



State Revolving Fund Loan Programs **FACT SHEET**

Drinking Water, Wastewater, Nonpoint Source

August 2010

Integrating a Nonpoint Source project with a wastewater or drinking water project may reduce a community's SRF Program loan interest rate by up to 0.5 percent!

What is Nonpoint Source Water Pollution?

Nonpoint Source (NPS) water pollution, results when rainfall, snowmelt, or irrigation moves over land or through the ground, picks up pollutants, and deposits them into surface waters or introduces them into ground water. NPS water pollution may cause adverse changes to vegetation, hydrology or aquatic communities. It can contaminate private and public water wells. Land and/or water activities such as altering stream channels, habitat degradation, agriculture, forestry, grazing, septic systems, recreational boating, construction, and urban runoff are the widespread sources of NPS water pollution.

Great strides have been made by communities in addressing water quality problems from point sources, and SRF has provided over \$2 billion dollars for wastewater and drinking water infrastructure improvements. SRF recognizes however, that NPS runoff and watershed disturbances are impeding future water quality improvements and threatening past successes. In response to this situation, SRF is expanding financing opportunities to projects that abate or prevent NPS pollution of Indiana's waters. Integrating a NPS project with a wastewater or drinking water project has the added benefit of lowering the interest rate of your loan!

Who is eligible?

Political subdivisions including incorporated cities, towns, counties, conservancy districts, regional water, sewer, and waste districts, and sanitary districts are eligible to apply. A NPS project must accompany a wastewater or drinking water SRF application.

What types of projects are eligible for funding?

Eligible NPS projects must provide water quality benefits to their respective communities and may include one or more of the following endeavors:

- ◆ Wetland restoration/protection;
- ◆ Erosion control measures - vegetative and structural or non-structural;
- ◆ Groundwater remediation;
- ◆ Failing septic system- repair, replacement or connection to sewer;
- ◆ Storm Water Phase II (Rule 13) best management practices (BMPs);
- ◆ Source water and wellhead protection measures;
- ◆ Conservation easements; and
- ◆ Agricultural and waste management BMPs.

How does a community apply for a NPS SRF loan?

- ◆ A political subdivision may submit an application at any time to the SRF Program at 100 N. Senate Ave., Rm. 1275, Indianapolis, IN 46204
- ◆ Application forms are available on our Web site at www.srf.in.gov

What are the loan terms?

- ◆ The SRF loan is a fixed rate, 20-year loan.
- ◆ Interest rates are at or below 90% of the average 20-year AAA-rated, general obligation bond Municipal Market Data.
- ◆ The SRF interest rate can be reduced at loan closing up to 0.5% to provide savings, by reducing loan payments, equal to as much as the total cost of the NPS project.

Where can I get more information about SRF loans?

For more information about SRF program administration and the SRF Process and for current interest rates, please contact the SRF Program Office at: (317) 234-3080 or visit our Web page at www.srf.in.gov.