

# STATE WATER INFRASTRUCTURE FUND (SWIF)

## FREQUENTLY ASKED QUESTIONS (FAQs)



**Updated: June 11, 2021**

## **Table of Contents**

<b>INTRODUCTION.....</b>	<b>3</b>
<b>GENERAL QUESTIONS .....</b>	<b>4</b>
<b>APPLICATION/PROCESS QUESTIONS.....</b>	<b>4</b>
<b>ELIGIBLE COSTS.....</b>	<b>5</b>
<b>FUNDING QUESTIONS .....</b>	<b>7</b>
<b>REQUIREMENTS.....</b>	<b>8</b>

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## INTRODUCTION

The Indiana General Assembly allocated \$100 Million of federal Coronavirus State and Local Fiscal Recovery Funds to the Indiana Finance Authority (IFA) to provide grants to utilities for drinking water, stormwater, and wastewater projects that will protect or improve public health throughout the State. The IFA will administer these grants under the State Water Infrastructure Fund (SWIF).

The State seeks to make an impact on its water resources by providing SWIF Grants to communities to complete necessary drinking water, stormwater, and wastewater projects.

In order to prioritize SWIF Grant allocations, the IFA will first look to communities which have existing plans to improve drinking water, stormwater, or wastewater infrastructure. The IFA will also give priority to projects that provide regional solutions.

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# STATE WATER INFRASTRUCTURE FUND (SWIF) FREQUENTLY ASKED QUESTIONS (FAQs)



## GENERAL QUESTIONS

### 1. What can we expect the timeline to look like for SWIF Grant distribution?

There will be two rounds of funding distribution. Please note that all dates are on or before the date listed below.

#### Round 1:

- July 15, 2021: Application deadline
- August 6, 2021: Tentative Notice of Award provided to all grant recipients
- January 1, 2022: Design complete
- January 1, 2022: Construction permit submitted to IDEM, if applicable
- April 1, 2022: Project bids received
- June 30, 2022: Grant Agreement Signed

#### Round 2 (Subject to Change):

- July 15, 2022: Application deadline
- August 6, 2022: Tentative Notice of Award provided to all grant recipients
- January 1, 2023: Design complete
- January 1, 2023: Construction permit submitted to IDEM, if applicable
- April 1, 2023: Project bids received
- June 30, 2023: Grant Agreement Signed

### 2. When do infrastructure projects need to be completed?

Round 1 and Round 2 awardees must incur all grant dollars by **December 31, 2024**. Construction for both Round 1 and Round 2 projects must be completed by **December 31, 2026**.

## APPLICATION/PROCESS QUESTIONS

### 3. Who is eligible to apply?

Municipalities, Regional Water and Sewer Districts, Water and Sewer Conservancy Districts, Nonprofit utilities, and Private, for-profit utilities.

### 4. What is the process to apply for a SWIF Grant?

- Complete the official [SWIF Application](#) on or before July 15, 2021 for Round 1, or July 15, 2022 for Round 2.
- Submit the Application to [SWIF@ifa.in.gov](mailto:SWIF@ifa.in.gov) or by mail, Attn: SWIF; 100 N. Senate Avenue, Suite 1275, Indianapolis, IN 46204.

### 5. How will Applications be reviewed and prioritized for funding?

All applications will be reviewed for funding eligibility and project timeline. Projects will be ranked in terms of readiness to proceed, impact to human health, potential for water quality improvements, and/or focus on regionalization. For more information, see project eligibility description in **Question 11**.

# STATE WATER INFRASTRUCTURE FUND (SWIF) FREQUENTLY ASKED QUESTIONS (FAQs)



**6. If my community wishes to apply for a SWIF Grant in more than one (1) category (Drinking Water, Stormwater, and/or Wastewater), do I need to submit more than one (1) application?**

No. Only one application per community is necessary. Please include information that describes each project category.

**7. Who should complete the Interest Survey and Grant Application?**

The interest survey and grant application forms should be completed by the community or utility, unless they have expressly granted such permission to an engineer, grant administrator, or other authorized representative.

**8. Is completing the interest survey required to apply for a SWIF Grant?**

No. Completion of the Interest Survey is **not** required to receive a SWIF Grant.

**9. Do projects currently submitted to Indiana's State Revolving Fund (SRF) Loan Programs need to submit a SWIF application to be considered for a SWIF Grant?**

No. All projects submitted to SRF will be considered for SWIF Grant eligibility. However, if a community wishes to submit additional projects not included as part of its SRF application, they may do so using the SWIF Application.

**10. What happens after I submit a SWIF application?**

The IFA will review all Applications and prioritize available funding based on eligibility criteria and community need. All Round 1 applicants will be notified on or around August 6, 2021, when a Tentative Notice of Award will be provided to all awardees. Communities will have the opportunity to decide whether to accept the award. Once an award is accepted, the IFA will monitor progress towards project milestones.

Upon meeting all project milestones, SWIF Grant recipients will sign the official grant agreement and begin construction on the project(s). The IFA will request copies of all contracts and review disbursement requests to ensure costs align with project descriptions.

## ELIGIBLE COSTS

**11. What specific types of drinking water, wastewater and stormwater projects are eligible?**

All projects eligible to receive financial assistance through the Environmental Protection Agency's Clean Water State Revolving Fund (CWSRF) or Drinking Water State Revolving Fund (DWSRF) are eligible for SWIF Grants.

Under the CWSRF, categories of eligible projects include:

- Construction of publicly owned treatment works;
- Nonpoint source pollution management;
- Decentralized wastewater treatment systems;
- Stormwater systems;
- Water conservation;

# STATE WATER INFRASTRUCTURE FUND (SWIF) FREQUENTLY ASKED QUESTIONS (FAQs)



- Efficiency and reuse measures;
- Watershed pilot projects;
- Energy efficiency measures for publicly owned treatment works; and
- Technical assistance to ensure compliance with the Clean Water Act.

Under DWSRF, categories of eligible projects include:

- Treatment;
- Transmission;
- Distribution (including lead service line replacement);
- Source rehabilitation and decontamination
- Storage;
- Regional solutions; and
- New systems development.

SWIF Grants may also be used for cybersecurity needs to protect water or sewer infrastructure and remediation of a brownfield site needed to resolve groundwater or surface water contamination.

## **12. Is construction associated with privately-owned infrastructure eligible for SWIF Grants?**

Yes. SWIF Grants may be used to fund improvements to privately-owned infrastructure, including:

- Privately-owned drinking water service lines;
- Privately-owned wastewater laterals; and
- Privately-owned retention/detention ponds.

## **13. Are professional service fees necessary to complete a project eligible for SWIF Grants?**

Yes. Professional service fees necessary to complete a project are eligible for inclusion in a SWIF Grants, including:

- Engineering;
- Financial advising;
- Local attorney fees;
- Construction inspection;
- Grant administration\*; and
- Labor standard administration.

\*Please note that the use of a grant administrator is not required to be eligible for a SWIF Grant.

## **14. Will planning grants be awarded?**

Yes. SWIF Grants may be awarded to projects to determine regional water quality and/or quantity issues when public health is a concern.

# STATE WATER INFRASTRUCTURE FUND (SWIF) FREQUENTLY ASKED QUESTIONS (FAQs)



## 15. Are costs associated with land acquisition for a project eligible for grant funding?

No, land acquisition costs are not eligible for grant funding. However, these costs can be included in the community's co-funding requirement for the grant.

## 16. Does my project need to have a labor standards administrator to oversee wage rates? Is this cost eligible for grant funding?

Yes. Each project must have a labor standards administrator to oversee labor practices, including a project labor agreements and community benefit agreements that offer wages at or above the prevailing rate and include local hire provisions. This cost is eligible to be reimbursed with grant funding.

## FUNDING QUESTIONS

## 17. How will funding priority be determined?

All projects will be scored using a project category specific (DW or SW/WW) scoring methodology. Priority will be given to projects that assist in compliance with applicable health and safety standards; address the most serious risks to human health; and positively impact an economically disadvantaged community, as indicated by low-median household income and/or high customer user rates. Priority will also be given to projects that provide regional solutions.

## 18. What grant amount is my community eligible to receive?

To provide funding to improve infrastructure in as many communities as possible, the IFA will provide maximum grants of **up to \$5 million**, based upon the \$100 million appropriation by the Indiana General Assembly. The amount each community will receive is based on monthly user rate and community MHI.

## 19. What is co-funding?

Applications that provide a source of co-funding will be prioritized. For eligible sources of co-funding, see **Question 20**.

## 20. What are eligible co-funding sources?

- Local Funds/Cash-on-hand;
- A community's own allocation of American Rescue Plan Act funds;
- Municipal Bond Market proceeds;
- Local, State, or Federal Grant Programs, including but not limited to Economic Development Administration, and Indiana's Office of Community and Rural Affairs (I-OCRA);
- United States Department of Agriculture (USDA) Rural Development (Grant or Loan);
- State Revolving Fund Loan Programs; and
- Other sources of co-funding may be eligible, if approved in advance by the IFA.

# STATE WATER INFRASTRUCTURE FUND (SWIF) FREQUENTLY ASKED QUESTIONS (FAQs)



## 21. Can a community receive a SWIF Grant in both funding rounds?

Yes. However, IFA will give priority in Round 2 to communities that did not receive a Round 1 grant.

## REQUIREMENTS

## 22. Does my community need to submit a Preliminary Engineering Report (PER) to apply for a SWIF Grant?

No. A PER does not need to be submitted to the Indiana Finance Authority to apply for a SWIF Grant.

## 23. What requirements do SWIF projects have to follow?

Infrastructure projects must comply with all Local, State, and Federal laws pertaining to project bidding, land acquisition, and necessary permits.

In addition, the following requirements apply:

- a. Regional Planning Initiative: awardee must attend an [IFA Regional Planning](#) meeting prior to completion of project construction.
- b. Validated Water Loss Audit: (Drinking water projects only) awardee must have submitted a [Validated Water Loss Audit](#) prior to completion of project construction.
- c. Asset Management: awardee must submit certification of an [Asset Management Program](#) prior to completion of project construction. As part of the Asset Management Program, a State Board of Accounts (SBOA) Audit must be completed.
- d. Audit Requirements: awardees that expend financial assistance of \$750,000 or more in Federal awards within a single year must have a single or a program-specific audit.
- e. Contracts/Procurement:
  - a. SWIF Grant awardees conducting procurement for any activity other than professional services will proceed pursuant to IC 36-1-12, Public Works Projects.
  - b. Submit executed copies of all contracts that will be paid from a SWIF Grant, including non-construction contracts.
  - c. Costs should be itemized; for construction contracts, this should include a schedule of values or final bid summary.
  - d. Submit copy of Notice of Award or Notice to Proceed.
  - e. Contract provision related to Suspension and Debarment required
- f. All permits needed for the project.

## 24. Does National Environmental Policy Act (NEPA) apply to SWIF Grant recipient projects?

No. NEPA review will not apply to SWIF Grant projects. However, IFA will request certification that all land acquisition, bidding, and permitting were completed according to state and federal guidelines. Additionally, SWIF Grant projects may still be subject to NEPA review if they are also funded by other federal financial assistance programs.

# STATE WATER INFRASTRUCTURE FUND (SWIF) FREQUENTLY ASKED QUESTIONS (FAQs)

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## **25. Will materials produced in the United States be required?**

The SWIF Grant projects should, to the greatest extent practicable, provide a preference for the purchase, acquisition, or use of goods, products, or materials produced in the United States (including but not limited to iron, aluminum, steel, cement, and other manufactured products). This requirement must be included in all subawards including all contracts and purchase orders for work or products using SWIF Grants.

SWIF Grant projects may be subject to the American Iron and Steel Act if they are also funded by other federal financial assistance programs.

## **26. Are Davis Bacon Wages required for SWIF Grant recipient projects?**

U.S. Treasury Guidance encourages the use of strong labor standards, including project labor agreements and community benefit agreements that offer wages at or above the prevailing wage rates. Davis Bacon Wage rates are not required, however will satisfy this requirement of funding. If Davis Bacon Wages are not used for the project, please include an explanation in your application as to how you will satisfy the US Treasury requirement of “strong labor standards, including project labor agreements and community benefit agreements that offer wages at or above the prevailing wage rates.”

## **27. What Disadvantaged Business Enterprise (DBE) practices must be followed for SWIF Grant recipients?**

The SWIF Grant awardee must take all necessary affirmative steps to assure that minority owned businesses, women’s business enterprises, and labor surplus area firms are used when possible, including but not limited to placing qualified DBEs on solicitation lists and encouraging participation by DBEs. See 2 CFR 200.321 for additional details.

## **28. Can previously incurred project-related costs be paid with SWIF Grant funds?**

Yes. Costs associated with the project can be paid by a SWIF Grant if the contract related to the cost was signed on or after **March 3, 2021**. Any contracts signed before March 3, 2021 are excluded from grant eligibility but may be included as part of an awardee’s co-funding contribution.

## **29. What are the requirements after signing the grant agreement?**

Reporting requirements: minimal reporting will be required. The IFA anticipates satisfying the majority of the requirements using data from construction pay applications, including information such as percentage complete.

Record Drawings/inspections: this grant is subject to oversight by the federal OMB, per 2 CFR 200 subpart. Therefore, the IFA will require awardees to submit a digital copy of record drawings, and all awardees should maintain records in the event the OMB requests an inspection.