil, grease, road salts and toxic chemicals) into water resources from construction sites, roads, bridges, parking lots and buildings. Some typical BMPs used to address urban needs are wet ponds, construction site erosion and sediment controls, sand filters and detention basin retrofit. Needs related to Federal or state highways generally reported under this category, because state and Federal highways are state owned. Needs associated with the portions of a road that go through an Municipal Separate Storm Sewer Systems (MS4) reported in Category VI, Storm Water Management Program. Costs associated with managing urban runoff in areas not covered by applicable Phase I or Phase II storm water NPDES permits should be reported in this category.

E. NPS Control: Ground Water Protection (Unknown Source)

This category includes all costs that address ground water protection NPS pollution control needs such as wellhead and recharge area protection activities. Any need that can be attributed to a specific cause of ground water pollution, such as leaking storage tanks, soil contamination in a brownfield, or leachate from a sanitary landfill, is reported in that more specific category.

F. NPS Control: Marinas

This category includes all costs that address NPS pollution control needs associated with boating and marinas, such as poorly flushed waterways, boat maintenance activities, discharge of sewage from boats, and the physical alteration of shoreline, wetlands, and aquatic habitat during the construction and operation of marinas. Some typical BMPs are used to address needs at marinas are bulk heading, pump out systems, and oil containment booms.

G. NPS Control: Resource Extraction

This category includes all costs that address NPS pollution control needs associated with mining and quarrying activities. Some typical BMPs that used to address resource extraction needs are detention berms, adit (mine entrance) closures, and seeding or revegetation. Any costs associated with facilities or measures that address point source discharges from mining and quarrying activities that have an identified owner should be included in Category IX, Mining Point Source.

H. NPS Control: Brownfields

This category includes all costs that address NPS pollution control needs associated with land that was developed for industrial purposes and then abandoned, which might have residual contamination. All costs for work at brownfields should be included in Category VII-H regardless of the activity. Some typical BMPs used to address needs at brownfields are ground water monitoring wells, in situ treatment of contaminated soils and ground water, and capping to prevent storm water infiltration.

I. NPS Control: Storage Tanks

This category includes all costs that address NPS pollution control needs associated with tanks designed to hold gasoline or other petroleum products or chemicals. The tanks may be located above or below ground level. Some typical BMPs used to address storage tank needs are spill containment systems; in situ treatment of contaminated soils and ground water; and upgrade, rehabilitation or removal of petroleum/chemical storage tanks. If these facilities or measures are part of addressing NPS needs at abandoned, idle, or under used industrial sites (brownfields), the costs go in Category VII-H, Brownfields.

J. NPS Control: Sanitary Landfills

This category includes all costs that address NPS pollution control needs associated with sanitary landfills. Some typical BMPs used to address needs at landfills are leachate collection, on-site treatment, gas collection and control, capping and closure.

K. NPS Control: Hydromodification

This category includes costs that address NPS pollution control needs associated with BMPs for any alteration of the hydrological characteristics of coastal and non-coastal waters, which in turn could cause degradation of water resources. Examples of such activities include channelization and channel modification, dams, and stream bank and shoreline erosion. In the case of a stream channel, hydromodification is the process whereby a stream bank is eroded by flowing water, typically resulting in the suspension of sediments in the watercourse. Some typical BMPs used to address hydromodification needs are conservation easements, swales, filter strips, shore erosion control, wetland development or restoration, and bank or channel (grade) stabilization. Any work involving wetland or riparian area protection or restoration is included under this category.

L. NPS Control: Individual / Decentralized Sewage Treatment

This category includes costs associated with the rehabilitation or replacement of individual or community sewage disposal systems and the treatment portion of other decentralized sewage disposal technologies. Costs related to the development and implementation of on-site management districts are included (but not the costs of ongoing operations of such districts). If a publicly owned centralized collection and treatment system is constructed or if sewers are installed to connect the service area to an existing collection system, the costs are separately reported in Categories I and IV-A, respectively. Public ownership is not required for decentralized systems. Costs could include the limited collection systems associated with the decentralized system.

M. Confined Animal Point Source

This category includes costs that address a combination of unit processes or BMPs designed to address water quality or public health problems caused by point source pollution from animal production activities that are subject to the concentrated animal feeding operations (CAFO) regulations.

N. Mining Point Source

This category includes costs that address a combination of unit processes or BMPs designed to address water quality and/or public health problems caused by point source pollution from mining and quarrying activities.

O. Recycled Water Distribution

This category includes costs associated with conveyance of the recycled water (wastewater reused after removal of waste contributed by humans) and any associated rehabilitation/replacement needs. Example are costs for pipes to convey treated water from the wastewater facility to the property of the drinking water facility (either the drinking water distribution system or the drinking water treatment facility) and the purchase of the equipment for effluent application if the land on which it is to be applied is publicly owned. The costs associated with additional process units to increase the level of treatment to the level of potable, or less than potable but greater than that normally associated with surface discharge needs, are reported in Category II.

Attachment B

STATE REVOLVING FUND LOAN PROGRAM

SRF Sustainable Design Incentive Checklist

WASTEWATER CHECKLIST

(50 Possible Total Points)

A. Energy Reduction/Alternative Source Items (13 Subtotal Points)

- ☐ 1. The design reduces the future carbon footprint (**5 points**)
- ☐ 2. Site planning for any new storage, pumping station or treatment plant provides that items such as heat sink shading, building orientation and green roofs are included in the design (**3 points**)
- ☐ 3. The design includes an energy reduction plan (from the Energy Audit) with at least a 20% reduction goal (**3 points**)
- ☐ 4. Project utilizes a SCADA system, which performs data collection and control at the supervisory level that is placed on top of a real-time control system (multiple Programmable Logic Controls (PLC's)) to reduce energy consumption and enhance process control (**1 point**)
- ☐ 5. Clean fuel construction vehicles are used for 50% of the construction work (**1 point**)

B. Wetland, Water Reuse and Reduction Items (15 Subtotal Points)

- ☐ 1. Project creates, restores or expands a wetland (**1-3 points**)
- ☐ 2. Storm water capture/rain harvesting utilization for water reuse on site to be implemented (**2 points** for a treatment plant and/or **3 points** for within collection system)
- ☐ 3. The project includes long-term clear water reduction components (**4 points**)
- ☐ 4. The treatment facility incorporates water conservation and side stream reduction (**3 points**)

C. Site and Material Reuse Items (17 Subtotal Points)

- ☐ 1. Previously disturbed areas are given a high priority for any new storage, pumping station or treatment plant site selection (**2 points**); use of a brownfield site (adds **2 points**)
- ☐ 2. The design takes into account the deconstruction of the new, above-ground facilities (**2 points**)
- ☐ 3. Offsite beneficial reuse of either the treated wastewater or biosolids (**2 points**); new treatment process that significantly reduces residuals disposal (**2 additional points**)
- ☐ 4. The project beneficially utilizes recycled materials in the construction (**2 points**)
- ☐ 5. The specifications include an incentive clause for construction waste reduction, cut/fill earth work balance (**2 points**)
- ☐ 6. Low-impact construction technology is utilized to minimize impacts to the existing surface (**3 points**)

D. Detailed life cycle costs (material, equipment, energy usage etc.) are fully utilized in the alternative selection process (5 points)

- ☐ Project selection is based on detailed life cycle cost analysis
- ☐ A life cycle cost analysis calculates the cost of a project over its entire life span and includes up-front capital costs (planning, design and construction), annual operation and maintenance costs, replacement costs, and salvage value as well as annual project revenues.

---

50 Total Possible Points **Awarded Points** _____

INDIANA FINANCE AUTHORITY WASTEWATER STATE REVOLVING FUND LOAN PROGRAM
PROJECT SCORING AND RANKING WORKSHEET

Project Name:	
SRF Project Number:	NPDES #:
Reviewer:	Date:

Check only one:

List A: Small Community applicant population ≥ 10,000.	
List B: Large community application population is < 10,000.	

	Initial Score	Maximum Allowed Score
Section 1: Project Need		50 points
Section 2: Water Quality Benefits		40 points
Section 3: Brownfield Re-Use		5 points
Section 4: Financial Capability		5 points
Total Score:		**100**

Bonus Points

Sustainable Infrastructure	10 points

Instructions:

Projects are scored using the following criteria to develop the Wastewater State Revolving Fund (WWSRF) Loan Program Project Priority List (PPL). To the extent practical, the WWSRF Loan Program expects to give priority to projects that:

1. Provide a Water Quality Benefit;
2. Improve the condition of the system; and
3. Assist systems most in financial need.

Points are assigned only when the proposed project intends to correct the problem identified under the appropriate section(s) with the associated points. For example, if the treatment system has persistent violations but the proposed project does not address the violations, the points associated with the violations will not be assigned. However, if the applicant has persistent violations and addresses them, the points associated with the violations will be assigned.

The total number of available points is 100. The score is determined by adding the total points associated with the project up to 10 Bonus Points are available for projects which include sustainable infrastructure. **If a tie persists, then the project that serves the smallest population prevails.**

A loan recipient must submit a complete Preliminary Engineering Report (PER) by July 1 to WWSRF in order to be Scored and Ranked on the PPL. A PER submitted after July 1, will be scored and unranked. Projects which submit applications only (and no PER) will appear as unscored and unranked.

Section 1: Project Need

This section scores projects by the type of project proposed for funding. Points are given based on type of project, with additional points given to priority projects mentioned on page 1.

Categories of Need: Projects may fall into several categories. Definitions are provided in the Attachment #1 for each category of need.

Cost	Points	Earned	Max Available
Category I: Secondary Treatment	4	0	
Category II: Advanced Treatment	4	0	
Category IIIA: Infiltration/Inflow Correction	3	0	
Category IIIB: Major Sewer System Rehabilitation	3	0	
Category IVA: New Collection Sewers	4	0	
Category IVB: New Interceptors	2	0	
Category V: Combined Sewer Overflow Correction	5	0	
Category VI: Storm Water	2	0	
Category VII: Non-Point Source	3	0	
	Total Points	**0**	**30**

Additional Points will be provided if the following information is provided in the PER:

Wastewater Treatment Plant (WWTP): Age of facility - 50% or more was constructed more than 20 years ago.	Yes	1	0	
	No	0	**0**	
		Total Points	**0**	**1**
Septic Tank Factor (STF) = number of existing septic tanks to be eliminated by the project.	Project removes 1-25 homes	1	0	
	Project removes 26-75 homes	2	0	
	Project removes 76-125 homes	3	0	
	126 and over homes	4	0	
		Total Points	**0**	**4**
Combined Sewer Overflows (CSO) = The proposed project eliminates a percentage of EITHER annual average overflow volume OR number of events per year on a system wide basis.	Project removes 1-25%	1	0	
	Project removes 26-50%	2	0	
	Project removes 51-75%	3	0	
	Project removes 76-100%	5	0	
		Total Points	**0**	**5**
Sanitary Sewer Overflows (SSO) = The proposed project eliminates a percentage of EITHER annual average overflow volume OR number of events per year on a system wide basis.	Project removes 1-25%	1	0	
	Project removes 26-50%	2	0	
	Project removes 51-75%	3	0	
	Project removes 76-100%	4	0	
		Total Points	**0**	**4**

Regionalization Factor: Points assigned if the proposed project reduces the number of National Pollution Discharge Elimination System (NPDES) dischargers by regionalization.	Eliminates one NPDES discharger	1	0	
	Eliminates two NPDES dischargers	2	0	
	Eliminates three or more NPDES dischargers	4	0	
		Total Points	**0**	**4**
Infiltration/Inflow (I/I): The PER proposes to address an existing collection system that has excessive I/I.	Yes	2	0	
	No	0	0	
		Total Points	**0**	**2**
		Total Points Earned	**0**	**MAX 50**

Section 2: Water Quality Benefits

This section assigns points to projects providing an environmental benefit to a receiving stream.

			Max Available
Dilution Ratio Points (DRP): (7-day Q10 of receiving stream in cfs / (design flow in mgd) x (1.55 cfs/mgd)). This is the calculation of effluent limits outlined in a WWTP NPDES permit.			
0-.99	4		
1.00 – 4.99	3		
5.00 – 9.99	2		
10.0 or greater	1		
	Total Points		**4**
Outstanding Resource Factor: assign a value of 4 points if the project will improve water quality in an Outstanding State Resource (327 IAC 2-1.5-2 (3)), Exceptional Use Stream (327 IAC 2-1-11), Natural, Scenic and Recreational River or Stream (312 IAC 7-2), Outstanding Rivers List for Indiana (Indiana Register 20070530-IR 312070287NRA), or a salmonid stream (327 IAC 2-1.5-5(a)(3)).	**4**		
	Total Points		**4**
http://www.in.gov/legislative/register/20070530-IR-312070287NRA.xml.pdf			
Drinking Water Factor: assign a value of 4 points, if the proposed project positively affects a drinking water supply.	4		
	Total Points		**4**
Implementation Factor: **a**ssign a value of 4 points if the proposed project implements an approved Total Maximum Daily Load (TMDL).	4		
	Total Points		**4**
Priority Segments Points: assign a value of 1 point, if project affects segments within drainage basins which have been designated by the State as priority basins. These basins are Lake Michigan - Great Lakes Initiative (GLI), St. Joseph River and Maumee River Basins.	1		
	Points Earned		**1**

Water Quality Score: Points assigned based on benefit or impact the project to maintain or achieve compliance on established water quality standards, or in anticipation of future requirements.			
a. The project is necessary to achieve or maintain compliance with effluent limitations based on water quality standards for conventional pollutants (i.e., CBOD5, TSS).	5		
b. The project is necessary to achieve or maintain compliance with effluent limitations based on water quality standards for toxic substances (i.e. heavy metals and man-made organic compounds).	5		
c. The project is necessary to achieve compliance with effluent limitations based on water quality standards for additional or more stringent limits than existing NPDES permit.	5		
	Total Points		**10**
Pollution Reduction Value: This is only for nonpoint source projects where points will be assigned based on an estimate of the E. *coli* pollutant which will be controlled or reduced by the project. A defined area is needed.			
75% reduction and greater	6		
50% - 74%	5		
25% - 49%	4		
Less than or equal to 24%	3		
	Total Points		**6**
Impaired Water Score: Points are given to projects that reduce or remove pollutants causing the impairment of a 303 (d) listed water body or an outstanding and exceptional resource water.	7		
	Total Points		**7**
	Total Points Earned	**0**	**Max 40**

Section 3: Brownfield Reuse			
Brownfield Reuse: A value of 5 points will be awarded to a project involving remediation/redevelopment of a Brownfield (IC13-11-2-19.3) in conjunction with the Indiana Brownfields Program.			
SRF Project also has an Indiana Brownfields Program project in-house.	5		**5**
	Total Points Earned	**0**	**Max 5**

Section 4: Financial Capability			
A. Financial Capability: Post-project annual wastewater bill as a percentage of Median Household Income.			
1. Greater than or equal to 2.0 %	5		
2. 1.5 – 1.9 %	3		
3. 1.0 – 1.4 %	1		
4. Less than or equal to 0.9 %	0		**5**
	Total Points Earned		**Max 5**

		MAX
Total Points on PER	**0**	**100**

BONUS POINTS		
Sustainable Infrastructure		
Sustainable Infrastructure: Points are derived from the SRF Sustainable Infrastructure Checklist in Attachment #2. For every 5 points earned from the checklist, 1 point will be awarded on this scoring sheet. The checklist is based on a 50-point total.		
Checklist/Points		
1-5 Checklist = 1 pt	26-30 Checklist = 6 pts	
6-10 Checklist = 2 pts	31-35 Checklist = 7 pts	
11-15 Checklist = 3 pts	36-40 Checklist = 8 pts	
16-20 Checklist = 4 pts	41-45 Checklist = 9 pts	
21-25 Checklist = 5 pts	46-50 Checklist = 10 pts	
Total Points Earned		**Max 10**

Total Points on PER Including BONUS Points	**0**	**110**

EXHIBIT E

Intended Uses of Funds

Exhibit E to the Intended Use Plan for SFY[1] 2011

INTENDED USES OF FUNDS
IN THE INDIANA FINANCE AUTHORITY'S SRF ACCOUNTS

This Exhibit identifies the intended uses of the funds held in various accounts of the CWSRF, and how those uses support the goals of the CWSRF. This Exhibit also demonstrates how the Authority meets the requirements of 40 CFR 35.3135(d) by using all of the funds in the CWSRF in an expeditious and timely manner.

Sources, Uses and Available Balances in SRF Accounts

The following accounts have been created and exist under the Authority's Wastewater Trust Indenture and comprise its CWSRF. Set forth on the attached Schedule 1 (the "Use Schedule") is detail on what funds are held in the CWSRF and how they were expeditiously and timely used in SFY 2010 and will continue to be in perpetuity.

Wastewater Purchase Account.

Sources of Funds: Funds held in this account[2] come from proceeds of Program Bonds[3] issued by the Authority. The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed as of the end of the SFY 2010 as well as loans anticipated to be closed in SFY 2011 and after.

Uses of Funds: These funds are used to make loans for qualified Proposed Projects as permitted by 40 CFR 35.3120(a). This use directly furthers the primary purpose of the CWSRF Program by financing qualified Proposed Projects and through their construction improves water quality in the State of Indiana.

Available Balance: As of July 1, 2010, the aggregate amount of closed and committed loans was less than the balance in this account. As additional loans are closed in SFY 2011, such committed amount will exceed the amount available in this account ("Excess Commitments"). The aggregate amount held in this account as of July 1, 2010 is shown in the Use Schedule. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes except to finance closed and committed loans related to qualified Proposed Projects.

---

[1] Refers to the State Fiscal Year ending on June 30 of the year listed.

[2] Pursuant to SRF Indenture modification, the former State Match Loan Account was consolidated into this Account effective May 30, 2007.

[3] To date, the Authority (or its processor issuer) has issued multiple series of bonds including several refunding series (the "Program Bonds"), a portion of which are issued for the CWSRF. An allocated portion of the Program Bonds were deposited in the Purchase Account (with such bonds being referred to as the "Guarantee Revenue Bonds" in this Report) to make loans from the CWSRF and a further allocated portion of the Program Bonds were deposited in the Purchase Account (or the former State Match Loan Account) as state match (with such bonds being referred to as the "State Match Revenue Bonds" in this Report) to make loans or for other permitted purposes. The Guarantee Revenue Bonds are revenue bonds within the meaning of 40 CFR 35.3120(d), the net proceeds of which were deposited in the CWSRF. The State Match Revenue Bonds are revenue bonds within the meaning of 40 CFR 35.3135(b)(2), the net proceeds of which were deposited in the CWSRF; their proceeds (together with other match sources) have matched all capitalization grants awarded to date as well as a portion of the not-yet-available FFY 2011 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

Wastewater Participant Loan Principal Account.

Sources of Funds: Funds held in this account come from principal payments on loans made from the Purchase Account and the former State Match Loan Account.

Uses of Funds: These funds are used to make payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) and the Authority's Operating Agreement with EPA. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects and through their construction improves water quality in the State of Indiana.

Available Balance: Approximately annually, this account is fully depleted to make payments on Program Bonds. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes.

Wastewater Participant Loan Interest Account.

Sources of Funds: Funds held in this account come from interest payments on loans made from the Purchase Account and the former State Match Loan Account.

Uses of Funds: These funds are used to make payments on the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3120(d) and 40 CFR 35. 3135(b)(2), respectively. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects and through their construction improves water quality in the State of Indiana.

Available Balance: Approximately annually, this account is fully depleted to make payments on Program Bonds. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes.

WASTEWATER RESERVE[4] contains the following accounts:

Wastewater Reserve Earnings Account.

Sources of Funds: Funds held in this account come from interest payments on loans made from the Purchase Account and the State Match Loan Account together with other earnings on invested Reserve accounts.

Uses of Funds: These funds are *first* used to make payments on the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively, and *secondly* transferred to the Reserve Deficiency Account, as described below.

Available Balance: Approximately annually, this account is fully depleted to make payments on Program Bonds, with any excess available balances to be transferred to the Reserve Deficiency Account. Accordingly, none of the funds presently on deposit[5] in this account are available for other SRF purposes.

---

[4] Pursuant to SRF Indenture modification, effective May 30, 2007, the following Reserve accounts are pledged to particular series of Program Bonds by means of subaccounts therein. Such pledged accounts serving as the Reserve for only one Series of Program Bonds (a "Series Reserve") and are held at a fixed amount (a "Series Reserve Requirement") subject to annual reductions as principal on such Series of Program Bonds are repaid as required by the SRF indenture. While not labeled under this Reserve group of accounts, amount held in Equity serve as security for the payment of Program Bonds, and thus, are part of the "reserve" for the purposes of this Report and the federal Water Quality Act of 1987, as amended.

[5] And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

Wastewater Reserve Grant Account.

Sources of Funds: Funds held in this account[6] come from Federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Support Account and Equity Grant Account) that equals the perpetuity amount, and any amounts in excess thereof come from State Match.[7]

Uses of Funds: These funds are used (i) as security[8] for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e) and (ii) as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

Available Balance: The aggregate amount held in this account (as of July 1, 2010 and as anticipated in SFY 2011) is shown in the Use Schedule.[9] In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, treasury obligations, and long-term high-quality investment contracts (the "Investment Agreements"). The Investment Agreements (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule 2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds.

Wastewater Reserve Support Account.

Sources of Funds: Funds held in this account come from Federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Reserve Grant Account and Equity Grant Account) that equals the perpetuity amount.

Uses of Funds: These funds are used (i) as security for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e) and (ii) as a source of payment for

[6] Pursuant to SRF Indenture modification, the former State Match Account was consolidated into this Account effective May 30, 2007.

[7] State Match in this account came from State Match Revenue Bonds, and is either from (a) original proceeds that were held as reserve balances from State Match Revenue Bonds issued in 1993, 1994, 1995 and 1997 or (b) principal on loan repayments funded from such proceeds. As of July 1, 2010, such amounts related to State Match on deposit in this account have not been applied to Guarantee Revenue Bonds but may be so applied to make any regularly scheduled payments on the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) and the Authority's Operating Agreement with EPA.

[8] Pursuant to the financing indentures related to the cross-collateralized outstanding Program Bonds, the Authority is presently required to maintain reserves of at least $621.6 million, which is to be held in the Reserve accounts and is not anticipated to be used to make loans to Participants. A portion of the reserves have been allocated to the CWSRF for purpose of this Intended Use Plan (as shown in the amount set out in the Use Schedule). This is a minimum invested funds requirement. However, the Authority views invested amounts in excess of the foregoing minimum requirement as security and as a source of payment for the outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement will increase as additional Program Bonds are issued in SFY 2011 and beyond. Such excess purposes are served by the Equity accounts to the extent that they are not anticipated to be used to make loans to Participants.

[9] And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

Available Balance: The aggregate amount held in this account (as of July 1, 2010 and as anticipated in SFY 2011) is shown in the Use Schedule. In furtherance of these purposes, the funds in this account are invested with Investment Agreements. The Investment Agreements as allocable to the Support Account (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule 2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds. Further, Support Account balances are anticipated to applied to as a scheduled source of payment for the outstanding Guarantee Revenue Bonds and when so applied will be replaced by retaining earnings in the Equity Grant Account in an amounts necessary to preserve perpetuity as authorized and required by the Authority's Operating Agreement with EPA.

Wastewater Reserve Deficiency Account.

Sources of Funds: Funds held in this account, if any, will come from other Reserve accounts discussed above when the amounts held in the group of accounts serving as the Reserve any Series of Program Bonds (a "Series Reserve") exceeds its Series Reserve Requirement.

Uses of Funds: These funds are used to fund each Series Reserve by immediately transferring them as necessary (the *first* possible use) to each Series Reserve that is below its Series Reserve Requirement on each February 1 and August 1 and *secondly* (if not required for such *first* use) shall be transferred to an Equity account (the *secondary* use; which is expected to occur). Any such transfer is either made to a Grant Account or Earnings Account depending on the source of the funds transferred to the Reserve Deficiency Account.

Available Balance: No amounts were held in this account as of July 1, 2010 nor are any so anticipated in SFY 2011.

WASTEWATER EQUITY[10] contains the following accounts:

Wastewater Administration Account.

Sources of Funds: Funds held in this account come from the outstanding State Match Revenue Bonds or other available funds in the SRF.

Uses of Funds: These funds are applied to reasonable costs of administering the CWSRF Program as permitted by 40 CFR 35.3120(g). The Authority so applied these funds during the SFY 2010 (and expects to apply them and other funds in the

[10] While funds held in these Equity accounts are not pledged to the payment of Program Bonds, the SRF Program Representative may, but is not required to, direct that they be used to pay Program Bonds. Further, the Authority would expect such to occur if it was necessary to pay such bonds and, thus, while not labeled under as Reserve in this Report, the CWSRF treats it as part of the "reserve" for the purposes of this Report and the federal Water Quality Act of 1987, as amended.

CWSRF[11] to this purpose in the SFY 2011). Any funds not expended in SFY 2011 are banked for management of the CWSRF in perpetuity by the Authority.

Available Balance: As of July 1, 2010, the aggregate amount held in this account is shown in the Use Schedule. All of these funds are expected to be used solely to pay reasonable costs of administering the CWSRF Program. Accordingly, none of the funds presently on deposit in this account are available for other SRF purposes.

Wastewater Equity Grant Account.

Sources of Funds: Funds held in this account come from Federal capitalization grants drawn when funds are loaned or administrative expenses are incurred, up to the amount therein (and in the Reserve Grant Account and Support Account) that equals the perpetuity amount, and any amounts in excess thereof come from State Match.

Uses of Funds: These funds are used (i) as security[12] and as a source of payment for the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (e), (ii) to fund any transfers to the Authority's DWSRF as permitted by law including Section 302 of the Safe Drinking Water Act, (iii) to provide funds to meet costs of administering the CWSRF in perpetuity, and (iv) to fund that portion of any loans closed but not presently on deposit in the Purchase Account[13] in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the CWSRF Program by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

Available Balance: The aggregate amount held in this account (as of July 1, 2010 and as anticipated in SFY 2011) is shown in the Use Schedule.[14] In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, treasury obligations, and long-term high-quality investment contracts (the "Investment Agreements"). The Investment Agreements (a) pay interest semi-annually serving as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds, (b) mature and may be terminated at the Authority's option as set forth in the attached Schedule 2, and (c) are available in full (as security) at any time if needed to pay the outstanding Guarantee Revenue Bonds.

Wastewater Equity Earnings Account.

---

[11] Amounts set aside in this account only represent a portion of the funds the Authority is permitted by 40 CFR 35.3120(g) to apply to costs of administering the CWSRF Program. Additionally the Authority continues to bank for this purpose the remaining amount up to the full 4% limit as measured against total grants (including the not-yet-available FFY 2011 grant expected to be awarded in SFY 2011).

[12] Pursuant to the financing indentures, the Authority may use these funds if the Reserve Grant Account were insufficient to pay outstanding Program Bonds. Further, the Authority expects that the foregoing minimum requirement of Reserve accounts will increase as additional Program Bonds are issued in SFY 2011 and will result in a transfer of any uncommitted amounts in the Equity Grant Account to the Reserve Grant Account inclusive of any Capitalization Grants drawn into the SRF after July 1, 2010.

[13] In addition to meeting any Excess Commitments as of July 1, 2010, additional Excess Commitments will occur before additional Guarantee Revenue Bonds are issued. This will result from closing new loans for qualified Proposed Projects with (a) approved preliminary engineering reports (PERs) as of July 1, 2010, (b) PERs submitted and under review by the CWSRF as of July 1, 2010 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2011), each as detailed in the Use Schedule.

[14] And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

Sources of Funds: Funds held in this account come from (a) transfers from the Reserve Earnings Account and the Participant Loan Interest Account undertaken approximately annually or at the time of an issuance of additional Program Bonds and (b) earnings on amounts invested in the Equity accounts.

Uses of Funds: These funds are used (i) as security and as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR 35.3135(b)(2), respectively, like the Equity Grant Account and (ii) to fund that portion of any loans closed but not on deposit in the Purchase Account in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the SRF by making financing for qualified Proposed Projects available and through their construction improves water quality in the State of Indiana.

Available Balance: The aggregate amount held in this account as of July 1, 2010 is shown in the Use Schedule.[15]

Additional Information Concerning Expected Uses of SRF Funds:

Use of Available Balances to Meet Closed Loan Commitments. Under its existing practices, the Authority closes CWSRF Program loans with Participants without the necessity of having available balances in its Purchase Account to fully fund those loan commitments on the date a CWSRF Program loan is closed. As of July 1, 2010, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2010, (b) PERs submitted and under review by the CWSRF as of July 1, 2010 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2011), the aggregate amount of Excess Commitments would become as shown in the Use Schedule.

The Authority expects to cause additional Program Bonds to be issued at times and in amounts sufficient to meet the funding requirements for loans presently closed and those anticipated to be closed in SFY 2011. Additionally, certain amounts held in the Equity Grant Account and Equity Earnings Account are available and would be used to meet a portion of the projected funding requirements for loans presently closed (and those anticipated to be closed in SFY 2011) in the event additional Guarantee Revenue Bonds could not to be issued.

Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds. Amounts held in the Support Account, Reserve Deficiency Account, Equity Grant Account, Reserve Grant Account Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for Guarantee Revenue Bonds as permitted by 40 CFR 35.3120(d) & (f). In addition to this use, a portion of these funds are also held to meet (a) Excess Commitments in SFY 2011 in the event additional Guarantee Revenue Bonds could not to be issued, (b) costs of administering the CWSRF Program in perpetuity, and (c) any transfers to the DWSRF as permitted by law.

Use of Available Balances as a Source of Payment for State Match Revenue Bonds. All SRF earnings including amounts held in the Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for State Match Revenue Bonds as permitted by 40 CFR 35.3135(b)(2). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2011 in the event additional Guarantee Revenue Bonds could not to be issued, (b) costs of administering the CWSRF Program in perpetuity, and (c) any transfers to the DWSRF as permitted by law.

Use of Available Balances as a Source of Payment for Administrative Expenses. All SRF amounts[16] are held to meet costs of administering the CWSRF Program in perpetuity if and as permitted by law.

---

[15] And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

[16] Additionally the Authority continues to bank for this purpose the remaining amount up to the full 4% limit as measured against total grants (including the not-yet-available FFY 2011 grant expected to be awarded in SFY 2011).

Use of Available Balances to Possibly Transfer Funds to the Drinking Water SRF.

As of July 1, 2010, about $23.6 million has been transferred to DWSRF. As of July 1, 2010, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to $55.98 million of allowable transfers which includes 33% of the FFY 2010 grant. The full amount of any such potential transfers is banked.

Further, transfers can be made from DWSRF to the CWSRF up to the cumulative amount made from CWSRF to the DWSRF to date, together with an amount equal to 33 percent of aggregate Drinking Water Capitalization Grants awarded. The full amount of any such potential transfers is banked.

Since the inception of the DWSRF, the Authority (or its predecessor) has banked transfers up to maximum permitted limit and continues to do so; funds held in the Equity Grant Account might be used for this purpose. Such transfer may be effectuated by a transfer of an invested balance from (a) one or more of the Authority's Investment Agreements or (b) other investments. These invested funds would then be used to support the issuance of Guarantee Revenue Bonds, the proceeds of which would be used to make Program loans. Any such determination would be based on whether the CWSRF or DWSRF program is more in need of funds (when considering their respective priorities) than the other. While a transfer from DWSRF to the CWSRF is not expected, it is also banked to reserve the Authority's discretion.

EXHIBIT E - SCHEDULE 2
SRF INVESTMENT AGREEMENTS

Funds held in the Reserve Grant Account and certain other accounts are invested in the following Investment Agreements which mature, and may be terminated at the Authority's option only, as follows:

Investment Agreement with:	Final Maturity Date[17]	Optional Termination Date[18]	Scheduled Repayments of Invested Amounts[19]
Citigroup Global Company Inc., Dated, February 13, 2006	8/1/16	Any time	$1 to $5 million
Trinity Plus Funding Company, LLC, Dated March 21, 2006	2/1/29	N/A	$3 to $10 million
FSA Capital Management Services LLC, Dated June 19, 2007	2/1/28	N/A	$-0- to $15 million

The Authority has structured these Investment Agreements in a manner to assure as great as flexibility as practical to serve the variety of needs required by the SRF Loan Program. The long-term nature of these investments assures long-term access to quality investment sources and, thereby, balances revenue certainty against known debt obligations associated with Program Bonds. This fosters the ability to issue additional Program Bonds to fund a prudent, maximum level of leveraged loans. Further, repayment features are consistent with the reserve purposes associated with most of these invested funds. These optional termination dates and scheduled repayment features associated with the Investment Agreements, in total, assure access to invested balances at reasonable intervals and are expected to facilitate future leveraged bond issues. However, it also to be understood that this restricts the SRF Loan Program's ability to make use of these invested sums for other purpose (including certain of those uses recited elsewhere in this Exhibit) without negotiating different termination provisions which could result in a charged losses upon any such alternate termination depending upon market conditions and other factors.

[17] If not repaid sooner, all invested sums are required to be repaid to the Authority by this date.

[18] On or after this date, the Authority may terminate the investment at its option and all invested sums will then be required to be repaid to the Authority without any premium (or other market to market payment).

[19] Each February 1, commencing in 2008, a portion of the invested sums is required to be repaid annually to the Authority. These annual amounts are set out in a schedule to each agreement and range within the amounts shown in this column.

Exhibit E - Schedule 1

	Account Balances* as of: 30-Jun-2010 (Actual)	Future Deposits in SFY
A. Funds Committed to Projects by CWSRF		
Purchase Account	$ 200,000	$ -
	$ 200,000	$ -
B. Other Funds Held in CWSRF		
Reserve Grant Account	$ 379,800,000	$ -
Reserve Earnings Account	3,800,000	-
Reserve Support Account	7,100,000	-
Reserve Deficiency Account	-	-
Equity Grant Account	232,900,000	81,800,000
Equity Earnings Account	117,500,000	
Equity Administrative Account	900,000	
	$ 742,000,000	$ 81,800,000
Total Available Funds (A. and B. above)	$ 742,200,000	$ 81,800,000

Proof of Timely & Expedious Use of Above Funds Held in CWSRF*	
Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	$ 200,000
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	206,000,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	-
PERs In-house (approved & under-review) Awaiting Loan Closing	448,500,000
Other Projects on new SFY's PPL, Requesting Loan Funding	838,900,000
*1. Use: to cover Loan Demand****	1,493,600,000
Funds held in existing Administrative Account	900,000
Remainder of 4% banked funds available for Administrative purposes	10,300,000
2. Use: to cover Administrative Costs in Perpetuity	11,200,000
3. Use: to cover Series Reserve Requirement	497,100,000
Possible Uses of Funds (1, 2 & 3 above without considering other secondary purposes for holding them in the CWSRF) # are as follows:	$ 2,001,900,000
Uses of Funds (1, 2 & 3 above):	$ 2,001,900,000
Less: Total Available Funds (A. and B. above)	824,000,000
Amount by which "*Possible Uses of Funds*" EXCEED "*Total Available Funds*"	$ 1,177,900,000

Notes:

* Amounts are approximate & rounded to nearest $100,000

** This amount is a net unfunded amount of closed loans after application of the June 30th on-hand balance.

*** While use will likely be met with future Program Bonds, possible that on-hand funds could be used. When covered by issuance of Program Bonds used to make subsidized loan, a reserve of 40% to 50% is funded from Equity and additional Program Bonds are used to make pooled loan at a market rate. Such Program Bonds would not be sufficient to meet all needs.