

STATE OF INDIANA

Clean Water State Revolving Fund Loan Program



Intended Use Plan State Fiscal Year 2024 July 1, 2023 – June 30, 2024

**For CWSRF Base Program and
CWSRF General Supplemental Funds
Appropriated in FY 2024
And
CWSRF Emerging Contaminant Funds
Appropriated in FY 2023**

**Clean Water State Revolving Fund Loan Program
Intended Use Plan SFY 2024**

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EXHIBITS:

- Exhibit A: CWSRF Loan Program Definitions
- Exhibit B: CWSRF Loan Program Project Priority Lists (PPLs)
- Exhibit C: Proposed Equivalency Projects
- Exhibit D: CWSRF Loan Program Project Scoring and Ranking Worksheet
- Exhibit E: Intended Uses of Funds
- Exhibit F: Capitalization Grant Draw Process

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

SFY 2024

I. Introduction

Pursuant to Sections 603(g), 606(c) and 216 of the Clean Water Act as further amended by the Water Resources Reform and Development Act, (collectively, the Clean Water Act or CWA), the Bipartisan Infrastructure Law, and the Federal Fiscal Year (FY) 2024 Appropriations Act, 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 this Intended Use Plan (IUP) for State Fiscal Year (SFY) 2024, for its Clean Water State Revolving Fund (CWSRF) Loan Program. An IUP is prepared each fiscal year to identify the uses of all monies available to the CWSRF Loan Program during that fiscal year. Acronyms and terms used herein are defined in Exhibit A, Definitions.

This IUP sets forth the intended use of all funds appropriated to the CWSRF Loan Base Program in FY 2024, and the funds appropriated in FY 2024 to the CWSRF General Supplemental funds, and the FY 2023 Clean Water Emerging Contaminants funds, appropriated through the Bipartisan Infrastructure Law (BIL). All grants from EPA to the CWSRF Loan Program are referred to herein as Capitalization Grants.

The mission of the CWSRF Loan Program 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; maintain 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 CWA. The goal of the CWSRF Emerging Contaminant Program is to provide funds to address emerging contaminants in the environment through projects and associated activities directly connected to the identification, planning, and design, of projects that abate emerging contaminants.

The CWSRF Loan Program is administered by the Authority. The Authority is responsible for setting priorities for loan assistance from the CWSRF Loan Program, which is evidenced by the CWSRF Loan Program Project Priority Lists (PPLs) for SFY 2024, which is attached as Exhibit B. Projects listed on the PPLs may be funded with CWSRF Base Program funds or CWSRF General Supplemental funds. The CWSRF Emerging Contaminant funds for SFY 2024 will be transferred to the DWSRF program to fund DWSRF Emerging Contaminant projects.

The Authority assures that no person or entity shall be excluded from participation in, or be denied the benefit of, or otherwise be subjected to discrimination in any program, service, or activity on the basis of race, color, or national origin as required by Title VI of the Civil Rights Act of 1964. This requirement is included in all Financial Assistance Agreements and contract documents funded through the State Revolving Fund Loan Programs.

II. Program Project Priority List

The SRF Loan Programs solicit applications throughout the year. The potential borrower must submit an application and Preliminary Engineering Report (PER) prior to April 1st to be included on the first quarter PPL. Any application received after April 1st will be added to subsequent PPLs and may be funded during the bypass period. Applications will remain on the PPL until the Applicant informs the SRF that they wish to be removed. Therefore, Applicants not funded in the current funding cycle may remain on the PPL and be funded in subsequent funding cycles. The bypass procedures are defined below. The SFY 2024 PPLs include all applications and projects submitted to the CWSRF Loan Program. Projects for which a complete Preliminary Engineering Report (PER) has been submitted have been ranked and scored. All other projects are listed alphabetically un-scored and un-ranked. The CWSRF Loan Program creates a small system PPL that consists of all Participants with populations of less than 10,000 and a second large system PPL that consists of all Participants with populations of 10,000 or greater. The PPLs are updated quarterly, and public noticed for comments each quarter for a three-week period. The PPLs are posted on the Authority’s website at www.srf.in.gov.

To close a loan with the SRF Loan Programs a community must apply to the program, be included on a PPL, and receive technical and environmental review of the submitted PER. All PERs must also be the subject of a properly noticed public hearing prior to approval.

The PPLs in Exhibit B include the amount of SRF funds that are estimated to be used toward the Green Project Reserve Sustainability Incentive Program. The Authority is committed to documenting an amount equal to 10% of the 2024 SRF Base Capitalization Grant and 10% of the 2024 BIL CWSRF General Supplemental Capitalization Grant toward green project components.

Nonpoint Source projects are integrated in the PPLs and are included with their score and rank noted.

The Authority expects to use the CWSRF Loan Program to finance the planning, design, and construction of the following project need categories under Section 212, and 319 of the Clean Water Act:

PROJECT CATEGORIES

I. Secondary Treatment	IV B. New Interceptors
II. Advanced Treatment	V. Combined Sewer Overflow Correction
III A. Infiltration/Inflow Correction	VI. Stormwater Infrastructure
III B. Major Sewer System Rehabilitation and Correction	VII. Nonpoint Source Water Pollution Abatement
IV A. New Collection Systems	

Because the Authority's general funds consist of an indistinguishable combination of Federal, State, and recycled monies, EPA determined that Federal Crosscutter requirements must be applied to projects identified by the Authority whose cumulative funding is equivalent to the amount of the capitalization grant (i.e. equivalency projects). The Indiana Clean Water SRF Loan Program identifies the proposed equivalency projects for SFY 2024 in Exhibit C.

The Authority has continued to work with wastewater systems to identify emerging contaminants in treatment processes. In SFY 2024 these communities will continue to plan and design ways to address issues identified but are not yet ready to proceed with financing to address emerging contaminants. Conversely, the SFY 2024 DWSRF PPL includes several projects ready to address emerging contaminants in drinking water systems. To meet the needs of these ready-to-proceed drinking water projects, it is the intent of the Authority to apply for the entire FY2023 CWSRF Emerging Contaminants Capitalization Grant and transfer the entire allotment to the DWSRF Emerging Contaminant program. See the DWSRF PPL at www.srf.in.gov for a listing of projects with Emerging Contaminant components.

The funds will be used to finance the DWSRF projects found on the DWSRF PPL noted to address emerging contaminants in drinking water. The DWSRF Loan Program has sufficient projects reflected in the SFY 2024 PPL meeting the goals of the DWSRF Emerging Contaminants Program to utilize the entirety of the FY 2023 DWSRF Emerging Contaminants allotment (\$13,109,000) along with the FY 2023 CWSRF Emerging Contaminants allotment (\$5,124,000).

A. Project Scoring and Ranking System for CWSRF Loan Programs

To determine which projects will receive funding (including additional subsidy and loans) the Authority follows criteria for assistance established by the CWA. 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 Affordability Criteria (which includes disadvantaged communities), Green Project Reserve (GPR) Sustainability Incentive Program components, climate resiliency elements, regionalization, and participation in the Clean Watershed Needs Survey.
6. Deduction points - projects that disconnect from a viable treatment system will have points deducted.

The priority system designed to implement the program criteria, is attached as Exhibit D, CWSRF Loan Program Projects Scoring and Ranking Worksheet. All projects are scored and

ranked on the PPLs as required by the CWA. This IUP, including the PPLs (see Exhibit B), and Project Ranking System (See Exhibit D), has been subject to public review and comment in accordance with the CWA, as described in Section V 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, a construction permit from IDEM, 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 loan portion of the financing (if applicable) through the CWSRF Loan Program.

B. Fundable Range

To inform the public of current estimates regarding the CWSRF Loan Program’s financial capacity and to efficiently direct CWSRF Loan Program assistance to the highest priorities where possible, the State calculates the Fundable Range for those projects that are on the PPLs. Projects are included in the Fundable Range based on a project’s rank and score.

Historically, the CWSRF Loan Program uses a Fundable Range to plan and prioritize its responsibilities and resources. On July 1, 2023, the Authority estimated 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. See bypass procedures outlined below in Section C.

C. Bypass Process

When the Authority has determined that funds on-hand are insufficient to fund projects that are outside of the Fundable Range but are on the PPL, the State will use the following bypass procedures to allow other projects on the PPLs to receive financial assistance from the CWSRF Loan Program during SFY 2024. 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 is used when the Authority uses a Fundable Range:

1. If applicable, the CWSRF Loan Program will note the Fundable Range on each 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 are requested to bid the entire SRF financed project in advance of a CWSRF loan closing. Up to March 31 of the current fiscal year, only projects in the Fundable Range will be permitted to close a CWSRF loan. However, Projects that are outside of the Fundable Range may be able to “bypass” a project in the Fundable Range in the following circumstances:
 - a. If a project will help the SRF Loan Program meet the additional requirements of the CWA and the terms and conditions of the current capitalization grant(s) then that project may bypass a project in the Fundable Range.
 - b. If a project meets the Affordability criteria, then it may bypass a project in the Fundable Range.
 - c. If a project is only viable because of non-SRF financial assistance, then it may bypass a project in the Fundable Range.
 - d. A project that would alleviate an emergency situation that poses a threat to public health would also be able to bypass a project in the Fundable Range.
 - e. If an applicant is a first-time borrower of the SRF Loan Program and its project ranks just outside of the Fundable Range, then it may bypass a project in the Fundable Range if that borrower has unspent loan or grant proceeds from a prior SRF financing.
3. After March 31 of that fiscal year, any project ready to close a CWSRF Loan Program loan under applicable CWSRF Loan Program lending requirements will be permitted to do so. If the CWSRF Loan Program determines there is insufficient lending capacity, then the highest-scored projects at a readiness-to-proceed stage may close.
4. Notwithstanding the foregoing, after March 31 of that fiscal year, 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.
5. All unfunded projects are eligible to remain on subsequent SFY’s PPLs without submitting a new application.

III. 2024 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. Each year these goals are reviewed and updated from the previous IUP. For purposes of this IUP, short-term goals and objectives are those the State expects to achieve in SFY 2024.

A. *Short-Term Goals and Objectives*

During SFY 2024, the CWSRF Loan Program expects to achieve the following short-term goals and objectives:

ST 1 Goal: Seek the immediate transfer of the entire award of the FY 2023 Emerging Contaminant Capitalization Grant to the DWSRF Emerging Contaminant Program.

ST 2 Goal: Seek the immediate award of the FY 2024 Capitalization Grant, and the BIL CWSRF General Supplemental Capitalization Grant. Upon award, continue to disburse loan proceeds such that the Capitalization Grants can promptly be utilized.

ST 2a Goal: Work to provide the maximum Additional Subsidization available under the grants to CWSRF recipients. Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the Capitalization Grants and Additional Subsidization is provided as permitted by the Water Resources Reform and Development Act (WRRDA). Additional Subsidization from the CWSRF Base Program may be provided in the form of principal forgiveness, negative interest loans, grants, other loan forgiveness, and through buying, refinancing, or restructuring debt (or any combination of these). Additional Subsidization from the CWSRF General Supplemental Program may be provided in the form of principal forgiveness, and grants. Additional Subsidization will be provided to those systems meeting the State's Affordability Criteria.

ST 2b Goal: Ensure that not less than 10% of the FY 2024 Base Capitalization Grant and 10% of the FY 2024 CWSRF General Supplemental 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, include environmentally innovative activities, or climate resilient improvements. PPLs found in Exhibit B note projects expected to include Green Project Reserve activities.

ST 2c Goal: Ensure that Davis Bacon wage rules apply to all assistance agreements made with funds appropriated under the Capitalization Grants.

ST 2d Goal: Ensure that all American Iron and Steel requirements (AIS) as set forth in the current Capitalization Grant are met. Ensure that all Build America, Buy America requirements as set forth in the Capitalization Grants are met for equivalency projects.

ST 2e Goal: If practical, equivalency projects anticipated for each Capitalization Grant will be identified in Exhibit C. A list of selected equivalency projects will be included in

the SFY 2024 Annual Report. The requirements of Section 602(b)(14) A & E procurement shall be satisfied by compliance with 40 USC Chapter 11.

ST 2f Goal: Ensure that Participants are studying and evaluating the cost and effectiveness of the proposed project or activity as required in Section 602(b)(13) of the Clean Water Act.

ST 2g Goal: Ensure that Participants have developed and are implementing an Asset Management Program (AMP) that meets the requirements set forth in the CWSRF Loan Program Guidelines and that those AMPs include the components that meet the minimum requirements of a Fiscal Sustainability Plan as set forth in Section 603(d)(1)(E) of the Clean Water Act.

ST 3 Goal: Document the environmental benefits derived from the CWSRF Loan Program projects using the Clean Water Benefits Reporting system managed by the EPA. Goals identified are:

- Abatement of combined sewer overflow (CSO) discharges along stream segments, ultimately reducing pollution to the Ohio River;
- Elimination of septic systems in communities, eliminating failing systems that discharge to waters of the state;
- SRF funds targeted to abate pathogen or nutrient loadings to impaired water bodies (303(d) listed streams); and
- Increased compliance with NPDES permits.

ST 4 Goal: Conduct a total of 30 technical, on-site and/ or virtual inspections between the CWSRF and DWSRF Loan Programs during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds. Inspections may be on-site and/or virtual.

ST 5 Goal: Work diligently with Participants and effectively manage projects to assist Participants in closing loans and constructing their projects in a timely, efficient manner.

ST 6 Goal: Ensure that EPA funds are accessed when eligible expenses are incurred to minimize un-liquidated obligations.

ST 7 Goal: Consider other available funding opportunities from Federal and/or State sources to further achieve the goals of the SRF (i.e. WIFIA, OSG, WIIN, applicable reallocations, etc.).

ST 8 Goal: Promote regional solutions for clean water issues. Provide Regional Assistance Program (RAP) State grants to qualifying projects that promote a regional solution.

ST 9 Goal: Ensure that Participants take part in regional study area activities as required by IC 5-1.2-11.5.

ST 10 Goal: Utilize the CWSRF Technical Assistance provision to engage professional services which includes technical assistance providers, engineering firms, and financial institutions, to assist small, rural, and tribal communities to identify needs and access to funding and to engage residents and community who meet the state's Affordability Criteria.

ST 11 Goal: Encourage communities who have not applied for SRF assistance to apply for financing where there is a need. Continue participating in public outreach activities to reach these communities.

B. Long-Term Goals and Objectives

During SFY 2024, the State will continue to work to achieve the following long-term goals:

LT 1 Goal: Provide financial assistance to current and future Participants, by providing low-cost financing commensurate with prudent fiscal and credit standards.

LT 2 Goal: Maintain the long-term financial integrity of the CWSRF Loan Program by judiciously managing its assets in order to realize a rate of return that will sustain the CWSRF Loan Program in perpetuity.

LT 3 Goal: 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 Mellon Trust Company, ensure the CWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts examination report 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.

LT 4 Goal: Leverage EPA Capitalization Grants to generate loans that exceed two-times the awarded grant amounts.

LT 5 Goal: Monitor Participant's draw of funds to assure loans are being drawn within two years. Work with Participants to spend down remaining funds. Assure that any un-drawn funds are returned to the loan pool and made available to other Participants.

LT 6 Goal: Report all uses of CWSRF Loan Program funds in the Clean Water SRF Data System, and the Clean Water SRF Annual Summary, as required by the EPA, and the Federal Funding Accountability and Transparency Act (FFATA). Submit required reports to EPA in a well-prepared and timely manner.

LT 7 Goal: Periodically publish an SRF Loan Program newsletter.

LT 8 Goal: Continue to look for co-funding opportunities between the Brownfields Program and the SRF Loan Program. Continue to look for co-funding opportunities between the SRF Loan Program and other federal programs including the HUD Office of Community and Rural Affairs, and USDA Rural Development.

LT 9 Goal: Ensure that the CWSRF Loan Program and its participants comply as required with Disadvantaged Business Enterprise fair share objectives, Federal environmental cross cutters and the Single Audit Act.

LT 10 Goal: Ensure the CWSRF Loan Program aligns with Justice40 objectives and targets for equitable allocation of resources including incorporating the use of the EPA EJSCREEN Tool to identify Disadvantaged Communities.

LT 11 Goal: Provide interest rate breaks to communities which adopt Nonpoint Source Projects, Green components, and Climate Resiliency projects. The CWSRF Loan Program will meet quarterly with the Indiana Department of Environmental Management (IDEM) Watershed Assessment and Planning Branch to identify Projects on the CWSRF Loan Program PPL which may benefit from SRF funding.

LT 12 Goal: 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 eligible for CWSRF Loan funding, which implement TMDL.

LT 13 Goal: Complete continuing education courses to ensure that all SRF Loan Program technical reviewers remain aware of innovations in the wastewater and drinking water industry and can review both clean water and drinking water projects.

LT 14 Goal: Continue to support the Alliance of Indiana Rural Water (a non-profit organization) with the Indiana Wastewater Certified Operator Apprenticeship Program, which has been approved by the Department of Labor. The Authority supports the wastewater apprenticeship program through state funding programs.

LT 15 Goal: Conduct outreach that includes presenting at workshops and conferences to advertise the availability of additional funding, including CWSRF Emerging Contaminants funding, and assistance available to disadvantaged communities through the CWSRF Loan Program.

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 Loan Program 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 Loan Program in an expeditious and timely manner.

B. Available Funds

During SFY 2024, 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 Loan Program when a financial assistance agreement is entered into with a Participant.

The Authority expects to seek and be awarded the FY 2024 CWSRF Base Program Capitalization Grant and the FY 2024 CWSRF General Supplemental Capitalization Grant when they are made available by the EPA. The Authority anticipates a Base Program FY 2024 grant in the amount of \$19,674,000, and a FY 2024 CWSRF General Supplemental grant in the amount of \$54,807,000. 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 2024 CWSRF Loan Program PPLs. The Authority has provided the needed State Match of 20%, or \$3,934,800 to meet the requirements of the FY 2024 CWSRF Base Program and 20%, or \$10,961,400, to meet the match requirements of the CWSRF General Supplemental Program.

The maximum amount of funding available for loans depends on:

- 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 2024; 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 Authority'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 required match for the CWSRF Base Program and the CWSRF General Supplemental Program will come from the 2021B (\$16,000,000 deposited and disbursed on November 16, 2021). In addition, the State has deposited and disbursed State Match in excess of that required to meet the match requirements of these FY 2024 Capitalization Grants, which will be banked toward future grants. 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. Capitalization Grant Draw Process

The Authority’s Grant Draw Process as of February 1, 2017, is presented in Exhibit F, Capitalization Grant Draw Process.

E. Other Types of Assistance Provided

Pooled Financing

The SRF Pooled Loan Program supplements the CWSRF Loan Program. Participants in the SRF Pooled Loan Program are eligible for financing at the same “AAA” interest rate available to the SRF Loan Program at the time of the Participant’s loan closing. Most Participants realize substantial savings when compared to their “open market” rate. Since the SRF Pooled Loan Program supplements the CWSRF Loan Program, the State has the right to blend a large project with assistance from the SRF Pooled Loan Program. For instance, the State may require non-construction loans (“planning and design”) loans to be funded by the SRF Pooled Loan Program. Furthermore, the State may require requests for additional funding to be funded by the SRF Pooled Loan Program.

The Authority will consider refinancing, commensurate with federal and state law, where (i) a Participant is proposing a new clean water 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.

Indiana Water Infrastructure Assistance Program

Beginning in SFY 2021, the Authority began the administration of the Water Infrastructure Assistance Program as authorized by IC 5-1.2-14. The purpose of this State funded program is to establish the water infrastructure assistance fund as a source of money for grants, loans, and other financial assistance to, or for the benefit of, participants in the Program. The Water Infrastructure Assistance Program will be jointly administered with the SRF Loan Programs

and follow similar procedures, including shared applications and shared Project Priority Lists.

Selection preference of projects for receiving funding from the Water Infrastructure Assistance Fund include:

1. Projects that are ineligible for funding through the Clean Water or Drinking Water SRF Loan Program and/or Participants that are ineligible for funding through the Clean Water or Drinking Water SRF Loan Program.
2. Participants serving less than 3,200 customers. Forty percent (40%) of the fund will be set aside for these Participants.
3. Other Projects deemed appropriate by the Authority that meet the requirements of IC 5-1.2-14.

Technical Assistance

The Bipartisan Infrastructure Law allows for the Authority to set-aside an additional two (2%) percent of funds annually awarded to provide technical assistance to rural, small, and tribal publicly owned treatment works, particularly in small, rural, and tribal disadvantaged communities (i.e. communities that meet the Affordability Criteria). The Authority will utilize 2% of the FY 2024 CWSRF General Supplemental Capitalization Grant, or \$1,096,140 to fund the Alliance of Indiana Rural Water (a non-profit organization) to administer the Indiana Certified Operator Apprenticeship Program to provide training of skilled workers in disadvantaged communities and standardize training across Indiana for Certified Operators for wastewater systems. The Authority will take approximately 1.5% from the FY 2024 CWSRF Base Program Capitalization Grant, or \$295,110. The technical assistance funds will be used to engage professional services, which includes technical assistance providers, engineering firms, and financial institutions. Services provided will include: Assist the Authority with outreach associated with extending sewers to unsewered areas; provide technical assistance to communities meeting Affordability Criteria; and engage residents directly within disadvantaged areas to identify needs that may be addressed by the SRF Loan Programs. The Authority will not utilize the remaining funds available in set-aside funds through the FY 2024 SRF Base Program, or the additional 2% of the FY 2023 CWSRF Emerging Contaminants program, but retains the authority to reclaim the funds, from a future Capitalization Grant.

Total Banked Technical Assistance Funds:

Grant	Technical Assistance
FY 2023 Base	278,850
FY 2022 Emerging Contaminant	45,060

FY 2024 Base	82,710
FY 2023 Emerging Contaminant	102,480
TOTAL	\$ 705,240

F. Additional Subsidization

Additional Subsidization may be provided to eligible recipients under the terms and conditions of the current Capitalization Grant(s) and per the provisions of WRRDA. For the CWSRF Base program Additional Subsidization may be in the form of forgiveness of principal, negative interest loans, grants, other forgiveness, and through buying, refinancing, or restructuring debt (or any combination of these). For programs under the Bipartisan Infrastructure Act Additional Subsidization may be in the form of forgiveness of principal and grants.

It is the intent of the CWSRF Loan Program to provide Additional Subsidization in the form of principal forgiveness but reserves the right to provide additional subsidy as set forth above. 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 5-1.2-10-4. The CWSRF Loan Program has not set a cap on the amount of principal forgiveness that a community may receive.

Additional Subsidization may be provided through the FY 2024 Base Program Capitalization Grant as follows:

1. Ten (10%) percent, or \$1,967,400 of the Capitalization Grant shall be provided as Additional Subsidization to eligible recipients for initial financing for an eligible recipient or to buy, refinance, or restructure the debt obligations of eligible recipients only where such debt was incurred after the enactment of the FY 2024 Appropriations Act.
2. a) To benefit a municipality that meets the CWSRF Loan Program Affordability Criteria, as outlined in part G of this section; b) To benefit a municipality that does not meet the CWSRF Loan Program Affordability Criteria but seeks Additional Subsidization to benefit individual ratepayers in the residential user rate class; c) To implement a process, material technique, or technology that addresses water or energy efficiency goals, mitigates stormwater runoff, or encourages sustainable project planning, design and construction; or d) as permitted under the CWA. The allowable percentage is from ten (10%) percent to thirty (30%) percent of the FY 2024 Capitalization Grant (\$1,967,400 to \$5,902,200) as set forth in WRRDA.

Additional Subsidization may be provided through the FY 2024 CWSRF General Supplement Capitalization Grant as follows:

1. Forty-nine (49%) percent, or \$26,855,430, of the Capitalization Grant shall be provided as Additional Subsidization to a) benefit a municipality that meets the CWSRF Loan Program Affordability Criteria, as outlined in part G of this section; b) benefit a municipality that does not meet the CWSRF Loan Program Affordability Criteria but seeks Additional Subsidization to benefit individual ratepayers in the residential user rate class; c) implement a process, material technique, or technology that addresses water or energy efficiency goals, mitigates stormwater runoff, or encourages sustainable project planning, design and construction.

The CWSRF Loan Program shall identify those communities who will receive Additional Subsidization (in the manner described above) and the amount of the Additional Subsidization prior to executing a financial assistance agreement. The CWSRF Loan Program seeks to ensure that disadvantaged communities have access to funds to improve their wastewater infrastructure to protect public health and improve water quality. All CWSRF Loan Program requirements must be complied with. In cases where a project cost exceeds principal forgiveness, base or other applicable General Supplemental SRF loan funds may make up a portion or all the difference.

G. Affordability Criteria

The CWSRF Loan Program will use the below Affordability Criteria to assist in identifying applicants that would have difficulty financing projects without Additional Subsidization. The Affordability Criteria has been updated from requiring a community to have a “low” MHI to a more clearly defined MHI of “below 80% of the State MHI and opens consideration to projects that positively impact smaller areas of disadvantage within a wider community. This will allow the Authority to provide Additional Subsidization to a wider disadvantaged population. Affordability Criteria will be evaluated on an annual basis to assure the Authority is targeting assistance to communities in need.

- a) **Median Household Income (MHI)** – applicants with an MHI below 80% of the State MHI, as established by the 2017-2021 American Community Five Year Survey¹ may receive Additional Subsidization. Projects that have a positive, direct impact on a census tract(s) or other targeted project area, which has an MHI below 80% of the State MHI, may also receive Additional Subsidization.
- b) **User rates** – applicants that have high post-project user rates may receive Additional Subsidization in advance of applicants with lower-post project user rates.
- c) **Unemployment data**² – unemployment data will be considered.
- d) **Population trends** – population trends will be considered.

¹ Also known as the 2021: ACS 5-Year Estimates

² Unemployment data and population trends will be considered and used as a “tie breaker” if communities are similarly situated.

- e) **Other factors/data** deemed relevant by the CWSRF Loan Program may be considered, including but not limited to, projects that have a regional solution.

These communities receive the lowest interest rate the State provides to CWSRF Loan Program Participants, and States may provide a range of ten (10%) percent to thirty (30%) percent of Additional Subsidization of the current Capitalization Grant and/or 35-year loan terms for the benefit of Disadvantaged Communities. The Authority will also provide forty-nine (49%) percent of the BIL Funded Capitalization Grants for the benefit of Communities that meet Affordability Criteria. BIL Funding includes General Supplemental, and Emerging Contaminant funds.

H. Transfers between CWSRF and DWSRF

The Authority has retained the flexibility to permit transfers between the DWSRF Loan Program and the CWSRF Loan Program of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the Clean Water Act 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 Grant Equity account 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 Authority would not expect such transfers to have a material impact on the capacity of the CWSRF Loan Program to finance projects during SFY 2024. Notwithstanding the foregoing, but subject to the Safe Drinking Water Act, the State retains the flexibility to transfer undrawn CWSRF Loan Program grants and/or to fund direct DWSRF Loan Program loans with transfers. The Authority would expect to only make transfers in a manner consistent with agreements related to outstanding Guarantee Revenue Bonds and State Match Revenue Bonds.

Section 302 of the Safe Drinking Water Act authorizes a State to transfer up to thirty-three (33%) percent of the amount of a fiscal year’s DWSRF Emerging Contaminant allotment to the CWSRF Emerging Contaminant program. The cumulative DWSRF Emerging Contaminant allotment as of FY 2023 is \$24,657,000 and 33% of the allotment equals \$8,136,810; thus allowing 100% of the CWSRF Emerging Contaminant allotment (with a cumulative amount of \$7,377,000) to be transferred to the DWSRF Emerging Contaminant Program.

Summary of FY 2023 Transfer:

	FY 2023 DWSRF EC Program	FY 2023 CWSRF EC Program
FY 2023 Program Allotments	13,109,000	5,124,000
Transfer	5,124,000	(5,124,000)
FY 2023 Post-Transfer	18,233,000	-

Amounts		
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The Authority anticipates this transfer of funds in year two of the program will allow for the Program to meet all drinking water emerging contaminant needs currently found on the drinking water project priority lists.

I. Interest Rates

The CWSRF Loan Program recognizes the continued need to balance the level of subsidy with the inherent limited capacity of the CWSRF Loan Program to meet demand for loans and participant affordability constraints. This balancing is reflected in the Authority's present interest rate policy.

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 daily 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 MHI for the project area from the 2017-2021 American Community Five Year Survey 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 a rate study before a rate ordinance is adopted by the Participant’s governing body.

Participants that delay the repayment of new debt around existing debt service may be charged 25 additional basis points to help offset the additional subsidy they are afforded. The CWSRF Loan Program has the 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, positive effect on User Rates.

In SFY 2024 the CWSRF Loan Program will continue to offer loans with extended term financing. More information on extended term financing can be found in Section J of this section. Participants that qualify for and opt to close a loan with extended term financing will receive an increased interest rate as shown:

<u>Loan Term</u>	<u>Interest Rate Increase</u>
21-25	+0.1%
26-30	+0.2%
31-35	+0.3%

J. Terms

Standard 20 Year Term Loans

Consistent with applicable law, standard 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 or the useful

life of the project, whichever is shorter after expected completion of the project. The CWSRF Loan Program may offer Participant's 30-year loan terms at its discretion provided the useful life of the project is equal to or greater than 30 years. 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.

Loan Terms That Exceed 20 Years

On August 3, 2017, the Authority received EPA approval to offer extended term financings in both CWSRF and DWSRF Loan Programs. A loan term up to 35 years may be given to all Indiana utilities to correct the issue of aging infrastructure for all water and sewer projects having a useful life equal to the loan term.

K. 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. States may not combine the assets of the SRF programs as security for bond issues to acquire State match for either program.

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 Authority 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 Authority 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.

L. Fees Assessed on Recipients

The Authority assesses Participants a Loan Closing Fee of \$1,500³ to offset loan processing costs incurred by the CWSRF Loan Program. The Authority reserves the right to waive this fee for communities receiving additional subsidization or meeting other priorities of the CWSRF Loan Programs. The CWSRF Loan Program may also assess a Non-Use Fee on

³ This fee will be increased from \$1,000 to \$1,500 on 10/1/2023

funds not used for Project costs two years following the loan closing in order to encourage prompt use of funds. Participants must use non-SRF monies to fund payment of this fee, thus these funds are non-program income. The total dollar amount in the CWSRF Administrative Fee Account as of July 1, 2023, was \$63,665.74.

As permitted by 40 CFR Part 35 and the EPA Fee Policy dated October 20, 2005, effective November 13, 2015, the Authority implemented a CWSRF Fee for the CWSRF Loan Program. The CWSRF Fees collected will be deposited in the Wastewater Program Fund, a segregated account that is not designated as part of the accounts comprising the SRF Fund and separate from the Drinking Water Program Fund account where the DWSRF Fees will be deposited, thus these funds are non-program income.

It is the intention of the Authority to use the accumulated CWSRF Fees for the allowable purposes outlined in the EPA Fee Policy dated October 20, 2005, and as permitted under 40 CFR Part 35. The allowable purposes include the use of the CWSRF Fees for projects, needs, costs or expenses that support or further the goals, purposes, or objectives of the CWA; for state match; for other water quality related purposes; for combined financial administration of the CWSRF and DWSRF Funds where the programs are administered by the same state agency as is the case in Indiana and for all other permitted uses. A detailed summary of the actual use of the CWSRF Fees will be provided in Exhibit K of the CWSRF Annual Report.

The CWSRF Fee charged by the Authority will be separately stated from interest charges imposed in respect of financial assistance structured in the form of a loan; provided however, as set out in its standard forms of financial assistance agreement, the Authority may adjust the interest rate on the bonds evidencing any SRF loan to be lowered, with the difference between the amount payable as the original rate on such bonds and the lower rate being deemed an SRF Fee in connection with the CWSRF Program. Any such recharacterization of the otherwise stated interest charges as fees will be accomplished by notice given by the Authority to the Participant prior to the date of any scheduled interest payment is due and prior to deposit of any interest payment in the SRF Fund.

The total amount in the CWSRF Fee Account as of July 1, 2023, was \$39,477,453, of which \$9,612,510 remain available for award to future Clean Water projects.

M. CWSRF Financial Planning and Long-term Financial Health

The Authority employs financial advisor, Public Financial Management, Inc., to periodically evaluate the financial status and health of the CWSRF Loan Program and make recommendations that support sustainability.

N. Assurances, Specific Proposals

The Authority 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 July 1, 2023, Binding Commitments exceeded 120 percent of all grants awarded to date (that is, FY 1994 through 2022), significantly in advance of the foregoing Binding Commitment deadlines. Further, such Binding Commitments would exceed 200 percent of Capitalization Grants. Such amounts are banked toward meeting future Binding Commitment requirements.
- c) 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.
- d) 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 Loan Program in accordance with the auditing procedures of the federal General Accounting Office, the requirements of the federal Single Audit Act, and the federal Office of Management and Budget's "Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards".

O. Administrative Expenses

Pursuant to Section 603(d)(7) of the CWA, the CWSRF Loan Program may cover the reasonable costs of administering the fund utilizing one of the following, whichever is greatest, plus any fees collected by the CWSRF Loan Program.

- An amount equal to 4 percent of all grant awards received less any amounts used in previous years.
- \$400,000 per year; or
- 1/5% of the current valuation of the fund.

The CWSRF Loan Program intends to take an amount equal to 4 percent of all Capitalization grant awards received (including Base and General Supplemental grants), less any amounts used in previous years to offset CWSRF Loan Program costs, including administrative, legal, and financial fees and expenses, to operate the CWSRF Loan Program in perpetuity. Exhibit G: Intended Uses of Funds identifies the balance of the CWSRF Program's four-percent administrative expense limit remaining to meet its continuing needs.

V. 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 Loan Program website from September 8, 2023, through September 29, 2023. The IUP was amended on June 1, 2024, to include final allotment amounts in each grant program, previously included as estimates. No substantive changes were made aside from these adjustments. Each quarter, the PPLs are public noticed for a three-week period. Further detail on public notices of the PPLs can be found in Exhibit B. Copies of this proposed IUP and PPLs are available to the public upon request. The IUPs and PPLs are also posted on the SRF Loan Program website, and the public is encouraged to provide comment.

The Authority provides outreach to various groups, and organizations associated with Indiana communities by presenting at relevant conferences (Regional meetings conducted by the Authority or the Authority's contractors, AWWA, EWIG, etc.) and informing the public of the public review comment period of the CW IUP through targeted mailings. Subscribers to the Indiana SRF newsletter received notice of the IUP being available for public review. To receive a copy of the Newsletter and other announcements register at: www.in.gov/core/subscriptions.html.

The CWSRF Loan Program will respond to any substantive SFY 2024 IUP comment or concern.

This IUP, including the PPLs, may be amended during SFY 2024 in accordance with federal and state law. As described in Exhibit B, the State intends to amend the PPLs quarterly during SFY 2024. The IUP may also be amended from time-to-time to reflect any minor changes which constitute data revision or clarification.

Exhibit A

CWSRF Loan Program Definitions

Terms used in this document have the following meanings:

Additional Subsidization means to provide assistance from the CWSRF Based Program in the form of principal forgiveness, negative interest rate loans, grants, other forgiveness, and through buying, refinancing, or restructuring debt (or any combination of these) in accordance with the Clean Water Act (CWA) Section 603(i) as amended by the Water Resources Reform and Development Act of 2014 (WRRDA) and the terms and conditions of the current capitalization grant. Additional Subsidization from the CWSRF General Supplemental Program may be provided in the form of principal forgiveness, and grants. Priority for additional subsidies may be given to communities that could not otherwise afford such projects and as set forth in this IUP.

American Iron and Steel (AIS) means Section 608 of the CWA , which codifies the “American Iron and Steel (AIS)” requirement previously set forth in EPA’s SRF appropriations that requires Clean Water State Revolving Loan Fund (CWSRF) assistance recipients, absent a waiver, to use iron and steel products that are produced in the United States for projects for the construction, alteration, maintenance, or repair of a public water system or treatment works if the project is funded through an assistance agreement.

Asset Management Program (AMP) means the program developed and implemented by the Participant demonstrating that it has the technical, managerial, legal and financial capability to operate and maintain its water and/or wastewater system. AMPs shall be inclusive of the requirements of the Fiscal Sustainability Plan requirements for Wastewater projects.

Bipartisan Infrastructure Law (BIL) means Public Law 117-58, signed into law on November 15, 2021. The Law includes additional provisions and funding to supplement the SRF Loan Programs.

Binding Commitment means a closed CWSRF loan.

Build America Buy America (BABA) means Public Law 117-58 which requires all DWSRF Equivalency assistance recipients, absent a waiver, to document that all iron, steel, manufactured products, and construction materials used in the project are produced in the United States

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 Act (CWA) means the Federal Water Pollution Control Act (FWPCA), 33 U.S.C. 1251 et seq., in effect on January 1, 1989, amended December 16, 1996, and further amended by the WRRDA, in effect on June 10, 2014.

Clean Water State Revolving Fund (CWSRF) Loan Program means the State's revolving fund loan program for wastewater infrastructure established under and pursuant to IC 5-1.2-10 and the programs afforded thereby. The CWSRF Loan Program includes both CWSRF Base Program Funding and the CWSRF General Supplemental Funding.

CWSRF Base Program Funding means the State's Clean Water State Revolving Fund created in accordance with the CWA and state law, funded through the annual federal appropriation bill.

CWSRF General Supplemental Funding is a fund source through the BIL with the same eligibilities as the CWSRF Loan Program.

CWSRF Emerging Contaminants Funding is a fund source through the BIL for eligible uses under section 603(c) of the CWA that address emerging contaminants.

CWSRF Technical Assistance means an additional use of the CWSRF Capitalization, allowing for two percent (2%) of each allotment (Base Program Funding and CWSRF General Supplemental Funding) to be utilized to provide technical assistance to communities.

Cost and Effectiveness means an evaluation of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this program and documentation that the selected alternative maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account the cost of constructing the project or activity; the cost of operating and maintaining the project or activity over the life of the project or activity; and the cost of replacing the project or activity.

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

Emerging Contaminants means substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment.

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.

Equivalency Project means a project or projects in an amount equal to the current capitalization grant(s). Equivalency Projects must comply with all the following: a) FFATA reporting requirements, b) Single Audit Act, c) Federal Cross Cutters, d) Disadvantaged Business Enterprise, and e) 40 U.S.C. Chapter 11 Procurement for Architectural and Engineering Services, f) Prohibition of Certain Telecommunication and Video Surveillance Services and g) Build America, Buy America when the requirement effective May 14, 2022.

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

Fiscal Sustainability Plan (FSP) a plan that is consistent with SRF Policy Guidelines includes (a) an inventory of critical assets that are a part of the treatment works; (b) an evaluation of the condition and performance of inventoried assets or asset groupings; (c) a certification that the Participant has evaluated and will be implementing water and energy conservation efforts as part of the plan; and (d) a plan for maintaining, repairing, and, as necessary, replacing the treatment works and a plan for funding such activities. Fiscal Sustainability Plan requirements shall be included in the required AMP, and an AMP certification will meet the requirements of both AMP and FSP.

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 assistance in the form of interest rate discounts to address green infrastructure, water or energy efficiency improvements, other environmentally innovative activities, or climate resiliency planning.

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 5-1.2-3.

Intended Use Plan (IUP) means a plan prepared by the Authority identifying the intended uses of the amount of funding available to the Clean Water SRF. The IUP shall include all requirements set forth in the CWA.

Median Household Income (MHI) means the average annual income for a given region as determined by the 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 IC 36-1-2-13, and,

any other owner of a Treatment Works that is authorized by the CWA to borrow from the CWSRF.

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) ranks, in descending priority of need, projects for which Participants have requested financial assistance from the CWSRF for eligible expenses. 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. The PPL is created by the Program, updated quarterly, and may be amended as necessary.

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

Readiness to Proceed means projects that are ready for CWSRF Loan Program financing. Steps towards "project readiness" can be demonstrated by: (1) Submitting a PER; (2) Obtaining PER Approval, a construction permit, 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.

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 federal capitalization grants from the CWSRF Base Program and the State's commitment to provide match funds equal to 10 percent of the federal capitalization grants from the CWSRF General Supplemental Program.

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.

Treatment Works means any devices and systems used in the storage, treatment, recycling, and reclamation of municipal sewage or industrial wastes of a liquid nature to implement section 201 of the CWA or necessary to recycle or reuse water at the most economical cost over the estimated life of the works, including intercepting sewers, outfall sewers, sewage collection systems, pumping power, and other equipment, and their appurtenances; extensions, improvements, remodeling additions and alterations thereof; elements essential to provide a reliable recycled supply such as standby treatment units, and clear well facilities; and acquisition of the land that will be integral part of the treatment process (including land use for the storage of treated wastewater in land treatment systems prior to land application) or will be used for ultimate disposal of residues resulting from such treatment and acquisition of other land, and interests in land, that are necessary for construction.

Exhibit B
Project Priority Lists

This Exhibit shows all Project Priority Lists published up to the date of this plan.

Project Priority Lists are updated on a quarterly basis and posted for public notice for three weeks at each quarter. The public is encouraged to provide comment.

SFY 2024 - Clean Water (Large Systems)

Indiana Clean Water State Revolving Fund (CWSRF) Loan Program
 SFY 2024 Project Priority List, July 28, 2023, 1st Quarter Final*
 Projects Applying for Financial Assistance in State Fiscal Year 2024 (July 1, 2023 - June 30, 2024)
 Population 10,000 or Greater

PPL Rank ¹	PPL Score	Participant	MHI ²	Population Served	NPDES No.	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ³	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Participant meets SRF's Affordability Criteria ⁴ (Yes/No)	Project Addresses \$319 of the CWA (Yes/No)	Requested Funds	Cumulative Requested Funds	SFY 2024 Fundable Range (\$150 Million)
1	99	Fort Wayne	\$22,635	270,402	IN0032191	WW23130216	CSO Correction	\$402,185	GI	\$57.24	\$49.08	Yes	No	\$33,157,000	\$33,157,000	Fundable Range \$150 Million (Borrowers are Eligible for up to \$25 Million at a Subsidized Rate)
2	83	Peru - Mississinewa Lake	\$42,668	11,037	IN0032328	WW23225203	Regionalization with State Park and Septic Elimination	\$0	N/A	\$36.48	\$36.48	Yes	Yes	\$39,990,000	\$73,147,000	
3	77	Evansville	\$46,662	117,298	IN0033073	WW22678222	CSO Correction	\$0	N/A	\$70.15	\$70.15	Yes	No	\$43,700,000	\$116,847,000	
4	75	Citizens Water Authority, Inc.	\$33,979	836,630	IN0023183	WW23344903	Collection System Improvements	TBD	TBD	\$53.62	TBD	Yes	No	\$28,392,000	\$145,239,000	
5	72	Portage	\$63,550	37,926	IN0024368	WW23536402	Collection System and Treatment Improvements	\$6,555,000	EE	\$36.00	TBD	No	No	\$25,000,000	\$170,239,000	
6	69	Gary Sanitary District	\$34,085	148,524	IN0022977	WW 23154501	Collection System Improvements	\$0	N/A	\$34.00	TBD	Yes	No	\$1,576,000	\$171,815,000	
7	69	Peru	\$42,668	11,073	IN0032328	WW23095203	Treatment Improvements	\$0	N/A	\$36.48	\$123.97	Yes	No	\$35,091,000	\$206,906,000	
8	68	Citizens Water Authority, Inc.	\$54,321	836,630	IN0023183	WW16274906	CSO Correction	TBD	CR	\$44.32	\$44.32	No	No	\$80,000,000	\$286,906,000	
9	66	Peru	\$42,668	11,073	IN0032328	WW22605201	CSO Correction (CSO 011 Separation)	\$0	N/A	\$36.48	\$123.97	Yes	No	\$3,134,000	\$290,040,000	
10	63	South Bend	\$46,002	115,000	IN0024520	WW23327103	CSO Correction	\$0	N/A	\$17.27	\$17.99	Yes	No	\$27,391,000	\$317,431,000	
11	62	Jasper	\$69,588	16,703	IN0020834	WW23421902	Collection System Improvements	\$0	N/A	\$43.18	\$47.67	Yes	No	\$17,581,000	\$335,012,000	
12	61	Bluffton	\$53,221	10,308	IN0022411	WW21559004	Collection System and Treatment Improvements	TBD	EE	\$27.15	\$45.00	No	No	\$11,000,000	\$346,012,000	
13	61	Valparaiso	\$56,465	31,151	IN0024660	WW24016401	Collection System and Treatment Improvements	\$0	N/A	\$41.96	\$54.58	No	No	\$57,060,000	\$403,072,000	
14	61	Seymour	\$61,491	21,569	IN0024473	WW23363602	Septic Elimination, Collection System, and Treatment Improvements	\$0	N/A	\$35.88	\$35.88	Yes	Yes	\$12,505,000	\$415,577,000	
15	60	Peru	\$42,668	11,073	IN0032328	WW22605202	CSO Correction (CSO Storage)	\$0	N/A	\$36.48	\$123.97	Yes	No	\$81,200,000	\$496,777,000	
16	60	Crown Point	\$82,222	33,899	IN0025763	WW21394506	New Collection System and Interceptor, and Plant Improvements	TBD	EE	\$31.64	\$47.14	No	No	\$99,100,000	\$595,877,000	
17	59	Ben Davis Conservancy District	\$36,095	11,000	IN0023183	WW22444901	Collection System Improvements	\$0	N/A	\$47.30	\$59.00	Yes	No	\$8,600,000	\$604,477,000	
18	55	Griffith	\$64,265	16,528	IN0023060	WW23504501	Collection System Improvements	\$0	N/A	\$21.25	TBD	No	No	\$32,280,000	\$636,757,000	
19	54	Portage	\$63,550	37,926	IN0024368	WW22286401	Treatment Improvements	TBD	EE	\$35.00	\$41.17	No	No	\$8,200,000	\$644,957,000	
20	52	Richmond	\$47,840	35,854	IN0025615	WW23408910	CSO Correction	\$0	N/A	\$49.41	\$52.31	Yes	No	\$26,365,000	\$671,322,000	
21	50	Brownsburg	\$78,088	28,973	IN0021245	WW23453205	CSO Correction (Phase I)	\$0	EE	\$37.59	\$37.59	No	No	\$8,085,000	\$679,407,000	
22	49	South Bend	\$46,002	115,000	IN0024520	WW22647102	Treatment Improvements (Final Clarifier Rehab)	TBD	EE	\$13.66	\$13.66	Yes	No	\$5,700,000	\$685,107,000	
23	48	Bedford	\$45,208	13,792	IN0025623	WW22404704	Collection System Improvements	\$0	N/A	\$44.06	\$65.72	Yes	No	\$17,500,000	\$702,607,000	

24	48	Logansport	\$47,993	18,310	IN0023604	WW23460910	Treatment Improvements	\$0	N/A	\$29.25	\$39.50	Yes	No	\$20,750,000	\$723,357,000	
25	46	Huntington	\$70,135	17,022	IN0023132	WW22413508	Collection System Improvements and Regionalization with Dawn Lakes	TBD	EE	\$95.00	\$124.00	No	No	\$7,400,000	\$730,757,000	
26	45	Brownsburg	\$93,147	28,973	IN0021245	WW21173204	Collection System Improvements (Phase I)	TBD	N/A	\$36.89	\$45.70	No	No	\$3,500,000	\$734,257,000	
27	44	Speedway	\$53,422	22,856	IN0032972	WW23294903	Collection System Improvements	TBD	EE	\$39.64	\$39.64	Yes	No	\$8,125,000	\$742,382,000	
28	43	Bloomington	\$41,995	79,168	IN0035719 IN0035762	WW23195304	Collection System Improvements	\$0	N/A	\$44.97	\$47.68	Yes	No	\$5,039,000	\$747,421,000	
29	37	Huntertown	\$93,977	13,600	IN0064289	WW23370202	Treatment Improvements	\$3,625,782	EE, CR	\$60.62	\$60.62	No	No	\$11,843,000	\$759,264,000	
30	34	Columbus	\$72,380	50,474	IN0032573	WW21480309	Collection System Improvements	TBD	EE	\$34.94	\$40.37	No	No	\$20,000,000	\$779,264,000	
31	25	Washington	\$44,622	12,017	IN0025658	WW19071402	Collection System Improvements	\$0	N/A	\$53.78	\$61.85	Yes	No	\$2,300,000	\$781,564,000	
32	24	Indianapolis Department of Public Works	\$59,688	964,582	INS040001	WW23524901	Flood Damage Risk Reduction	TBD	CR	\$1.40	\$1.45	No	No	\$90,259,000	\$871,823,000	
33	11	Ben Davis Conservancy District	\$36,095	11,000	IN0023183	WW18134901	New Treatment	\$0	N/A	\$47.30	\$59.00	Yes	No	\$22,000,000	\$893,823,000	
TOTAL REQUESTED FUNDS - PRELIMINARY ENGINEERING REPORTS (PERs)								\$10,582,967								\$893,823,000

PPL Rank ¹	PPL Score	Participant	MHI ²	Population Served	NPDES No.	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ³	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Participant meets SRF's Affordability Criteria ⁴ (Y/N)	Project eligible under §319 of the CWA (Yes/No)	Estimated Total Project Cost	Cumulative Requested Funds	
Application Only	Greenfield		\$57,950	23,488	IN0020109	WW23123002	Collection System Improvements	\$0	N/A	\$54.61	\$65.08	No	No	\$2,575,000	\$2,575,000	
TOTAL REQUESTED FUNDS - APPLICATIONS ONLY								\$0								\$2,575,000

TOTAL REQUESTED FUNDS - PERs & APPLICATIONS **\$10,582,967** **\$896,398,000**

Footnotes:

- ¹ A community must submit a complete Preliminary Engineering Report to the CWSRF Loan Program by April 1, 2023 in order for the project to be scored and ranked on the Project Priority List (PPL).
- ² Additional subsidization may be provided to participants who have a low Median Household Income (MHI) and/or high post-project user rates, as outlined in the Intended Use Plan (IUP). The amount of the additional subsidization shall be determined and set forth in the financial assistance agreement.
- ³ EE = Energy Efficiency, EI = Environmentally Innovative, GI = Green Infrastructure, WE = Water Efficiency, CR = Climate Resiliency.
- ⁴ SRF's Affordability Criteria is defined as a loan participant "below 80% of the State MHI and opens consideration to projects that positively impact smaller areas of disadvantage within a wider community." See SRF's Clean Water Intended Use Plan for additional information.
- * This project priority list was published on July 6, 2023 for a 3-week comment period.

SFY 2024 - Clean Water (Small Systems)

Indiana Clean Water State Revolving Fund (CWSRF) Loan Program

SFY 2024 Project Priority List, July 28, 2023, 1st Quarter Final*
 Projects Applying for Financial Assistance in State Fiscal Year 2023 (July 1, 2023 - June 30, 2024)
 Population Less than 10,000

PPL Rank ¹	PPL Score	Participant	MHI ²	Population Served	NPDES No.	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ³	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Participant Meets SRF's Affordability Criteria ⁴ (Yes/No)	Project Addresses §319 of the CWA (Yes/No)	Requested Funds	Cumulative Requested Funds	SFY 2024 Fundable Range (\$150 Million)
1	98	Helmsburg Regional Sewer District	\$66,657	3,970	IN0058416	WW23050701	Septic Elimination and Treatment Improvements	TBD	TBD	\$92.50	\$92.50	No	Yes	\$7,847,000	\$7,847,000	Fundable Range \$150 Million (Borrowers are Eligible for up to \$25 Million at a Subsidized Rate)
2	95	Winamac	\$49,699	2,318	IN0020516	WW22076602	Septic Elimination, New Collection System, and Regionalization with Tippecanoe River State Park	\$488,500	EE, CR	\$60.46	\$60.46	Yes	Yes	\$12,900,000	\$20,747,000	
3	91	New Palestine	\$50,250	2,774	IN0042358	WW23043002	Septic Elimination, Collection System and Treatment Improvements	\$5,235,000	EE	\$67.00	\$149.49	No	Yes	\$46,118,000	\$66,865,000	
4	90	Rockport	\$49,105	4,690	IN0061662 IN0021067	WW23417403	Collection System Improvements and New Treatment	\$0	N/A	\$40.68	\$115.12	Yes	No	\$4,592,000	\$71,457,000	
5	88	Modoc	\$49,000	157	IN0031135	WW22036801	Septic Elimination, Collection System and Treatment Improvements, and Regionalization with Losantville	\$1,376,260	EE	\$100.19	\$115.12	Yes	Yes	\$6,200,000	\$77,657,000	
6	84	Ossian	\$60,545	3,477	IN0020745	WW23389001	Collection System Improvements	\$1,835,174	EE, CR	\$50.16	\$61.90	No	Yes	\$7,283,000	\$84,940,000	
7	82	Geneva	\$55,750	1,257	IN0039357	WW22170103	Collection System Improvements	\$0	N/A	\$46.45	\$73.39	No	No	\$2,700,000	\$87,640,000	
8	82	LaPorte County Regional Sewer and Water District	\$80,307	1,226	IN0020931	WW22224603	Septic Elimination, New Collection System, and Treatment Improvements	\$0	N/A	N/A	\$90.00	No	Yes	\$43,070,000	\$130,710,000	
9	81	Calumet Township (Lake County)	\$43,878	3,984	IN0022977	WW22464502	Septic Elimination and New Collection System	\$0	N/A	N/A	\$65.00	Yes	Yes	\$50,000,000	\$180,710,000	
10	79	Waterloo	\$47,589	2,116	IN0020711	WW22041702	Collection System and Treatment Improvements	\$0	N/A	\$72.81	\$108.49	Yes	No	\$14,000,000	\$194,710,000	
11	79	Northwest Shelby County Regional Sewer District	\$75,431	998	IN0047490	WW22597301	Septic Elimination, New Collection System and Treatment	\$0	N/A	N/A	\$317.82	Yes	Yes	\$21,700,000	\$216,410,000	
12	78	Nashville	\$50,972	1,256	IN0023876	WW21230701	Collection System and Treatment Improvements	\$0	N/A	\$59.98	\$105.98	No	No	\$10,500,000	\$226,910,000	
13	77	Bear High Wolf Lake Regional Sewer District	\$64,779	320	IN0038822	WW21595701	Septic Elimination, New Collection System, and Treatment Improvements	TBD	EE	\$74.65	\$117.13	No	Yes	\$6,000,000	\$232,910,000	
14	77	Helmsburg Regional Sewer District	\$66,657	3,970	IN0058416	WW23050701	Treatment Improvements and Regionalization with Brown County Regional Sewer District	TBD	CR	\$92.50	\$92.50	No	Yes	\$11,685,000	\$244,595,000	
15	76	Spencer	\$34,063	2,454	IN0020192	WW22316005	New Collection System and Treatment Improvements (Phase II)	\$0	N/A	\$51.16	\$151.98	Yes	No	\$22,000,000	\$266,595,000	
16	76	Flora	\$49,044	2,094	IN0020141	WW22180801	Collection System and Treatment Improvements	\$66,700	WE	\$53.24	\$148.71	Yes	No	\$16,495,500	\$283,090,500	
17	76	Rockville	\$58,692	2,595	IN0030244 IN0024449	WW23246101	Septic Elimination, New Collection System, Treatment Improvements, and Regionalization with Marshall and Bloomingdale	\$0	N/A	\$81.71	TBD	Yes	Yes	\$48,095,000	\$331,185,500	
18	75	Steuben Lakes Regional Waste District	\$62,427	950	IN0061557	WW21577603	Septic Elimination and New Collection System	\$0	N/A	\$88.99	\$122.02	Yes	Yes	\$45,000,000	\$376,185,500	
19	75	Brown County Regional Sewer District	\$68,141	1,900	N/A	WW23310702	Septic Elimination and New Collection System (Phase I)	TBD	EE	N/A	\$404.00	No	Yes	\$39,000,000	\$415,185,500	
20	74	Cumberland	\$73,079	5,954	IN0021300 IN0058009	WW22303003	Septic Elimination, Collection System and Treatment Improvements, and Regionalization with GEM North	TBD	EE	\$70.62	\$109.20	No	Yes	\$17,600,000	\$432,785,500	
21	73	Cloverdale	\$45,975	2,060	IN0022616	WW22506701	Collection System and Treatment Improvements, Regionalization with Lieber State Park	\$0	N/A	\$64.30	\$87.45	Yes	No	\$5,000,000	\$437,785,500	

22	73	LaGrange County Regional Utility District	\$68,717	904	IN0064688	WW21394405	Septic Elimination, New Collection System, and Treatment Improvements	\$0	N/A	\$72.00	\$77.00	No	Yes	\$11,000,000	\$448,785,500
23	72	Chrisney	\$39,375	465	IN0039306	WW21497401	Septic Elimination, New Collection System, and Treatment Improvements	\$0	N/A	\$83.04	\$188.41	Yes	Yes	\$3,600,000	\$452,385,500
24	72	Losantville	\$41,389	221	IN0031135	WW22026801	Septic Elimination and New Collection System	\$10,000	EE	N/A	\$664.16	Yes	Yes	\$9,000,000	\$461,385,500
25	71	Clinton	\$39,574	4,831	IN0022608	WW22128304	Collection System Improvements	\$0	N/A	\$49.65	\$63.95	Yes	No	\$6,000,000	\$467,385,500
26	71	Portland	\$42,668	6,320	IN0020095	WW21343804	Treatment Improvements	TBD	EE	\$34.56	\$47.00	Yes	No	\$6,900,000	\$474,285,500
27	71	South Henry Regional Waste District	\$56,528	1,851	IN0055131	WW19223301	Collection System and Treatment Improvements	TBD	EE	\$49.85	\$79.73	No	No	\$5,500,000	\$479,785,500
28	70	Montpelier	\$44,241	1,540	IN0020117	WW22510503	Collection System and Treatment Improvements	\$0	N/A	\$65.18	\$135.54	Yes	No	\$6,700,000	\$486,485,500
29	69	Sweetser	\$69,375	1,292	IN0064165	WW23442701	Septic Elimination, Collection System and Treatment Improvements	\$0	N/A	\$69.00	TBD	No	Yes	\$5,449,000	\$491,934,500
30	68	Jasonville	\$35,612	1,983	IN0021008	WW22112803	Collection System and Treatment Improvements, Regionalization with Shakamak State Park	\$0	N/A	\$44.10	TBD	Yes	No	\$7,100,000	\$499,034,500
31	66	Wheatland	\$45,500	390	IN0064777	WW21584201	Septic Elimination, New Collection System and Treatment	\$0	N/A	N/A	\$243.00	Yes	Yes	\$10,000,000	\$509,034,500
32	66	Rensselaer	\$51,372	5,963	IN0024414	WW23203701	Treatment Improvements	\$0	N/A	\$55.68	\$90.75	No	No	\$14,469,500	\$523,504,000
33	66	Marshall	\$70,573	274	IN0030244	WW21606101	Septic Elimination, New Collection System, Treatment Improvements, and Regionalization with Turkey Run State Park	TBD	EE	N/A	\$65.00	No	Yes	\$13,500,000	\$537,004,000
34	65	Markle	\$53,125	1,435	IN0023736	WW23473501	Collection System and Treatment Improvements	TBD	EE	\$26.00	TBD	No	No	\$8,900,000	\$545,904,000
35	64	Mulberry	\$42,303	1,231	IN0031976	WW22331201	Collection System and Treatment Improvements	\$0	N/A	\$69.34	\$129.75	Yes	No	\$4,400,000	\$550,304,000
36	64	North Liberty	\$65,625	1,623	IN0025801	WW22457101	Septic Elimination, New Collection System, and Regionalization with Potato Creek State Park	\$0	N/A	\$49.12	TBD	No	Yes	\$6,000,000	\$556,304,000
37	64	Newton County RWSD	\$72,136	3,700	IN0063479	WW16145601	Septic Elimination and Collection System Improvements	TBD	TBD	\$14.40	\$14.40	No	Yes	\$12,518,000	\$568,822,000
38	63	Salem	\$51,110	6,466	IN0021644	WW23288801	Collection System Improvements	\$0	N/A	\$59.60	\$82.84	Yes	No	\$5,311,000	\$574,133,000
39	63	Whitley County Regional Water and Sewer District	\$67,649	519	IN0022624	WW18329201	Septic Elimination and New Collection System	TBD	EE	N/A	\$248.00	No	Yes	\$7,000,000	\$581,133,000
40	62	Roachdale	\$58,114	840	IN0020052	WW22246701	Collection System and Treatment Improvements	TBD	GI/EE	\$55.54	\$130.90	No	No	\$5,300,000	\$586,433,000
41	61	Claypool	\$45,625	396	IN0039870	WW23234301	Collection System, Treatment, and Stormwater Improvements	\$0	N/A	\$49.82	\$248.39	Yes	No	\$4,165,000	\$590,598,000
42	60	Shipshewana	\$52,129	839	IN0040622	WW22344401	Treatment Improvements	TBD	EE, EI	\$23.52	\$67.39	No	No	\$9,500,000	\$600,098,000
43	59	Wells County Regional Sewer District	\$51,908	1,220	IN0022411	WW21509003	Septic Elimination and New Collection System	\$0	N/A	\$95.00	\$95.00	No	Yes	\$11,500,000	\$611,598,000
44	59	Akron	\$62,344	1,125	IN0025232	WW23172501	CSO Correction and Treatment Improvements	\$0	N/A	\$51.56	\$300.00	No	No	\$14,231,000	\$625,829,000
45	58	Frankton	\$51,714	1,775	IN0020028	WW21124801	Collection System and Treatment Improvements	TBD	EE	\$26.03	\$136.00	No	No	\$5,000,000	\$630,829,000
46	58	Ashley	\$66,076	1,026	IN0022292	WW22067602	Treatment Improvements	TBD	EE	\$56.00	\$100.00	No	No	\$8,300,000	\$639,129,000

47	58	Elberfeld	\$85,488	644	IN0020788	WW22298705	Septic Elimination and New Collection System	\$0	N/A	\$65.42	\$170.00	No	Yes	\$5,100,000	\$644,229,000
48	56	Swayzee	\$58,403	918	IN0037001	WW22152701	Collection System and Treatment Improvements	\$0	N/A	\$43.36	\$108.11	No	No	\$4,800,000	\$649,029,000
49	56	Montgomery County RWSD	\$66,875	233	IN0063967	WW23515401	Septic Elimination and Collection System Improvements	\$0	N/A	\$47.45	\$169.20	No	Yes	\$8,279,000	\$657,308,000
50	56	Harrison County Regional Sewer District	\$69,393	1,280	IN0042005	WW21303101	New Treatment	\$0	N/A	\$75.86	\$97.12	No	No	\$2,100,000	\$659,408,000
51	56	Lizton	\$97,308	511	IN0035173	WW22013201	Collection System, Treatment, and Stormwater Improvements	\$0	N/A	\$54.50	\$65.50	No	Yes	\$4,100,000	\$663,508,000
52	55	Holton	\$60,625	417	IN0109703	WW23276901	Collection System and Treatment Improvements	\$0	N/A	\$27.20	\$27.20	No	No	\$2,742,000	\$666,250,000
53	54	Worthington	\$38,942	1,393	IN0040801	WW23112801	Treatment Improvements	TBD	EI	\$50.14	\$63.24	Yes	No	\$2,010,000	\$668,260,000
54	53	Greentown	\$49,735	2,370	IN0021091	WW22583402	Collection System Improvements	\$0	N/A	\$101.52	\$130.73	Yes	No	\$4,800,000	\$673,060,000
55	53	Middletown	\$51,729	2,253	IN0020770	WW23143302	Collection System and Treatment Improvements	TBD	TBD	\$47.98	TBD	No	No	\$16,562,000	\$689,622,000
56	51	Kirklintown	\$50,000	710	IN0020630	WW23161203	Collection System and Treatment Improvements	TBD	TBD	\$71.84	\$186.95	No	No	\$5,384,000	\$695,006,000
57	51	Shirley	\$55,104	819	IN0024503	WW22363304	Collection System and Treatment Improvements	TBD	EE	\$56.76	\$170.88	No	No	\$7,300,000	\$702,306,000
58	51	Nashville	\$59,511	1,256	IN0023876	WW21530702	Collection System Improvements and Regionalization with Brown County State Park	\$0	N/A	\$59.98	\$59.98	No	No	\$3,400,000	\$705,706,000
59	50	St. Joe - Spencerville RSD	\$65,500	1,198	IN0058441	WW23211701	Treatment Improvements	\$0	N/A	\$48.00	\$104.44	No	No	\$3,595,000	\$709,301,000
60	50	Highland Sanitary District	\$71,246	9,025	IN0023060	WW21154501	Collection System Improvements	\$0	N/A	\$18.71	\$20.42	No	No	\$7,700,000	\$717,001,000
61	49	Bunker Hill	\$46,389	814	IN0020206	WW22275202	Collection System and Treatment Improvements	TBD	EE	\$77.00	\$100.00	Yes	No	\$2,100,000	\$719,101,000
62	49	Brooklyn	\$64,750	2,511	IN0039772	WW21445503	Collection System and Treatment Improvements	\$0	N/A	\$34.37	\$80.33	No	No	\$8,700,000	\$727,801,000
63	48	Delphi	\$51,263	2,961	IN0021377	WW22570802	Collection System and Treatment Improvements (Phase II)	TBD	TBD	\$20.15	\$83.03	No	No	\$56,500,000	\$784,301,000
64	47	Clayton	\$76,583	908	IN0021431	WW21383203	Collection System and Treatment Improvements	\$0	N/A	\$65.00	\$106.80	No	No	\$6,000,000	\$790,301,000
65	46	Monrovia	\$73,194	1,643	IN0060640	WW21065501	Collection System and Treatment Improvements	\$0	N/A	\$56.73	\$75.62	No	No	\$3,400,000	\$793,701,000
66	45	Owensville	\$52,794	1,338	IN0038288	WW23392603	Collection System and Treatment Improvements	\$0	N/A	\$69.00	\$17.80	No	No	\$3,320,000	\$797,021,000
67	45	Taylor Township RSD	\$87,232	800	IN0062375	WW23433401	Collection System and Treatment Improvements	\$0	N/A	\$85.00	\$110.00	No	No	\$1,456,000	\$798,477,000
68	44	Monticello	\$46,847	5,508	IN0020176	WW23269105	Collection System Improvements	\$0	N/A	\$77.51	\$84.71	Yes	No	\$2,855,000	\$801,332,000
69	44	Roanoke	\$69,375	1,762	IN0021440	WW21253501	Treatment Improvements	TBD	EE	\$38.39	\$97.60	No	No	\$9,900,000	\$811,232,000
70	42	Holland	\$56,875	619	IN0023108	WW22251901	Treatment Improvements	TBD	EE	\$55.53	\$176.88	No	No	\$6,600,000	\$817,832,000
71	41	Poseyville	\$54,773	966	IN0040517	WW22626501	Treatment Improvements	TBD	TBD	\$66.16	\$96.75	No	No	\$1,900,000	\$819,732,000

72	40	Whiteland	\$84,485	4,599	IN0021415	WW23304101	Collection System and Treatment Improvements	\$0	N/A	\$41.87	\$133.42	No	No	\$39,250,000	\$858,982,000
73	39	Winslow	\$55,486	764	IN0040789	WW22496301	Collection System Improvements	\$0	N/A	\$57.84	\$127.84	No	No	\$6,000,000	\$864,982,000
74	39	Advance	\$56,667	503	IN0039705	WW23250602	Collection System and Treatment Improvements	\$0	N/A	\$77.71	\$85.00	No	No	\$1,250,000	\$866,232,000
75	38	Rochester	\$55,076	6,270	IN0021661	WW21082502	Collection System Improvements (Landfill Leachate)	\$0	N/A	\$28.78	\$42.90	No	No	\$4,600,000	\$870,832,000
76	38	Haubstadt	\$68,038	1,638	IN0021482	WW22542601	Collection System and Treatment Improvements	\$0	N/A	\$45.96	\$86.02	No	No	\$12,100,000	\$882,932,000
77	38	Pigeon Township RSD	\$70,893	548	IN0062049	WW23358701	Collection System and Treatment Improvements	\$0	N/A	\$79.60	\$167.16	No	No	\$2,005,000	\$884,937,000
78	37	Van Bibber Lake Conservancy District	\$60,919	460	IN0039624	WW22486701	Collection System Improvements	\$0	N/A	\$60.06	\$266.10	No	No	\$9,000,000	\$893,937,000
79	36	Bremen	\$54,886	4,696	IN0020427	WW22265002	Collection System Improvements, New Treatment, and Stormwater System Improvements	\$0	N/A	\$29.93	\$54.79	No	Yes	\$18,280,000	\$912,217,000
80	35	Dugger	\$52,813	797	IN0039322	WW23487701	Collection System Improvements	\$0	N/A	\$43.20	\$52.24	No	No	\$1,406,000	\$913,623,000
81	34	Charlestown	\$58,987	7,775	IN0020508	WW22131002	Treatment Improvements	\$0	N/A	\$58.44	\$61.84	No	No	\$46,400,000	\$960,023,000
82	33	Darlington	\$54,750	711	Stormwater	WW19255402	Stormwater Improvements	\$0	N/A	\$65.65	\$118.16	No	Yes	\$1,100,000	\$961,123,000
83	31	Patoka Lake RWS	\$72,427	4,329	IN0052698	WW23331901	Collection System Improvements	\$0	N/A	\$37.85	\$43.20	No	No	\$3,319,000	\$964,442,000
84	27	Wolcottville	\$55,625	1,004	Stormwater	WW22094401	Stormwater Improvements	\$0	N/A	\$53.98	\$63.98	No	Yes	\$2,800,000	\$967,242,000
85	24	Bristol	\$62,278	1,789	IN0036846	WW22532001	Collection System and Treatment Improvements	\$0	N/A	\$32.20	\$65.11	No	No	\$14,231,000	\$981,473,000
86	23	Spencer	\$34,063	2,454	Stormwater	WW22336006	Stormwater System Improvements	\$0	N/A	\$51.16	\$151.98	Yes	Yes	\$6,200,000	\$987,673,000
-	78	Americus, Buck Creek, and Colburn Regional Sewer District	\$37,750	741	TBD	WW21467901	Septic Elimination, New Collection and Treatment Systems	\$0	N/A	N/A	\$258.42	Yes	Yes	\$10,000,000	\$997,673,000
-	75	Scott County Regional Sewer District	\$45,794	1,400	N/A	WW24037201	Collection System Improvements	\$0	N/A	\$93.90	TBD	Yes	No	\$1,300,000	\$998,973,000
-	68	Dubois County Regional Sewer District	\$84,099	132	TBD	WW22421901	Septic Elimination, New Collection System and Treatment	\$0	N/A	N/A	\$350.00	No	Yes	\$17,900,000	\$1,016,873,000
-	67	Petersburg	\$48,846	2,304	IN0024325	WW24026302	Collection System and Treatment Improvements	TBD	EE	\$70.64	\$100.38	Yes	No	\$17,473,000	\$1,034,346,000
-	64	NineStar Connect	\$81,818	86	IN0036528	WW22433001	Collection System Improvements	\$0	N/A	\$48.27	\$71.54	No	No	\$1,800,000	\$1,036,146,000
-	59	Montgomery	\$77,901	792	IN0034932	WW22201401	Collection System and Treatment Improvements	TBD	EE	\$58.48	\$152.39	No	No	\$5,000,000	\$1,041,146,000
-	56	Tipton	\$45,781	5,275	IN0052804	WW22658001	Septic Elimination, Collection System and Treatment Improvements	TBD	EE	\$37.15	\$37.15	Yes	Yes	\$5,700,000	\$1,046,846,000
-	32	Blue Lake Conservancy District	\$67,649	737	IN0021113	WW22109201	Collection System Improvements	\$0	N/A	\$89.75	\$140.46	No	No	\$2,000,000	\$1,048,846,000
-	26	Monon	\$51,761	1,919	IN0021580	WW22149101	Treatment Improvements	\$0	N/A	\$60.85	\$129.24	No	No	\$12,700,000	\$1,061,546,000
TOTAL REQUESTED FUNDS - PRELIMINARY ENGINEERING REPORTS (PERs)								\$9,011,634				\$1,061,546,000			

PPL Rank ¹	PPL Score	Participant	MHI ²	Population Served	NPDES No.	SRF Project No.	Project Description	Estimated Green Project Reserve Cost	Green Project Reserve Category ³	Current User Rate (per 4,000 gallons) ²	Estimated Post-Project User Rate (per 4,000 gallons) ²	Participant Meets SRF's Affordability Criteria ⁴ (Yes/No)	Project Addresses §319 of the CWA (Yes/No)	Estimated Total Project Cost	Cumulative Requested Funds
Application Only		Knightsstown	\$34,306	2,140	IN0022683	WW22693301	Collection System and Treatment Improvements	TBD	TBD	\$35.86	\$64.53	No	No	\$6,318,000	\$6,318,000
Application Only		Loogootee	\$74,064	2,601	IN0039541	WW21135101	Collection System and Treatment Improvements	TBD	TBD	\$47.51	\$54.64	Yes	No	\$11,100,000	\$17,418,000
Application Only		Palmyra	\$33,077	950	IN0039403	WW23063101	Collection System and Treatment Improvements	TBD	TBD	\$57.11	\$57.11	Yes	No	\$1,490,000	\$18,908,000
TOTAL REQUESTED FUNDS - APPLICATIONS ONLY								\$0		\$18,908,000					

TOTAL REQUESTED FUNDS - PERs & APPLICATIONS	\$9,011,634	\$1,080,454,000
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Footnotes:

- ¹ A community must submit a complete Preliminary Engineering Report by April 1, 2023 to the CWSRF Loan Program in order for the project to be scored and ranked on the Project Priority List (PPL).
- ² Additional subsidization may be provided to participants who have a low Median Household Income (MHI) and/or high post-project user rates, as outlined in the Intended Use Plan (IUP). The amount of the additional subsidization shall be determined and set forth in the financial assistance agreement.
- ³ EE = Energy Efficiency, EI = Environmentally Innovative, GI = Green Infrastructure, WE = Water Efficiency, CR = Climate Resiliency.
- ⁴ SRF's Affordability Criteria is defined as a loan participant "below 80% of the State MHI and opens consideration to projects that positively impact smaller areas of disadvantage within a wider community." See SRF's Clean Water Intended Use Plan for additional information.
- * This project priority list was published on July 6, 2023 for a 3-week comment period.

General Use Funds in SFY 2024

FY 2024 Base Capitalization Grant:	\$	19,674,000
FY 2024 BIL General Supplemental Grant:	\$	54,807,000
Total	\$	74,481,000

Community	Project Description	Total Project Cost	Equivalency Amount	will submit DBE report	will comply with federal cross-cutters	will comply with the single audit act	Will comply with BABA requirement or apply a waiver	will comply with signage requirement	will be reported to FSRS to meet FFATA requirements
Fort Wayne	CSO Correction	\$34,999,000	\$34,999,000	yes	yes	yes	yes	yes	yes
Peru	CSO Correction	\$81,200,000	\$39,482,000	yes	yes	yes	yes	yes	yes


Equivalency Project Cost Total: \$74,481,000

*These are the proposed equivalency projects. Actual equivalency projects will be outlined in the 2024 Clean Water SRF Annual Report

Exhibit D

CWSRF Loan Program Project Scoring and Ranking Worksheet

This Exhibit documents the scoring system to be utilized to rank projects in PPLs between July 1, 2023, and June 30, 2024. All available PPLs at the time of publication can be found in Exhibit B of this IUP.

 Indiana Finance Authority Clean Water State Revolving Fund Loan Program Project Scoring and Ranking Worksheet¹ State Fiscal Year 2024 (July 1, 2023 to June 30, 2024)	
Applicant Name (City/Town/Utility):	Project Name:
SRF Project No.:	NPDES No.:
Reviewer:	Date:

List population served in the appropriate box (below)	
Small System: population served < 10,000.	
Large System: population served ≥ 10,000.	

Core Project Points	Score	Maximum Points Available
Section 1: Project Need	0	65 points
Section 2: Water Quality Benefits	0	55 points
Section 3: Brownfield Re-use	0	12 points
Section 4: Affordability, Disadvantaged Communities, and Population	0	33 points
Total Core Project Score:	0	165 Possible Points
Organizational Points	Score	Maximum Points Available
Sustainable Infrastructure	0	15 points
Miscellaneous Points	0	10 points
Regionalization	0	10 points
Total Organizational Points:	0	35 Possible Points
Point Deduction	Score	Maximum Points Available
De-regionalizing	0	-20 Points
Total Point Deduction:	0	-20 Possible Points
Total Points Earned:	0	200 Max Total Points

Instructions:

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

1. Provide a Water Quality Benefit;
2. Improve the condition of the system;
3. Assist systems in most financial need; and
4. Employ other best practices, including, but not limited to, collaboration with other entities.

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 200. The total number of available Core Project Points is 165. The total number of available Organizational Points is 35 points. The Total Score is determined by adding the Core Project Points + Organizational Points - Deduction Points. **If a tie occurs, the project with the lowest Median Household Income (MHI) prevails.**

A loan recipient must submit a Preliminary Engineering Report (PER) on or before April 1 to the CWSRF with executed Asset Management Program Certificate in order to be Scored and Ranked on the PPL. A PER submitted after April 1, will be scored and unranked. Participants that submit applications only (without a PER) will appear as unscored and unranked.

¹ Scoring will be applied to multiple funding sources administered by the Indiana Finance Authority (Authority)

Core Project Points

Section 1: Project Need

This section assigns points to projects by the category of improvement(s) being made.
Note: Points will only be assigned if the information is provided in the PER.

Categories of Need: Proposed projects may fall into multiple categories, based on EPA and SRF-defined criteria.	Points	Earned
1. Categories I/II: Secondary/Advanced System Treatment	5 Points	
2. Category IIIA: Infiltration/Inflow Correction	4 Points	
3. Category IIIB: Major Sewer System Rehabilitation	4 Points	
4. Category IVA: New Collection Sewers	5 Points	
5. Category IVB: New Interceptors	2 Points	
6. Category V: Combined Sewer Overflow Correction	6 Points	

7. Category VI: Stormwater System Development / Improvements	2 Points	
8. Category VII: Nonpoint Source	4 points	
9. Category VIII: IDEM Orders (connection ban, early warning notice, etc.)	5 points	
10. Category IX: Emerging Contaminants addressed by project	6 points	
Total Points:		0

Age of Wastewater Treatment Plant (WWTP): At least 50% of the plant was constructed 20+ years ago.	Yes	2 Points	
	No	0 Points	
Total Points:			0

Septic Tank Elimination: The proposed project eliminates the number of existing septic tanks by approximately ____.	1-25 septics	1 Point	
	26-75 septics	2 Points	
	76-125 septics	3 Points	
	≥ 126 septics	4 Points	
Total Points:			0

Combined Sewer Overflows (CSO): The proposed project eliminates a percentage of either the annual average overflow volume or the number of events per year, on a system-wide basis.	Project removes 1-25%	2 Points	
	Project removes 26-50%	3 Points	
	Project removes 51-75%	4 Points	
	Project removes 76-100%	5 Points	
Total Points:			0

Sanitary Sewer Overflows (SSO): The proposed project eliminates a percentage of either the annual average overflow volume or the number of events per year on a system-wide basis.	Project removes 1-25%	1 Point	
	Project removes 26-50%	2 Points	
	Project removes 51-75%	3 Points	
	Project removes 76-100%	4 Points	
Total Points:			0

Regionalization: The proposed project reduces the number of National Pollution Discharge Elimination System (NPDES) discharges, via regionalization.	Eliminates one or more NPDES discharger	5 Points	
Total Points:			0

Infiltration/Inflow (I/I): The proposed project corrects existing I/I within a collection system.	Yes	2 Points	
	No	0 Points	
Total Points:			0
Total Points Section 1 Earned:			0

Section 2: Water Quality Benefits

Assign points to proposed projects with an environmental benefit to a receiving stream.		
Dilution Ratio Points (DRP): (7-day Q ₁₀ of receiving stream in cfs / (design flow in mgd) x (1.55 cfs/mgd)). This is the calculation of effluent limits is outlined in the WWTP NPDES permit and is based on the post-project conditions.	Points	Earned
0-.99	5 Points	
1.00 – 4.99	4 Points	
5.00 – 9.99	3 Points	
10.0 or greater	2 Point	
Total Points:		0

Outstanding Resource Impact: Assign 5 points if the proposed 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)).	5 Points	
Total Points:		0

Drinking Water Impact: Assign 5 points if the proposed project will positively impacts a drinking water supply.	5 Points	
Total Points:		0
TMDL Impact: Assign 5 points if the proposed project implements an approved Total Maximum Daily Load (TMDL).	5 Points	
Total Points:		0
Priority Segment Impact: Assign 1 point, if the proposed project impacts segments within drainage basins that have been designated by the State as priority basins. Priority basins include, Lake Michigan - Great Lakes Initiative (GLI), St. Joseph River, and Maumee River Basins.	1 Point	
Total Points:		0
Water Quality Impact: Assign points if the proposed project will enable the community to maintain or achieve compliance with established or future anticipated water quality standards.		
1. The project is necessary to achieve or maintain compliance with effluent limitations based on water quality standards for conventional pollutants (i.e., CBOD5, TSS).	<u>Maintain: 3 Points</u> Achieve: 6 Points	
2. 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).	<u>Maintain: 3 Points</u> Achieve: 6 Points	
3. 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.	<u>Maintain: 3 Points</u> Achieve: 6 Points	
Total Points:		0
Pollution Reduction Value: Assign points for the proposed nonpoint source project, based on the estimated percentage in <i>E. coli</i> reduction to the receiving stream. <i>Note:</i> A defined project area is required.		
75% reduction and greater	6 Points	
50% - 74%	5 Points	
25% - 49%	4 Points	
Less than or equal to 24%	3 Points	
Total Points:		0
Impaired Water Score: Assign points if the proposed project will reduce or eliminate pollutants causing the impairment of a 303(d) listed water body, impairment documented in the IDEM External Data Framework (Tier 2 data or higher), or an outstanding/exceptional resource water.	10 Points	
Total Points:		0
Total Points Earned in Section 2:		0

Section 3: Brownfield Reuse

Brownfield Reuse: Assign 12 points if a proposed project includes the remediation/redevelopment of a Brownfield (IC13-11-2-19.3), in conjunction with the Indiana Brownfields Program.	Points	Earned
SRF Community also has an Indiana Brownfields Program application submitted.	12 Points	
Total Points Earned in Section 3:		0

Section 4: Affordability, Disadvantaged Communities, and Population

Assign points for communities most in need on a per-household basis. The upper limit for points in this section is 24 points.	Points	Earned
1. Median Household Income If MHI ≤80% State MHI, assign 3 points If MHI ≤50% State MHI, assign 6 points	<u>3 points</u> 6 Points	
2. Percent of Population over 65 (≥ 15%)	5 Points	
3. Percent Minority If population >10,000, with minority population >50%, assign 6 points If population ≤10,000, with minority population >20%, assign 6 points	6 Points	
4. Population Trend (if decreasing for 5+ years, assign 5 points)	5 Points	
5. Post-Project User Rate as Percentage of Lowest Quintile Upper Limit Income If >2.5%, assign 3 points If ≥4.5%, assign 6 points	<u>3 points</u> 6 points	
6. Percent of the impacted Population below the Poverty Line (≥12%)	5 points	
Total Points Earned in Section 4:		0

Organizational Points

Sustainable Infrastructure

The proposed project incorporates sustainable infrastructure, as identified on the Green Project Reserve (GPR) Sustainability Incentive Clean Water Checklist. 3 points are assigned per category, with a 15-point maximum.

<u>GPR Category</u>	Points	Earned
1. Green Infrastructure	3 Points	
2. Water Efficiency	3 Points	
3. Energy Efficiency	3 Points	
4. Environmentally Innovative	3 Points	
5. Climate Resiliency	3 Points	
Total Sustainable Infrastructure Points Earned:		0

<u>Other Funds Available/Being Pursued</u>	Points	Earned
1. No additional sources of funding are anticipated for the proposed project	0 Point	
2. Applying for additional sources of funding for the proposed project	1 Point	
3. Funds have been awarded or committed for the project - this may include unspent SRF loan funds or local funds.	3 Point	
Total Funding Points Earned:		0

<u>Miscellaneous Points</u>	Points	Earned
Participant completed Indiana's Clean Water Needs Survey	5 Points	
Zero IDEM violations in the past 12 months	2 Points	
Total Miscellaneous Points Earned:		0

Regionalization

<u>Regionalization</u>	Points	Earned
Assign 6 points if a proposed project community will regionalize with another system.		
Regionalize with a nearby wastewater system	10 Points	
Remain regionalized with a nearby wastewater system	10 Points	
Total Regionalization Points Earned:		0

Point Deduction

<u>Deregionalizing</u>		
Deduct 20 points for proposed projects that will disconnect from a viable regional wastewater treatment system..		
Disconnecting from a viable wastewater treatment system.	- 20 Points	
Total Points Deducted:		0

Exhibit E

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 2023 and will continue to be in perpetuity.

Wastewater Purchase Account.

Sources of Funds: Funds held in this account¹ come from proceeds of Program Bonds² 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 2023 as well as loans anticipated to be closed in SFY 2024 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, 2023, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2024, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2023 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 Pursuant to SRF Indenture modification, the former State Match Loan Account was consolidated into this Account effective May 30, 2007.

² To date, the Authority (or its predecessor 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 Intended Use Plan ("Plan")) 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 Plan) 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 the not-yet-awarded FFY 2023 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grants 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 RESERVE³ 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

³ 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 serve 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, amounts held in Equity serve as security for the payment of Program Bonds, and thus, are part of the “reserve” for the purposes of this Plan and the federal Water Quality Act of 1987, as amended.

Reserve Deficiency Account. Accordingly, none of the funds presently on deposit⁴ in this account are available for other SRF purposes.

Wastewater Reserve Grant Account.

Sources of Funds: Funds held in this account⁵ 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.⁶

Uses of Funds: These funds are used (i) as security⁷ 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, 2023 and as anticipated in SFY 2024) is shown in the Use Schedule.⁸ In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, and treasury obligations.

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 the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35. 3120(d) & (f) and 40 CFR

⁴ And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

⁵ Pursuant to SRF Indenture modification, the former State Match Account was consolidated into this Account effective May 30, 2007.

⁶ 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, 2023, 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.

⁷ Pursuant to the financing indentures related to the cross-collateralized outstanding Program Bonds, the Authority is presently required to maintain reserves of at least \$18.4 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 2024 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.

⁸ And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

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, 2023 and as anticipated in SFY 2024) is shown in the Use Schedule. Support Account balances are anticipated to be 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, 2023 nor are any so anticipated in SFY 2024.

WASTEWATER EQUITY⁹ 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 2023 (and expects to apply them and other funds in the CWSRF¹⁰ to this purpose in the SFY 2024). Any funds not expended in SFY 2024 are banked for management of the CWSRF in perpetuity by the Authority.

⁹ 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 Plan, the CWSRF treats it as part of the "reserve" for the purposes of this Plan and the federal Water Quality Act of 1987, as amended.

¹⁰ 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 2023 grants expected to be awarded in SFY 2024).

Available Balance: As of July 1, 2023, 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 security¹¹ 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 Account¹² 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, 2023 and as anticipated in SFY 2024) is shown in the Use Schedule.¹³ In furtherance of these purposes, the funds in this account are invested with certain short-term investments, State and Local Government Series (SLGS) securities, and treasury obligations.

Wastewater Equity Earnings Account.

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

¹¹ 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 2024 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, 2023.

¹² In addition to meeting any Excess Commitments as of July 1, 2023, 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, 2023, (b) PERs submitted and under review by the CWSRF as of July 1, 2023 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2024), each as detailed in the Use Schedule.

¹³ And before any further transfers to the DWSRF as discussed elsewhere in this Exhibit.

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, 2023 is shown in the Use Schedule.¹⁴

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, 2023, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2023, (b) PERs submitted and under review by the CWSRF as of July 1, 2023 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2024), 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 2024. 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 2024) 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 2023 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 2024 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 amounts¹⁵ are held to meet costs of administering the CWSRF Program in perpetuity if and as permitted by law.

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

¹⁵ Additionally, the Authority continues to bank for this purpose the remaining amount up to the full 4 percent limit as measured against total grants (including the not-yet-available FFY 2023 grants expected to be awarded in SFY 2024).

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

As of July 1, 2023, about \$23.6 million has been transferred to DWSRF. As of July 1, 2023, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately \$138.7 million of allowable transfers which includes 33 percent of the FFY 2023 Base and General Supplemental grants. The full amount of any such potential transfers is banked.

Additionally, as of July 1, 2023, \$2,253,000 has been transferred to the DWSRF Emerging Contaminant program from the CWSRF Emerging Contaminant program. These accounts are established for like purposes and subject to like restrictions. As of July 1, 2023, the cumulative transfer amount available for additional transfers from CWSRF Emerging Contaminant program to the DWSRF Emerging Contaminant program could result in up to approximately \$7.3 million of allowable transfers which includes the FFY 2023 CWSRF Emerging Contaminant allotment.

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

	Account Balances* as of:	Future Deposits in SFY
	30-Jun-2023 (Actual)	
<u>A. Funds Committed to Projects by CWSRF</u>		
Purchase Account	\$ -	\$ -
	<u>\$ -</u>	<u>\$ -</u>
<u>B. Other Funds Held in CWSRF</u>		
Reserve Grant Account	\$ 14,800,000	\$ -
Reserve Earnings Account	-	-
Reserve Support Account	15,100,000	-
Reserve Deficiency Account	-	-
Equity Grant Account	122,300,000	137,100,000
Equity Earnings Account	35,000,000	
Equity Administrative Account	300,000	
	<u>\$ 187,500,000</u>	<u>\$ 137,100,000</u>
Total Available Funds (A. and B. above)	<u><u>\$ 187,500,000</u></u>	<u><u>\$ 137,100,000</u></u>

Proof of Timely & Expedious Use of Above Funds Held in CWSRF*

Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	\$ -
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	126,600,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	-
PERs In-house (approved & under-review) Awaiting Loan Closing	1,955,400,000
Other Projects on new SFY's PPL, Requesting Loan Funding	21,500,000
1. Use: to cover Loan Demand***	<u>2,103,500,000</u>
Funds held in existing Administrative Account	300,000
Remainder of 4% banked funds available for Administrative purposes	700,000
2. Use: to cover Administrative Costs in Perpetuity	<u>1,000,000</u>
3. Use: to cover Series Reserve Requirement	<u>14,400,000</u>
Possible Uses of Funds (1, 2 & 3 above without considering other secondary purposes for holding them in the CWSRF) # are as follows:	<u><u>\$ 2,118,900,000</u></u>

Uses of Funds (1, 2 & 3 above):	\$ 2,118,900,000
Less: Total Available Funds (A. and B. above)	324,600,000
Amount by which "Possible Uses of Funds" EXCEED "Total Available Funds"	<u><u>\$ 1,794,300,000</u></u>

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.

Exhibit F

MEMORANDUM

To: U.S. EPA, Region 5

From: James P McGoff, Director of Environmental Programs

Date: February 1, 2017

Re: Indiana's Capitalization Grant Draw Process

This memorandum summarizes the agreement between the Indiana Finance Authority ("IFA") and U.S. EPA ("EPA") regarding Indiana's new capitalization grant draw process. The IFA will implement the new draw process for both the Indiana State Revolving Fund (SRF) Clean Water and Drinking Water Programs (collectively, the "SRF Programs").

The IFA anticipates implementing the new grant draw process for the Drinking Water SRF Program with the FFY 2016 Drinking Water capitalization grant, and for the Clean Water SRF Program with the FFY 2017 Clean Water capitalization grant.

The IFA anticipates drawing all future SRF capitalization grant funds at a 100% federal cash draw ratio, in both SRF Programs. The IFA understands EPA will permit this draw methodology as long as the IFA continues its current practice of depositing and disbursing all required state match for each new capitalization grant before requesting the first draw. This methodology is documented in an exhibit to the IFA's Annual SRF Program Reports, entitled "Cumulative History of the State Match," and is also included as "Exhibit B to the Arbitrage Certificate--Uses of Purchase Accounts" that is included with each IFA bond financing.

The IFA will implement the following procedures. SRF Program Participant reimbursement and/or disbursement requests will be received, reviewed and if eligible, approved each week by IFA staff for payment. Payment of disbursement requests may be funded from IFA bond proceeds (except those requests deemed funded by State Match bond proceeds), recycled loan payments or other available State funds. Once SRF Program Participant requests have been approved for payment, a list of disbursements for each SRF Program will be documented and used as support for a cash draw from a currently available EPA capitalization grant. The IFA understands that all payments made to SRF Program Participants to pay for eligible SRF Program expenses, regardless of funding source, may be reimbursed with a draw from a current EPA capitalization grant, pursuant to this new grant draw methodology.

The IFA anticipates that it will request an amount equal to the total disbursements in a given week for each program from U.S. Treasury. The capitalization grant draws will be requested from the oldest open capitalization grants with unliquidated funds.

Once the wire transfers are received by the IFA's SRF Programs trustee (currently, BNY Mellon), the IFA will direct the funds drawn to be deposited into the respective SRF Program Equity Grant Account.

For the Drinking Water Program, the IFA plans to begin making weekly capitalization grant draws on or after March 1, 2017. The FFY 2016 capitalization grant has funds currently available for draw.

For the Clean Water Program, the IFA plans to implement this process upon the award of the FFY 2017 capitalization grant, which is expected to be in the late spring or summer of calendar year 2017.