STATE OF INDIANA

Drinking Water
State Revolving Fund
Loan Program

Intended Use Plan
State Fiscal Year 2027
July 1, 2026 – June 30, 2027

For DWSRF Base Program
Appropriated in FY 2027

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Drinking Water State Revolving Fund Loan Program
Intended Use Plan SFY 2027

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

SFY 2027

I. Introduction

Pursuant to the Safe Drinking Water Act (SDWA), 40 CFR 35.3555, the Infrastructure Investment and Jobs Act, and the anticipated Federal Fiscal Year (FY) 2027 Consolidated Appropriations Act, the 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) 2027 for its Drinking Water State Revolving Fund (DWSRF) Loan Program. An IUP is prepared each fiscal year to identify the uses of all monies available to the DWSRF Loan Program during that fiscal year. Acronyms and terms used herein are in Exhibit A, Definitions.

This IUP sets forth the intended use of all funds appropriated to the DWSRF Loan Base Program in FY 2027. Collectively, all grants from EPA to the DWSRF Loan Program are referred to herein as Capitalization Grants. There will be no new awards through the Infrastructure Investment and Jobs Act (IIJA) programs, including the General Supplemental, Lead Service Line (LSL) Replacement, or Emerging Contaminant, after FY 2026. Any ongoing requirements for active IIJA grants to be met in SFY 2027 are documented in this IUP.

The mission of the DWSRF Loan Program is to provide low-cost financial assistance in order to construct necessary and environmentally sound drinking water infrastructure; to facilitate statewide compliance with state and federal drinking water standards; to maintain a fiscally self-sufficient program as a continuing source of funding for improvement and protection of public health; and, to conduct any other activity permitted by the SDWA. The goal of the LSL Replacement Program is to provide funds for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. The goal of the DWSRF Emerging Contaminant Program is to provide funds to address emerging contaminants in drinking water through projects and associated activities directly connected to the identification, planning, and design, of projects that abate emerging contaminants.

The DWSRF Loan Program is administered by the Authority. The Authority is responsible for setting priorities for loan assistance from the DWSRF, which is evidenced by the DWSRF Loan Program Project Priority List (PPL) for SFY 2027, included in Exhibit B. Projects listed on the PPL may be funded with DWSRF Base Program funds or DWSRF General Supplemental Funds and Projects listed on the PPL that include Emerging Contaminant components are eligible to be funded with the DWSRF Emerging Contaminant Program funding. Projects listed on the separate LSL Replacement Program PPL will be funded with the DWSRF LSL Replacement Program funding. Any project with LSL Replacement components and non-LSL components will receive funding from the LSL Replacement funding only for project elements eligible under that Program. The remainder of the project will be funded through the DWSRF Base or General Supplemental Program.

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) in April to be included on the first PPL of the SFY (April 1st for SFY 2027 applications, as set forth in Exhibit D). Any application received after the deadline 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 Authority 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. All projects that include activities that address emerging contaminants have been noted in the first PPL of the year and are highlighted in Exhibit B. The PPLs are reviewed quarterly and updated as necessary. Updated PPLs are posted for a three-week period on the Authority's website at www.srf.in.gov.

The SFY 2027 PPLs include all applications and projects. Projects for which a complete PER has been submitted have been ranked and scored. The SFY 2027 LSL Replacement PPL includes applications and projects that are for lead service line replacement and/or associated activities that are directly connected to the identification planning, design, and replacement of lead service lines. All other projects for which the Authority received applications but for which PERs have not been submitted, are unscored and unranked and listed alphabetically. The names of the public water systems along with a description of the types of projects, the expected amount of assistance, and the population are listed on the PPL, as required by 40 CFR 35.3555 (c)(2)(i). In addition, Disadvantaged Communities that meet the Disadvantaged Criteria are identified on the PPL.

To close a loan with the SRF Loan Programs a community must apply to the program, be included on a Project Priority List, 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 DWSRF Loan Program will continue to fund green projects. The PPL in Exhibit B sets forth green projects that may be included in the Green Project Reserve Sustainability Incentive Program. Incentives are given for projects that include Green Infrastructure, are water efficient, energy efficient, environmentally innovative, and for projects that include resiliency elements.

The DWSRF Loan Program will ensure that DWSRF assistance is not provided to any public water system with an Enforcement Tracking Tool (ETT) score greater than or equal to 11, unless the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

Because the Authority's 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). All projects funded by the LSL Replacement Fund and the Emerging Contaminant Fund will serve as Equivalency projects for those Capitalization Grants. The Indiana Drinking Water SRF Loan Program identifies the proposed Equivalency projects for SFY 2027 in Exhibit C.

A. Project Scoring and Ranking System for DWSRF Loan Programs

To determine which projects will receive funding (additional subsidization and loans), the Authority follows criteria for assistance established by the SDWA and 40 CFR 35.3555(c)(1). The Authority expects to give priority to projects that propose the following items:

1. Address the most serious risk to human health, including complete lead service line replacements and addressing emerging contaminants.

2. Are necessary to ensure compliance with the SDWA; and

3. Assist Disadvantaged Communities most in financial need, according to the Authority's affordability criteria/ Disadvantaged Community criteria.

4. Bonus points will be available for projects that can prove technical, managerial, and financial capability, include brownfield redevelopment (through the Authority's Brownfields Program), include Green Project Reserve (GPR) Sustainability Incentive Program components, resiliency elements, meet Disadvantaged Communities criteria, and/or Regionalization.

5. Deduction points – projects that disconnect from a viable treatment system to create their own system will have points deducted.

The priority system designed to implement the SDWA criteria is attached as Exhibit D, DWSRF Loan Program Project Scoring and Ranking Worksheet. All projects are ranked and undergo public review as required by 40 CFR 35.3555(c)(2). PPLs are posted for a three-week comment period.

In addition to being ranked and scored, project readiness criteria will be applied to ensure that projects are ready for DWSRF 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 DWSRF Loan Program established timeframes, and (3) Initiating the steps required by State statute and the DWSRF Loan Program to proceed with a financial closing with the DWSRF 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 DWSRF Loan Program.

B. Fundable Range

To inform the public of estimates regarding the DWSRF's financial capacity and to direct DWSRF Loan Program assistance to the highest priorities where possible, including but not limited to projects that directly and/or indirectly impact Disadvantaged Communities, the Authority calculates a 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.

The DWSRF Loan Program uses the Fundable Range to plan and prioritize its responsibilities and resources. On July 1, 2026, the Authority determined that funds available were insufficient to fund all projects on the PPLs, therefore, those projects within the Fundable Range were afforded priority of resources; most notably preference in closing a loan as soon as the necessary programmatic and financial steps were completed.

Projects that are outside of the Fundable Range may receive funding in advance of those projects identified in the Fundable Range by following the bypass procedure outlined below. Projects that are eligible for Additional Subsidization may be funded in advance of projects in the Fundable Range to meet additional federal requirements. In addition, the DWSRF Loan Program will give priority to projects that are viable only because of non-SRF financial assistance, and those projects that would alleviate an emergency situation that poses a threat to public health. See bypass procedures outlined below in Section C.

C. Bypass Procedure

When the Authority has determined that available funds are insufficient to fund projects that are outside of the Fundable Range but are on the PPL. The Authority will use the following bypass procedures to allow other projects on the PPL to receive financial assistance from the DWSRF Loan Program. As allowed by 40 CFR 35.3555(c)(2)(ii), these bypass procedures enable projects originally identified outside a Fundable Range to be funded when higher-priority projects have not yet progressed to a stage allowing 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 DWSRF Loan Program will note a Fundable Range on the 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 required to bid the entire DWSRF Loan Program financed project in advance of a DWSRF loan closing.
   Up to March 31st of the current fiscal year, only projects in the Fundable Range will be permitted to close a DWSRF 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 SDWA 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 Disadvantaged Community 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 31st of that fiscal year, any project ready to close a DWSRF Loan Program loan under applicable DWSRF Loan Program lending requirements will be permitted to do so. If the DWSRF 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 31st of that fiscal year, the DWSRF 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 DWSRF Loan Program at a loan closing, and (iv) conditionally reserving funding for any Participant commitments.

5. All unfunded projects are eligible to remain on the next SFY's PPL without submitting a new application.

6. Projects that are necessary to alleviate unanticipated catastrophic or emergency situations that pose a threat to public health may be elevated to the top of the PPL upon the recommendation of the Indiana Department of Environmental Management's Drinking Water Program. Emergency projects may include, but are not limited to, the loss of safe drinking water resulting from the following events: flood, fire, system collapse, weather damage, or hazardous spills and projects that address an immediate risk to public health and/or safety either by drinking water contamination or other emergency circumstances. Emergency projects may include the loss of safe drinking water due to lead contamination. Therefore, as allowed by 40 CFR 35.3555 (c)(2)(iii) such emergency projects may be added to the top of the PPL for immediate assistance. One or more projects in the original Fundable Range may be moved out of the Fundable Range in order to provide loans for emergency projects.

III. 2027 DWSRF Loan Program Goals and Objectives

The DWSRF Loan Program sets short- and long-term goals as required by 40 CFR 35.3555(c)(5). Short-term goals and objectives are those the Authority expects to achieve during SFY 2027, while long-term goals and objectives are those the Authority expects to achieve over a longer period.

A. Short Term Goals and Objectives

During SFY 2027, the DWSRF Loan Program expects to achieve the following short-term goals and objectives:

ST 1 Goal: Seek the immediate award of the FY 2027 Base Capitalization Grant. Upon award, continue to disburse loan proceeds such that the Capitalization Grant can promptly be utilized.

ST 1a Goal: Work to provide the Additional Subsidization available under the Grants to DWSRF recipients. Ensure that Additional Subsidization is provided pursuant to the terms and conditions of the current Capitalization Grants and as described in Section 1452 of the Safe Drinking Water Act (SDWA). Additional Subsidization from the DWSRF 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).

ST 1b Goal: Ensure that Davis Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the Capitalization Grants.

ST 1c Goal: Ensure that all American Iron and Steel requirements as set forth in the current Capitalization Grants are met. Ensure that all Build America, Buy America Act requirements as set forth in the Capitalization Grants are met for Equivalency projects.

ST 1d Goal: 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 2027 Annual Report.

ST 1e Goal: Ensure that Participants have developed and are implementing an Asset Management Program (AMP) that meets the requirements set forth in the DWSRF Loan Program Guidelines and ensure that all loan closers complete the CISA cyber security vulnerability assessment (or similar assessment) annually.

ST 2 Goal: Ensure that all DWSRF Loan Program Participants achieve or maintain compliance with requirements of the Safe Drinking Water Act.

ST 3 Goal: Conduct a total of 40 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.

ST 4 Goal: Work diligently with Participants and effectively manage projects to assist Participants in closing loans and constructing projects in a timely, efficient manner.

ST 5 Goal: Ensure that EPA funds are accessed when eligible expenses are incurred to minimize un-liquidated obligations.

ST 6 Goal: Consider other available funding opportunities from Federal and/or State sources to further achieve the goals of the SRF (i.e. WIIN Grants, State appropriation, etc.).

ST 7 Goal: Promote regional solutions for drinking water issues.

ST 8 Goal: Ensure that Participants completed non-revenue water audits as required by IC 8-1-30.8 and participate in regional study area activities as required by IC 5-1.2-11.5.

ST 9 Goal: Conduct outreach to Disadvantaged Communities. Outreach may include working directly with communities of any size to complete applications, plan projects, and meet requirements. Outreach may also include Authority staff presenting at workshops and conferences to advertise the availability of additional funding. The Authority may also provide assistance directly and through agreements with professionals to assist small Disadvantaged Communities, to provide assistance in applying to the DWSRF Loan Program.

ST 10 Goal: Continue ensuring that participants in all programs under the Authority fully replace and fully fund both the public and private sides of LSL Replacement projects. The Authority will ensure that any project funded in whole or in part under the DWSRF Loan Program includes replacement of the entire lead service line, except in cases where the Lead and Copper Rule and the DWSRF LSL Program allow for partial replacement.

ST 11 Goal: Leverage set-asides, state funding, and other available resources to provide financial support and technical assistance to Indiana communities in addressing emerging drinking water contaminants, with a primary focus on eliminating PFAS from drinking water.

ST 12 Goal: Continue engaging in public outreach and providing technical assistance to encourage new borrowers to apply for SRF financings.

B. Long-Term Goals and Objectives

During SFY 2027, the Authority 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 DWSRF Loan Program by effectively managing its assets in order to realize a rate of return that will sustain the DWSRF 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 Corporation, ensure the DWSRF 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. 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 ensure each Participant draws their loan proceeds within two years. If loan proceeds are not drawn within two years, work with the participant to develop a spenddown plan so that funds are drawn within the next twelve months. After expiration of the twelve-month extension, ensure that any undrawn funds are returned to the loan pool.

LT 6 Goal: Report all uses of DWSRF Loan Program funds in the Drinking Water SRF Data System and the Drinking 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 to communicate new requirements, highlight project achievements, and share program updates, supporting a timely and effective financing experience.

LT 8 Goal: Work with the Indiana Department of Environmental Management and communities to identify and prioritize communities that need to address emerging contaminants in source water.

LT 9 Goal: Continue to look for co-funding opportunities between the Brownfields Program and the SRF Loan Program. Continue to prioritize 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 10 Goal: Ensure that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise fair share objectives, Federal environmental crosscutters and the Single Audit Act.

LT 11 Goal: Provide incentives such as interest rate breaks and/or extended term financings to Participants for projects that include the replacement of lead service lines, green components, and Resiliency projects.

LT 12 Goal: Monitor DWSRF Set-Aside uses and activities and reconcile balances to EPA Set-Aside account balances. Continue the transfer of unused balances to the DWSRF loan pool, thereby increasing the DWSRF Set-Aside spending rate and reducing un-liquidated obligations. Coordinate with the Indiana Department of Environmental Management and/

or the IFA Water Resources and Infrastructure Planning Program to develop new Set-Aside programs as needed.

LT 13 Goal: Provide at least fifteen percent (15%) of the DWSRF Loan Program funds or proceeds to systems serving fewer than 10,000 persons.

LT 14 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 wastewater and drinking water projects.

LT 15 Goal: Coordinate with the Indiana Department of Environmental Management's Drinking Water Branch to identify public water systems that may benefit from DWSRF Loan Program funding.

LT 16 Goal: Ensure that DWSRF Loan Program assistance is provided to public water systems with an ETT score greater than or equal to 11, only when the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

LT 17 Goal: Continue to support the Alliance of Indiana Rural Water's Indiana Drinking Water Certified Operator Apprenticeship Program, which has been approved by the Department of Labor.

LT 18 Goal: Eliminate lead service lines from the drinking water distribution systems of Indiana.

IV. Financial Status of the DWSRF Loan Programs

A. Sources and Uses of Funds

Capitalization Grants, Guarantee Revenue Bond proceeds, and State Match Revenue Bond proceeds are used to capitalize the DWSRF Loan Program. In turn, the majority of the bond proceeds are loaned to Participants for eligible projects. The DWSRF Loan Program utilizes its Capitalization Grants to serve as security for Guarantee Revenue Bonds issued by the Authority, 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 Authority.

As required by 40 CFR 35.3555(c)(4), Exhibit E, Intended Uses of the Funds*,* identifies the intended uses of the funds held in DWSRF Loan Program accounts, and how those uses support the goals of the DWSRF Loan Program. Exhibit E also demonstrates how the Authority meets the requirements of 40 CFR 35.3550(e)(1) by using all the funds in the DWSRF Loan Program in an expeditious and timely manner.

B. Available Funds

During SFY 2027, the Authority intends to provide funds to meet existing loan commitments and to make new loans through the issuance of additional Guarantee Revenue Bonds and State Match Bonds. The issuance of these bonds will occur in amounts that are necessary for the Authority to meet the cash flow borrowing needs of existing and new loans. Binding commitments are only made from the DWSRF Loan Program when a financial assistance agreement is entered into with a Participant.

In order to maximize the amount of funds that the DWSRF Loan Program may lend, the Authority employs a leveraged financing structure, which limits precision in predicting capacity. Future funding capacity can vary materially if there are changes in the calculating assumptions such as future loan interest rates, future interest rates on Guarantee Revenue Bonds and State Match Revenue Bonds, the rate at which Capitalization Grants are converted to cash, the amount of future Capitalization Grants, and future investment rates. These bond issues have also provided the needed State Match and provided funds for loans. The required match for the 2027 DWSRF Base Program will come from future SRF Program Bonds. In addition, the Authority will deposit and disburse State Match in excess of the amount required to meet the match requirements of these FY 2027 Capitalization Grants, which will be banked toward future grants.

The maximum amount of funding available for loans depends on:

- Demand for the DWSRF Loan Program, as evidenced by projects.
- Readiness-to-proceed of Participants as evidenced by completion of a PER and other steps necessary to secure a DWSRF Loan Program loan within SFY 2027; and
- Capacity of the DWSRF 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 expects to seek and be awarded the SFY 2027 Base Program Capitalization Grant. The Authority will apply for the Capitalization Grants when made available by the EPA. The Authority anticipates the following grant amounts and will provide the following State Match amounts to meet the requirements of the DWSRF Programs:

Grant	**Grant Amount**[1]	**Match Percentage**	**Match Amount**
Base Program	6,593,000	20%	1,318,600

C. Capitalization Grant Draw Process

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

[1] Based on previous year's allotments

D. Allocation of Funds to the DWSRF and the Set-Aside Accounts

The SDWA permits the Authority to use a Capitalization Grant for a variety of purposes to protect drinking water. In addition to making loans for the construction of drinking water infrastructure, the Authority may use the Capitalization Grant to support activities such as; provide technical assistance to drinking water systems; improve the technical, managerial, or financial capacity of drinking water systems; and develop programs to protect sources of drinking water. The LSL Replacement funds are to be used for the replacement of lead service lines, and associated activities directly connected to the identification, planning, design and replacement of lead service lines. The Emerging Contaminant funds are to be used to make loans for the remediation of emerging contaminants and to administer the grant or meet the statutory purpose of these funds to address emerging contaminants in drinking water with focus on PFAS and polyfluoroalkyl substances. As required by 40 CFR 35.3555 (c)(3)(i), the Authority must provide the rationale for allocating Capitalization Grant funds between infrastructure loans and other activities known as Set-Asides.

Pursuant to Section 1452(g)(2) of the SDWA, the DWSRF Loan Program may cover the reasonable costs of administering the program, and provide technical assistance to public water systems within the State to one of the following, whichever is greatest, plus any fees collected by the DWSRF Loan Program.

- $400,000 per year;
- 1/5% of the current valuation of the fund; and
- An amount equal to four percent (4%) of all grant awards to the fund under this section for the fiscal year.

In SFY 2027, the following set-asides will be taken from the FY 2027 DWSRF Base Capitalization Grant:

- Four percent (4%) Administration and Technical Assistance or approximately $263,720[2]. The Authority plans to use this set-aside to administer the program, as further set forth in Exhibit G.

- Two percent (2%) Small Systems Technical Assistance or approximately $131,860[2]. The Authority plans to use this set-aside to engage professional services to conduct community outreach and assistance with preliminary planning to allow small, Disadvantaged Communities ease of access to the State Revolving Fund and related programs, as further set forth in Exhibit G.

As stated in EPA Policy Memo of February 9, 1999, the Indiana DWSRF Loan Program can earmark 1452 (g)(2)(B) Set-Aside funds that it intends to use at a later time and for which a workplan has not been prepared. These unspecified funds, also called banked funds, are deposited into the DWSRF Loan Program and would be directed toward infrastructure projects in the short-term. The DWSRF Loan Program retains the authority to

[2] Based on previous year's allotments

reclaim the funds from a future Capitalization Grant. See Exhibit H for a record of banked funds.

On June 30, 2026, the balance of unexpended dollars in the Set-Aside funds was $25,767,353. The planned use of each Set-Aside is noted in Exhibit I, Summary of Set-Aside Balances in SFY 2027. A historic summary of Indiana DWSRF banked funds is presented in Exhibit H, Unspecified DWSRF Set-Aside Funds.

E. Other Types of Assistance Provided

Pooled Financing

The SRF Pooled Loan Program supplements the DWSRF 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 DWSRF Loan Program, the Authority has the right to blend a large project with assistance from the SRF Pooled Loan Program. For instance, the Authority may require non-construction loans (i.e. planning and design) to be funded by the SRF Pooled Loan Program. Furthermore, the Authority may require that requests for additional funding are financed through the SRF Pooled Loan Program.

The Authority will consider refinancing, commensurate with federal and state law, where (i) a Participant is proposing a new drinking water project that will result in a significant improvement in drinking 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.

The Authority administers the Water Infrastructure Assistance Fund (WAF), 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 WAF Program. The WAF Program will be jointly administered with the SRF Loan Programs and follow similar procedures, including shared applications, and shared PPLs.

Selection preference of projects for receiving funding from the WAF Program 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 Programs.

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.

F. Additional Subsidization

Additional Subsidization may be provided to eligible recipients under both the terms and conditions of the current Capitalization Grant(s) and under the provisions of the SDWA. For the DWSRF Base Program Additional Subsidization may be in the forms 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 IIJA, Additional Subsidization may be in the form of forgiveness of principal and grants.

It is the intent of the DWSRF 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 DWSRF 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 DWSRF Loan Program has not set a cap on the amount of principal forgiveness that a Participant may receive.

Additional Subsidization will be provided through the FY 2027 Base Program Capitalization Grant as follows:

1. To Disadvantaged Communities, as defined in section VI, at the DWSRF Loan Program's discretion as described in Section 1452 of the Safe Drinking Water Act (SDWA). The allowable percentage is from twelve percent (12%) to thirty-five percent (35%) of the current Capitalization Grant ($791,160 to $2,307,550)[3].

2. To eligible DWSRF recipients, an additional fourteen percent (14%) of the Capitalization Grant, as outlined in the anticipated Terms and Conditions of the 2027 Capitalization Grant, shall be utilized to provide additional subsidy $923,000[3].

The DWSRF Loan Program shall identify those Participants who will receive Additional Subsidization (in the manner described above) and the amount of the Additional Subsidization prior to executing a financial assistance agreement. In cases where a project cost exceeds principal forgiveness, DWSRF loan funds will make up a portion or all of the difference.

G. Transfers Between DWSRF and CWSRF

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

[3] Based on previous year's allotments

Drinking Water Act, specifically 40 CFR 35.3555(c)(8). Exhibit E, Intended Uses of the Funds*,* identifies transfer balances.

Any transfer would only be made between accounts established for like purposes and be subject to like restrictions by the SRF Loan Programs and would be accounted for on a cumulative net basis. Consistent with prior transfers, the Authority 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 expect only to make transfers in a manner consistent with agreements related to outstanding Guarantee Revenue Bonds and State Match Revenue Bonds.

H. Interest Rates

As allowed by 40 CFR 35.3555 (c)(3)(iii), Indiana's DWSRF Loan Program uses a Base Interest Rate, which is reset 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 discounted further based on the Participant's median household income (MHI) from the 2020-2024 American Community Five Year Survey[4] and projected post-project monthly user rates.

The Participant's financial information is reviewed by the DWSRF Loan Program to finalize a DWSRF 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 twenty-five (25) additional basis points to help offset the additional subsidy they are afforded. The DWSRF 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.

Interest rates for not-for-profit and for-profit entities will be set at the discretion of the Authority and may be higher, but no lower than the interest rates calculated by the means set forth immediately above.

In SFY 2027 the DWSRF Loan Program will continue to offer loans with extended term financing. More information on extended term financing can be found in Section I. Participants that qualify for and opt to close a loan with extended term financing will receive an increased interest rate as shown:

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

[4] Also known as the 2024 ACS 5-year Estimates

Through the existing Indiana Lead Service Line Incentive Program, the Authority intends to offer zero percent (0%) interest rates to loans including the replacement of Lead Service Lines.

Projects fully funded under the DWSRF Emerging Contaminant program will receive 100% Additional Subsidization. Any project that includes components funded through the DWSRF Base or General Supplemental programs may receive a traditional loan, and the rate matrix will be applied to those components only.

I. Terms

Standard 20 Year Term Loans

Standard DWSRF Loan Program loans will be structured so that minimum annual principal repayments commence one year after expected completion of the project, and final principal payment will occur no later than 20 years after expected completion of the project. Additionally, the Authority expects level debt service payments except in limited circumstances, such as where DWSRF Loan Program debt service is wrapped around a Participant's existing debt based on user rate affordability. Executing a DWSRF 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

The DWSRF Loan Program may offer Participants extended term financing at its discretion provided the useful life of the project is equal to or greater than the loan term.

- As permitted by the Safe Drinking Water Act, a loan term of up to 40 years may be given to a Participant who is defined as Disadvantaged, See Section VI.

- 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.

J. Cross-collateralization of the CWSRF with the DWSRF

To the extent permitted by the Clean Water Act (CWA) and the SDWA, and their incumbent regulations, specifically 40 CFR 35.3555(c)(9), the Authority has cross-collateralized the Clean Water State Revolving Fund (CWSRF) and the DWSRF Loan Programs to optimize their capitalization requirements and to better manage the specific funding needs of projects assisted through them. States may not combine the assets of the SRF Loan 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 Authority to capitalize the SRF Loan Programs. Accordingly, this could relate to and affect all types of funds held in them. The Authority expects 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 expects 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 Authority does not expect this arrangement to affect negatively 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 a volume of additional loans it otherwise might have been able to make.

K. Fees Assessed on Recipients

Loan Closing Fee

The Authority assesses Participants a Loan Closing Fee of $2,000 to offset loan processing costs incurred by the DWSRF Loan Program. The Authority reserves the right to waive this fee for communities receiving Additional Subsidization, financings utilizing the LSL Replacement funds or Emerging Contaminant funds, or meeting other priorities of the DWSRF Loan Programs. The DWSRF Loan Program may also assess a Non-Use Fee on funds not used for project costs for 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 DWSRF Administrative Fee Account as of July 1, 2026, was $110,646.87.

DWSRF Program Fee

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

The DWSRF Fees accumulated may be used by the Authority for program administration, other purposes for which Capitalization Grants can be awarded under section 1452, State match under sections 1452(e) and (g)(2) of the Safe Drinking Water Act, or for the combined financial administration of the DWSRF Loan Program and CWSRF Loan Program Funds where the programs are administered by the same State agency as is the case in Indiana and for all other permitted uses. In SFY 2027 the Authority intends to use the DWSRF Fees to fund drinking water improvement projects, and administration. A detailed summary of the actual use of the DWSRF Fees will be provided in Exhibit K of the DWSRF Annual Report.

The SRF 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 DWSRF 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 any scheduled interest payment is due and prior to deposit of any interest payment in the SRF Fund.

The total amount in the Drinking Water SRF Fee Account as of July 1, 2026, was $16,943,936, of which $14,066,405 remain available for future Drinking Water projects.

L. DWSRF 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 DWSRF Loan Program and make recommendations that support fiscal sustainability, in accordance with 40 CFR 35.3555 (c)(3)(v).

M. Assurances

As required by 2 CFR 200, the Authority, hereby affirms that it retains an independent auditor to review and audit the use of funds deposited in the DWSRF Loan Program in accordance with the auditing procedures of the federal General Accounting Office and the requirements of the federal Single Audit Act and the federal Office of Management and the Uniform Administrative Requirements, Cost Principals and Audit Requirements for Federal Awards.

As required by 40 CFR 35.3560(a), the Authority affirms that it will receive grant payments in accordance with its Capitalization Grant agreement.

As required by 40 CFR 35.3550(p), the Authority affirms that it will comply with the requirements of the capacity development authority, capacity development strategy, and operation certification program provisions in order to avoid withholding funds.

V. Small Systems

Of the total amount available for assistance from the DWSRF Loan Program each year, the Authority will make at least fifteen percent (15%) of each Capitalization Grant available solely for providing loan assistance to small systems to the extent such funds can be obligated for eligible projects, as required by 40 CFR 35.3555 (c)(2)(iv). A small system is a public water system that regularly serves 10,000 or fewer persons. Population size is a criterion in the DWSRF scoring system (see Exhibit D) to prioritize financing of these systems.

VI. Disadvantaged Community Assistance

As permitted by 40 CFR 35.3555(c)(7), the Authority intends to provide assistance to Disadvantaged Communities. The Authority has successfully advertised the DWSRF Loan Program to Disadvantaged Communities through outreach by presenting at workshops and conferences, through newsletters, and working closely with the Indiana Department of Environmental Management to advertise the availability of additional funding and assistance available to Disadvantaged Communities. In the last five years (July 2021 – June 2026) the Authority has successfully financed approximately $1.1 billion in low-interest loans to Disadvantaged Communities.

The Disadvantaged Community criteria has been updated to consider 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. Disadvantaged Community Criteria will be evaluated on an annual basis to ensure the Authority is targeting assistance to communities in need. Bonus points in the DWSRF scoring system are given to applicants meeting Disadvantaged Community criteria.

For SFY 2027 the Authority defines a Disadvantaged Community as an eligible Participant that meets one of the following criteria:

1) A project area with an MHI below 80% of the State MHI, as established by 2020-2024 American Community Five Year Survey.

2) 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.

3) An estimated post project user rate greater than $60.00 per month.

4) An average annual residential post project user rate that would exceed one percent (1%) of the Participant's Median Household Income (MHI) as established by the 2020-2024 ACS 5yr.

5) Schools that serve 50% or greater number of children that qualify to receive free and reduced meals. Applicable to the Indiana Lead in Public Schools and Childcare program.

These communities receive the lowest interest rate the Authority provides to DWSRF Loan Program Participants, and States may provide a range of twelve percent (12%) to thirty-five percent (35%) of Additional Subsidization of the current Capitalization Grant and/or 40-year loan terms for the benefit of Disadvantaged Communities. The Authority may also provide forty-nine percent (49%) of the General Supplemental, and LSL Replacement Capitalization Grants for the benefit of Disadvantaged Communities. The DWSRF Program will provide one hundred percent (100%) of the Emerging Contaminant Capitalization Grant as Additional Subsidy, with at least twenty-five percent (25%) to Disadvantaged Communities.

VII. Public Participation

Pursuant to 40 CFR 35.3555(b), the Authority will conduct a meaningful public review during the development of the SFY 2027 IUP. The DWSRF Loan Program posted the IUP for public comment on the SRF Loan Program website from September 10, 2026, through October 1, 2026. See Exhibit J for the public notice memo. Copies of this proposed IUP and PPLs are available to the public upon request.

The DWSRF Program will public notice IUPs in early September for a three-week period each year, and each amendment to the PPLs are posted to the SRF website for a three-week review period. Further details on public notices of the PPLs can be found in Exhibit B. 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, 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 DW IUP through targeted mailings. The Spring 2026 SRF newsletter encouraged public comment for the Indiana IUPs. The Newsletter is emailed to Financial Advisors, Engineering Firms, Bond Counsels, and other interested parties. To receive a copy of the Newsletter and other announcements register at: www.in.gov/core/subscriptions.html

The DWSRF Loan Program will respond to any substantive SFY 2027 IUP comment or concern.

According to 40 CFR 35.3555(d), this IUP, including the PPL, may be amended during SFY 2027 in accordance with federal and state law, and any amendments to the PPL for the addition of drinking water projects will be subject to public review.

Exhibit A: DWSRF Loan Program Definitions

Terms used in this document have the following meanings:

Additional Subsidization means to provide assistance from the DWSRF Base 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 Section 1452 of the Safe Drinking Water Act and the terms and conditions of the current Capitalization Grant. Additional Subsidization from the DWSRF General Supplemental Program may be provided in the form of principal forgiveness, and grants. Priority for additional subsidies should be given to communities that could not otherwise afford such projects.

American Iron and Steel (AIS) means Section 1452(a)(4)(A) of the SDWA, which codifies the American Iron and Steel (AIS) requirement which obliges Drinking Water State Revolving Loan Fund (DWSRF) assistance recipients 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.

Asset Management Plan (AMP) means the program developed and implemented by the Utility demonstrating that it has the technical, managerial, legal, and financial capability to operate and maintain its water and/or wastewater system. As of July 1, 2024, the AMP certification includes the requirement to complete an annual cyber security vulnerability assessment.

Bipartisan Infrastructure Law (BIL), also known as the Infrastructure Investment and Jobs Act**,** 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. BIL funds were awarded FFY 2022 – FFY 2026

Binding Commitment means a closed DWSRF 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 Indiana Finance Authority determines that there may be insufficient resources to fund all loans on the PPL during the SFY. It allows 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 DWSRF.

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 CWSRF Base Program Funding, the CWSRF General Supplemental Funding, and the CWSRF Emerging Contaminant Funding.

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

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

DWSRF Emerging Contaminants Funding is a fund source through the BIL to address emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances through Capitalization Grants under section 1452(t) of the SDWA for the purposes described in section 1452(a)(2)(g). Emerging Contaminant funds were awarded FFY 2022 – FFY 2026

DWSRF General Supplemental Funding is a fund source through the BIL with the same eligibilities as the DWSRF Loan Program. General Supplemental funds were awarded FFY 2022 – FFY 2026.

DWSRF Lead Service Line Removal Funding is a fund source through the BIL provided for lead service line replacement projects and associated activities directly connected to the identification, planning, design, and replacement of lead service lines. Lead Service Line funds were awarded FFY 2022 – FFY 2026.

DWSRF Loan Program means the State's revolving fund loan program for drinking water infrastructure established under and pursuant to IC 5-1.2-10 and the programs afforded thereby.

Emerging Contaminants means emerging contaminants in drinking water with a focus on perfluoroalkyl and polyfluoroalkyl substances (PFAS) Projects that address any contaminant listed on any of EPA's Contaminant Candidate Lists are eligible (i.e., CCl1 – draft CCL5).

Environmental Protection Agency (EPA) means the federal agency responsible for promulgating regulations to implement environmental statutes including the Safe Drinking Water Act and from which the DWSRF receives Capitalization Grants.

Equivalency Project means a project or projects in an amount equal to the current Capitalization Grant(s). DWSRF Equivalency Projects must comply with all of the following: a) FFATA reporting requirements, b) Single Audit Act, c) Federal Cross Cutters, d) Disadvantaged Business Enterprise, e) Signage Requirement, 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 year beginning October 1st and ending September 30th.

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

Fundable Range means an estimated current loan capacity which is determined by fiscal 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 DWSRF'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 resiliency projects.

Guarantee Revenue Bonds means one or more series of revenue bonds issued from time-to-time by the State to fund the DWSRF Loan Program. Federal Capitalization Grants provide security for, and the DWSRF 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's environmental regulatory agency.

Indiana Finance Authority (Authority) means the State entity that administers the Indiana SRF Loan Programs pursuant to Indiana Code 5-1.2-3.

Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law 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. IIJA funds were awarded FFY 2022 – FFY 2026.

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

Maximum Contaminant Level (MCL) means the highest level of a contaminant that EPA allows in drinking water.

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.

Participant(s) means public water systems that are eligible for financial assistance from the DWSRF Loan Program. Public Water Systems eligible for DWSRF Loan Program assistance are for-profit and non-profit Community Water Systems (e.g. municipalities, political subdivisions, and private mobile home parks) and non-profit Non-Community Water Systems (e.g. schools, churches, day cares, and group homes).

Political Subdivision means a 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.

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

Project means a drinking water infrastructure project proposed by Participants for DWSRF financing, which will be reviewed for qualification and ranking under Section 1452 of the SDWA.

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

Project Priority List (**PPL**) ranks, in descending priority of need, projects for which Participants have requested financial assistance from the DWSRF 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 1452 of the SDWA. The PPL is created by the Program, updated quarterly, and may be amended as necessary.

Public Water System (PWS) means a system that supplies piped water for human consumption and has at least 15 service connections or 25 persons who are served by the system for 60 or more days each year.

Readiness to Proceed means projects that are ready for DWSRF 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 DWSRF Loan Program established timeframes, and (3) Initiating the steps required by State statute and the DWSRF Loan Program to proceed with a financial closing with the DWSRF 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 DWSRF Loan Program loan.

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

SDWA means the Safe Drinking Water Act of 1974, as amended, Section 1452, and the rules and regulations promulgated thereunder including 40 CFR Part 35.

Set-Asides means the allowed uses of DWSRF Capitalization Grant monies specifically identified in Section 1452 of the SDWA that are not directly associated with the construction of capital improvement projects.

Small System Technical Assistance Fund (SSTAF) means funds from DWSRF Set-Asides that are made available to qualified Participants in order to provide assistance with planning and design costs related to Participant's DWSRF Loan Program project.

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 twenty percent (20%) of each federal Capitalization Grants for the DWSRF Base Program, and the FY 2024-2026 DWSRF General Supplemental Program. Further, the State's commitment to provide match funds equal to ten percent (10%) of the FY 2022-2023 DWSRF General Supplemental Program Capitalization Grants.

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 DWSRF and CWSRF Loan Programs.

Exhibit B

Project Priority Lists

Project Priority Lists are reviewed and updated on a quarterly basis if necessary. Any amendments are posted for public notice for three weeks.

SFY 2027 - Drinking Water

Indiana Drinking Water State Revolving Fund (DWSRF) Loan Program
SFY 2027 Project Priority List Final*
Projects Applying for Financial Assistance in State Fiscal Year 2027 (July 1, 2026 - June 30, 2027)

PPL Rank [1]	PPL Score [7]	Participant	MHI [2, 3]	Population Served	PWSID No(s).	SRF Project No.	Project Description	Lead Service Line Replacement Cost	Emerging Contaminants? [4]	Disadvantaged Community? [5]	Green Project Reserve Category [6]	Current User Rate (per 4,000 gallons) [2]	Estimated Post-Project User Rate (per 4,000 gallons) [2]	Requested Funds	Cumulative Requested Funds	SFY 2027 Fundable Range ($80 Million)
1	121	Anderson	$46,909	55,851	5248002	DW 26 25 48 00	New Source, Treatment and Storage, and Phase 2 Distribution Improvements + Lead Service Line Replacement	$1,878,000	Yes- PFAS	Yes	GI	$30.69	$46.47	$52,823,000	$52,823,000	Fundable Range $80 Million (Borrowers are Eligible for up to $10 Million at a Subsidized Rate)[8]
2	119	Evansville	$53,387	173,000	5282002	DW 22 49 82 00	New Water Treatment Plant	$0	Yes - PFAS	Yes	WE, EE	$33.74	$45.86	$249,000,000	$301,823,000	
3	116	Sellersburg / Sunflower Valley	$76,106	15,655	5210010	DW 25 44 10 00	Source, Storage, and Distribution Improvements	$0	No	No	N/A	$29.70	TBD	$14,229,000	$316,052,000	
4	113	South Bend	$55,786	115,000	2571014	DW 25 47 71 00	Treatment Improvements (North WTP) + Lead Service Line Replacement	$5,000,000	Yes- PFAS	Yes	EE	$17.99	$17.99	$20,428,000	$336,480,000	
5	111	Goshen	$59,184	32,267	5220009	DW 26 39 20 00	New Source and Treatment, and Distribution Improvements	$0	Yes- PFAS	No	GI, WE, EE, EI, CR	$32.23	$68.10	$77,448,000	$413,928,000	
6	100	Huntington	$58,565	17,022	5235001	DW 26 48 35 00	Source Improvements and New Water Treatment Plant	$0	No	Yes	WE, EE	$40.40	TBD	$36,601,000	$450,529,000	
7	96	Indiana American Water - Wabash Mullins	$53,410	11,223	5285003	DW 24 52 85 00	Treatment Improvements	$0	Yes - PFAS	Yes	N/A	$54.60	$54.60	$12,000,000	$462,529,000	
8	88	Glenwood	$55,000	313	5270002	DW 23 30 70 00	Regionalization with Connersville and Distribution Improvements	$0	Yes - Mn	Yes	WE, EE	$68.27	$764.41	$9,700,000	$472,229,000	
9	85	Converse	$65,536	1,265	5252006	DW 24 15 52 00	New Water Treatment Plant and Distribution Improvements	$0	Yes - Mn	No	N/A	$60.00	$98.33	$4,175,000	$476,404,000	
10	84	Indiana American Water - Southern Indiana	$70,930	79,958	5210005	DW 24 50 10 00	Treatment Improvements	$0	Yes - PFAS	No	N/A	$54.60	$54.60	$85,000,000	$561,404,000	
11	83	Bluffton	$61,578	10,298	5290001	DW 26 47 90 00	Storage Improvements + Lead Service Line Replacement	$23,000,000	No	Yes	N/A	$43.96	$72.80	$30,400,000	$591,804,000	
12	82	Linton	$45,440	7,430	5228005	DW 26 07 28 00	Source, Treatment, and Distribution Improvements	$0	Yes- Mn	Yes	N/A	$30.60	$37.37	$6,197,000	$598,001,000	
13	82	Garrett	$64,179	6,390	5217004	DW 25 30 17 00	Distribution Improvements + Lead Service Line Replacement	$7,935,000	No	No	WE	$48.92	TBD	$18,941,000	$616,942,000	
14	82	Waldron Conservation District	$80,441	800	5273006	DW 25 40 73 00	Source, Treatment, Storage and Distribution Improvements	$0	No	No	WE, EE	$34.92	$79.23	$2,230,000	$619,172,000	
15	80	Indiana American Water - Newburgh	$75,135	20,973	5287004	DW 24 49 87 00	Treatment Improvements	$0	Yes - PFAS	No	N/A	$54.60	$54.60	$15,000,000	$634,172,000	
16	75	Kentland	$59,800	1,735	5256005	DW 22 21 56 00	Source and Treatment Improvements	$0	Yes - Mn	No	CR	$26.13	$80.01	$10,934,000	$645,106,000	
17	74	New Carlisle	$78,553	1,861	5271011	DW 24 61 71 00	Source, Treatment, and Distribution Improvements	$0	Yes - Mn	No	WE, EE	$21.62	$31.20	$30,500,000	$675,606,000	
18	74	Indiana American Water - Johnson County	$90,454	82,905	5241005	DW 24 48 41 00	Treatment Improvements	$0	Yes - PFAS	No	N/A	$54.60	$54.60	$28,000,000	$703,606,000	
19	73	Reynolds	$58,750	533	5291013	DW 25 59 91 00	Treatment and Distribution Improvements	$0	Yes- Mn	No	WE, EE	$41.88	$66.12	$4,200,000	$707,806,000	
20	72	Greenfield	$76,127	26,671	5230004	DW 26 40 30 00	New Source and Treatment, and Distribution Improvements + Lead Service Line Replacement	$14,515,000	No	No	EE	$33.54	$79.00	$61,452,000	$769,258,000	
21	71	Eaton	$81,106	1,500	5218006	DW 23 26 18 00	Source, Treatment, and Distribution Improvements (Phase 2) + Lead Service Line Replacement	$2,400,000	No	No	WE, EE	$43.65	$78.27	$14,526,000	$783,784,000	
22	70	Winslow	$59,464	1,010	5263006	DW 25 42 63 00	Storage and Distribution Improvements	$0	No	No	N/A	$83.80	TBD	$4,400,000	$788,184,000	
23	70	Patriot	$65,343	11,937	5278001	DW 26 14 78 00	Storage and Distribution Improvements	$0	No	No	N/A	$70.04	$113.06	$24,337,000	$812,521,000	
24	70	Kouts	$77,607	2,028	5264013	DW 23 36 64 00	Storage, Supply, and Treatment Improvements	$0	Yes - Mn	No	WE, EE, EI	$31.47	TBD	$9,400,000	$821,921,000	
25	69	Oxford	$51,522	1,200	5204005	DW 26 33 04 00	Source, Treatment, Storage, and Distribution Improvements	$0	No	Yes	EE	$71.16	$96.00	$5,712,000	$827,633,000	
26	69	Crothersville	$55,909	1,546	5236001	DW 26 36 36 00	Source, Treatment, Storage and Distribution Improvements + Lead Service Line Replacement	$181,000	No	Yes	WE	$54.72	$116.64	$14,326,000	$841,959,000	
27	69	Seelyville	$56,994	6,393	5284011	DW 25 46 84 00	Treatment, Storage, and Distribution Improvements	$0	Yes- Mn	Yes	N/A	$25.59	$39.45	$9,125,000	$851,084,000	
28	68	Pendleton	$86,806	4,840	5248019	DW 24 62 48 00	Treatment and Distribution Improvements + Lead Service Line Replacement	$5,305,000	No	No	N/A	$39.96	$70.51	$13,252,000	$864,336,000	
29	66	LaGrange	$54,492	2,715	5244003	DW 26 21 44 00	Distribution Improvements + Lead Service Line Replacement	$3,660,000	No	Yes	WE	$41.88	$69.94	$17,317,000	$881,653,000	
30	65	Dublin	$51,406	709	5289005	DW 24 55 89 00	Treatment and Distribution Improvements	$0	No	Yes	EE	$41.03	$149.92	$6,548,000	$888,201,000	
31	65	Nappanee	$68,892	6,800	5220016	DW 24 42 20 00	Treatment and Distribution Improvements + Lead Service Line Replacement	$735,000	No	No	N/A	$41.56	$51.59	$7,681,000	$895,882,000	
32	64	Syracuse	$71,833	2,810	5243025	DW 25 04 43 00	Distribution Improvements	$287,000	No	No	N/A	$35.31	$35.31	$5,610,000	$901,492,000	
33	64	Lapel	$79,778	2,498	5248013	DW 26 15 48 00	Distribution Improvements + Lead Service Line Replacement	$2,491,000	No	No	N/A	$44.68	$134.00	$9,025,000	$910,517,000	

34	63	St. Joe	$55,000	460	5217006	DW 24 27 17 00	Distribution Improvements	TBD	No	Yes	N/A	$31.00	$91.76	$1,615,000	$912,132,000
35	63	Winamac	$58,027	2,400	5266005	DW 22 14 66 00	Regionalization with Tippecanoe River State Park and Storage and Distribution Improvements	$0	No	Yes	WE, EE, EI	$37.14	$37.14	$10,113,000	$922,245,000
36	63	Markle	$81,323	1,095	5235006	DW 24 02 90 00	Source, Treatment and Distribution Improvements + Lead Service Line Replacement	$264,000	No	Yes	N/A	$33.80	$89.57	$5,400,000	$927,645,000
37	62	Loogootee	$50,000	2,800	5251005	DW 26 28 51 00	Treatment and Distribution Improvements + Lead Service Line Inventory Validation	$0	No	Yes	N/A	$46.51	$125.58	$18,315,000	$945,960,000
38	61	Lewisville	$50,208	337	5233006	DW 23 37 33 00	Source, Treatment, and Distribution Improvements	$0	No	Yes	N/A	$53.18	$65.00	$1,622,000	$947,582,000
39	61	Osgood	$52,625	1,692	5269004	DW 26 46 69 00	Treatment and Distribution Improvements	$0	No	Yes	WE, EE	$34.84	$56.04	$9,063,000	$956,645,000
40	60	LaPorte	$59,307	22,197	5246017	DW 26 27 46 00	Treatment, Storage, and Distribution Improvements	$0	No	No	EE	$26.12	$38.21	$18,465,000	$975,110,000
41	60	Sullivan Vigo Rural Water Corporation	$74,959	2,836	5284021	DW 25 38 84 00	Storage Improvements	$0	No	No	N/A	$63.93	$74.38	$4,538,000	$979,648,000
42	59	Fremont	$66,304	2,034	5276006	DW 26 20 76 00	Treatment, Storage, and Distribution Improvements	$0	No	No	EE	$29.18	$112.00	$13,700,000	$993,348,000
43	59	LaCrosse	$74,107	555	5246015	DW 26 29 46 00	Distribution Improvements + Lead Service Line Replacement	$1,390,000	No	No	N/A	$22.57	$121.90	$5,008,000	$998,356,000
44	59	Canaan	$83,838	4,500	5239001	DW 26 10 39 00	Regionalization with Versailles and Distribution Improvements	$0	No	No	N/A	$57.03	$56.00	$5,206,000	$1,003,562,000
45	58	Connersville	$48,137	13,953	5221001	DW 25 26 21 00	Treatment and Distribution Improvements	$0	No	Yes	WE	$29.67	$43.00	$12,531,000	$1,016,093,000
46	58	Greensburg	$62,655	12,650	5216002	DW 25 31 16 00	Storage and Distribution Improvements	$0	No	No	N/A	$49.61	$49.61	$6,668,000	$1,022,761,000
47	57	Lynn	$38,438	1,149	5268004	DW 22 24 68 00	Storage and Distribution Improvements	$0	No	Yes	N/A	$36.26	$72.21	$2,123,000	$1,024,884,000
48	57	Salem	$60,327	8,200	5288005	DW 23 39 88 00	Distribution Improvements (Phase 1) + Lead Service Line Replacement	$643,000	No	Yes	N/A	$34.92	TBD	$2,298,000	$1,027,182,000
49	55	Middlebury	$75,236	3,420	5220014	DW 26 38 20 00	Storage and Distribution Improvements + Lead Service Line Replacement	$500,000	No	No	N/A	$49.76	$57.32	$9,639,000	$1,036,821,000
50	55	Mount Ayr	$75,860	117	TBD	DW 23 44 56 00	Regionalization with Newton County RWSD and Storage and Distribution Improvements	$0	No	Yes	N/A	N/A	TBD	$6,600,000	$1,043,421,000
51	55	Indiana American Water - Claypool	$88,077	465	5243002	DW 24 67 43 00	New Treatment Plant	$0	Yes - Mn	No	N/A	$54.60	$54.60	$2,496,000	$1,045,917,000
52	54	LaFontaine	$49,464	906	5285004	DW 22 30 85 00	Source, Treatment, and Distribution Improvements + Lead Service Line Replacement	TBD	No	Yes	N/A	$41.95	$82.15	$4,300,000	$1,050,217,000
53	52	Rockport	$48,889	2,088	5274007	DW 25 36 74 00	New Treatment, Storage and Distribution Improvements	$0	No	Yes	EE	$45.01	$92.07	$6,848,000	$1,057,065,000
54	52	Hebron	$74,631	3,724	5264009	DW 24 23 64 00	Storage and Treatment Improvements	$0	No	No	N/A	$51.56	TBD	$6,143,000	$1,063,208,000
55	51	Shoals	$38,333	1,300	5251007	DW 24 65 51 00	Source, Treatment, and Distribution Improvements	$0	No	Yes	N/A	$36.75	$77.93	$2,684,000	$1,065,892,000
56	51	Nashville	$51,638	3,315	5207002	DW 23 32 07 00	Distribution Improvements (Phase 1)	$0	No	Yes	N/A	$51.76	$105.00	$16,800,000	$1,082,692,000
57	51	Sunman	$73,413	931	5269005	DW 25 39 69 00	Source, Treatment and Storage Improvements	$0	No	No	N/A	$43.30	$81.88	$3,000,000	$1,085,692,000
58	51	Washington Township Water Authority	$80,233	3,825	5230009	DW 25 41 53 00	Storage and Distribution Improvements	$0	No	No	WE	$41.46	$58.92	$2,727,000	$1,088,419,000
59	50	Hoosier Hills Regional Water District	$76,113	8,642	5269002	DW 21 04 69 00	Storage and Distribution Improvements	$0	No	Yes	N/A	$34.82	$38.95	$2,642,000	$1,091,061,000
60	49	Citizens Energy Group (Indianapolis)	$57,695	836,630	5249004	DW 26 17 49 00	Distribution Improvements	$0	No	Yes	N/A	$38.08	$38.08	$21,561,000	$1,112,622,000
61	49	Shirley	$67,083	960	5233013	DW 22 39 30 00	Source and Treatment Improvements	$0	No	No	WE, EE	$50.67	$93.15	$3,384,000	$1,116,006,000
62	49	Ramsey	$75,712	40,006	5231005	DW 25 35 31 00	Distribution Improvements Phase I	$0	No	Yes	WE	$49.88	$58.30	$11,200,000	$1,127,206,000
63	49	Peru	$76,083	11,037	5252016	DW 23 35 52 00	Regionalization with Mississinewa Lake Recreation Area	$0	No	No	N/A	$31.23	$31.23	$31,413,000	$1,158,619,000
64	46	Westville	$60,794	5,257	5246029	DW 26 50 46 00	Distribution Improvements + Lead Service Line Replacement	$1,000,000	No	No	N/A	$39.09	TBD	$16,340,000	$1,174,959,000
65	46	Patoka Lake	$73,561	13,503	5219012	DW 25 33 19 00	Treatment Improvements (WTP No. 2)	$0	No	Yes	N/A	$49.84	TBD	$12,122,000	$1,187,081,000
65	46	B&B Water Project, Inc	$77,585	5,075	5253001	DW 24 53 53 00	Distribution Improvements	TBD	No	Yes	N/A	$49.50	TBD	$2,000,000	$1,189,081,000
66	44	Fort Branch	$58,707	3,900	5226001	DW 25 52 26 00	Distribution Improvements	$0	No	No	N/A	$42.55	$60.00	$7,215,000	$1,196,296,000
67	44	South Whitley	$62,385	1,709	5292007	DW 24 03 92 00	Distribution Improvements + Lead Service Line Replacement	TBD	No	No	N/A	$48.19	$150.00	$13,270,000	$1,209,566,000
68	44	Arcadia	$66,901	1,515	5229001	DW 25 21 29 00	Source, Treatment, and Distribution Improvements	$0	No	No	N/A	$56.71	$72.14	$8,072,000	$1,217,638,000
69	43	Bargersville	$114,299	34,418	5241001	DW 25 22 41 00	New Treatment (WTP No. 1 Replacement)	$0	No	No	EE	$32.21	$60.64	$42,850,000	$1,260,488,000

70	41	Citizens Energy Group (Indianapolis)	$65,154	345,134	5249004	DW 26 49 49 00	Treatment and Distribution Improvements	$0	No	No	N/A	$35.49	$35.49	$317,000,000	$1,577,488,000
71	40	Churubusco	$77,478	1,798	5292003	DW 24 01 92 00	Storage and Distribution Improvements	$0	No	No	WE	$43.78	$59.02	$5,065,000	$1,582,553,000
72	40	Woodburn	$95,615	1,609	5202024	DW 26 04 02 00	Treatment, Storage, and Distribution Improvements	$0	No	No	N/A	$53.02	TBD	$9,478,000	$1,592,031,000
73	39	Logansport	$54,984	18,369	5209012	DW 24 57 09 00	New Source	$0	No	Yes	N/A	$32.61	$35.75	$5,420,000	$1,597,451,000
74	38	Daviess County Rural Water	$68,503	7,969	5214002	DW 23 04 14 00	Storage Improvements	$0	No	No	N/A	$45.16	$53.16	$4,667,000	$1,602,118,000
75	37	Rushville	$53,434	6,208	5270005	DW 25 43 70 00	Treatment Improvements	$0	No	Yes	EE	$20.53	$38.84	$1,600,000	$1,603,718,000
76	36	Stucker Fork	$64,577	19,120	5272002	DW 25 48 39 00	Source and Treatment Improvements	$0	No	No	N/A	$25.61	$31.05	$7,350,000	$1,611,068,000
77	36	Reelsville	$81,771	2,800	5267006	DW 22 48 67 00	Distribution Improvements (Phase 2)	$0	No	No	N/A	$69.23	TBD	$25,000,000	$1,636,068,000
78	35	Lebanon	$65,154	16,662	5206003	DW 24 79 06 00	Distribution Improvements (Phase 2)	$0	No	No	N/A	$36.98	TBD	$146,100,000	$1,782,168,000
79	33	Elkhart County Regional Sewer District	$83,501	3,849	TBD	DW 23 07 20 00	New Water Utility	$0	No	No	N/A	N/A	$56.33	$13,120,000	$1,795,288,000
80	31	Mishawaka	$54,291	49,675	5271009	DW 26 01 71 00	Source and Treatment Improvements	$0	No	Yes	N/A	$33.95	$45.18	$30,115,000	$1,825,403,000
81	30	Lake Shore Subdivision	$85,838	265	5245053	DW 26 02 45 00	Source and Distribution Improvements	$0	No	No	N/A	$62.50	$62.50	$1,072,000	$1,826,475,000
82	26	Greendale	$74,980	5,092	5215003	DW 26 05 15 00	Treatment Improvements	$0	No	No	N/A	$33.02	TBD	$5,595,000	$1,832,070,000
--	76	Jamestown	$71,048	1,000	5206008	DW 25 02 06 00	Regionalization with CEG-Lizton, Storage and Distribution Improvements	$0	Yes- Mn	No	N/A	N/A	TBD	$12,500,000	$1,844,570,000
--	72	Roachdale	$66,216	840	5267007	DW 25 49 67 00	Source, Treatment and Distribution Improvements	$0	Yes- Mn	No	N/A	$45.78	$105.45	$3,890,000	$1,848,460,000
--	67	Pine Village	$44,048	212	TBD	DW 25 34 86 00	Regionalization with Oxford, New Storage and Distribution System	$0	No	Yes	WE, EE	N/A	$204.69	$10,911,000	$1,859,371,000
--	61	Spiceland	$65,875	940	5233016	DW 22 26 33 00	Source and Treatment Improvements	$0	Yes - Mn	No	EE, EI	$52.20	$101.40	$6,541,000	$1,865,912,000
--	60	Anderson Township Regional Sewer District	$67,740	900	5270003	DW 26 06 70 00	Source, Treatment, and Distribution Improvements	$0	No	No	WE, EE	$45.53	$71.70	$1,441,000	$1,867,353,000
--	56	Laurel	$34,614	800	5224004	DW 26 32 24 00	Storage and Distribution Improvements (Phase 2)	$0	No	Yes	WE, EE	$29.25	$190.47	$10,500,000	$1,877,853,000
--	53	Daleville	$50,795	1,560	5218027	DW 25 28 18 00	Source and Treatment Improvements	$0	No	Yes	WE, EE	$30.27	$97.58	$4,745,000	$1,882,598,000
--	48	Swayzee	$65,391	918	5227020	DW 22 22 27 00	Treatment and Distribution Improvements	$0	No	No	GI	$34.13	$67.16	$2,382,000	$1,884,980,000
TOTAL REQUESTED FUNDS								**$71,184,000**							**$1,884,980,000**

PPL Rank	PPL Score	Participant	MHI [2,3]	Population Served	PWSID No(s).	SRF Project No.	Project Description	Lead Service Line Replacement Cost	Emerging Contaminants?	Disadvantaged Community?	Green Project Reserve Category [4]	Current User Rate (per 4,000 gallons) [2]	Estimated Post-Project User Rate (per 4,000 gallons)[2]	Estimated Total Project Cost	Cumulative Total
Application Only	Application Only	Knightstown	$55,000	2,223	5233005	DW 23 18 33 00	Storage and Distribution Improvements	$0	TBD	No	TBD	$35.86	$43.00	$15,608,000	$15,608,000
Application Only	Application Only	Palmyra	$33,077	4,425	5231004	DW 23 23 31 00	Treatment and Distribution Improvements	$0	TBD	Yes	TBD	$73.85	$73.85	$4,528,000	$20,136,000
Application Only	Application Only	Valparaiso Lakes Area Cons. District	$67,273	2,565	5264033	DW 22 20 64 00	Distribution Improvements	$0	TBD	No	TBD	$41.00	$43.24	$340,000	$20,476,000
TOTAL REQUESTED FUNDS - APPLICATIONS ONLY								**$0**							**$20,476,000**
TOTAL REQUESTED FUNDS - PERs & APPLICATIONS								**$71,184,000**							**$1,905,456,000**

Footnotes:

[1] A community must submit a complete Preliminary Engineering Report to the DWSRF Loan Program by April 1, 2026 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] The Indiana DWSRF Loan Program defines a Disadvantaged Community in Section VII of the IUP.

[4] Emerging Contaminants funds are reserved for DWSRF eligible projects whose primary purpose must be to address emerging contaminants, with an emphasis on PFAS, using the broad CCL 1 - 5.

[5] Disadvantaged Community determinations in this PPL are based on MHI and rates provided at the time the PPL was posted for public notice. Additional information on populations positively impacted by the project may be submitted and considered prior to loan closing.

[6] EE = Energy Efficiency, EI = Environmentally Innovative, GI = Green Infrastructure, WE = Water Efficiency, CR = Climate Resiliency.

[7] All scores are out of a maximum of 200 points.

[8] Subsidized Rates may be applied to more than $10 Million if otherwise agreed upon

*The SFY 2027 Project Priority List Draft was published on June 1, 2026 for a 3-week public comment period.

SFY 2027 - Drinking Water (Lead Service Line Replacement)

Indiana Drinking Water State Revolving Fund (DWSRF) Loan Program
SFY 2027 Project Priority List Final*
Projects Applying for Financial Assistance in State Fiscal Year 2027 (July 1, 2026 - June 30, 2027)

PPL Rank [1]	PPL Score [7]	Participant	MHI [2, 3]	Population Served	PWSID No(s).	SRF Project No.	Project Description	Lead Service Line Replacement Cost	Emerging Contaminants? [4]	Disadvantaged Community? [5]	Green Project Reserve Category [6]	Current User Rate (per 4,000 gallons) [2]	Estimated Post-Project User Rate (per 4,000 gallons) [2]	Requested Funds	Cumulative Requested Funds [8]
1	92	Fort Wayne	$50,891	270,402	5202020	DW 26 09 02 00	Lead Service Line Replacement	$9,225,000	No	Yes	N/A	$29.62	$29.62	$35,142,000	$35,142,000
2	91	Michigan City	$53,089	33,996	5246020	DW 26 19 46 00	Lead Service Line Replacement	$17,357,000	No	Yes	N/A	$23.09	$38.27	$17,357,000	$52,499,000
3	89	Hammond	$51,355	78,384	5245020	DW 26 26 45 00	Lead Service Line Replacement Phase IV	$10,000,000	No	Yes	N/A	$9.08	$9.08	$10,000,000	$62,499,000
4	88	Indiana American Water- Gary	$38,731	69093	5245015	DW 25 55 45 00	Lead Service Line Replacement	$36,612,000	No	Yes	N/A	30.69	30.69	$36,612,000	$99,111,000
5	88	Jasper	$62,078	17,440	5219009	DW 26 11 19 00	Lead Service Line Replacement	$3,631,000	No	Yes	N/A	$42.46	$45.70	$3,631,000	$102,742,000
6	87	Linton	$48,058	7,430	5228005	DW 26 08 28 00	Lead Service Line Replacement	$6,726,000	No	Yes	N/A	$30.60	$34.80	$6,726,000	$109,468,000
7	86	Paoli	$42,906	3,666	5259004	DW 26 12 59 00	Lead Service Line Replacement	$2,184,000	No	Yes	N/A	$56.68	TBD	$2,184,000	$111,652,000
8	84	Citizens Energy Group (Indianapolis)	$57,695	880,345	5249004	DW 26 18 49 00	Lead Service Line Replacement Phase IV	$21,561,000	No	Yes	N/A	$38.03	$38.03	$21,561,000	$133,213,000
9	82	Rochester	$51,157	6,089	5225006	DW 26 45 25 00	Lead Service Line Replacement	$5,000,000	No	Yes	N/A	$18.88	$28.32	$5,000,000	$138,213,000
10	81	Bloomington	$38,783	83,000	5253002	DW 26 35 53 00	Lead Service Line Replacement	$2,500,000	No	Yes	N/A	$18.75	$22.73	$5,000,000	$143,213,000
11	81	Valparaiso	$77,744	36,000	5264029	DW 26 30 64 00	Lead Service Line Replacement	$7,793,000	No	Yes	N/A	$3.68	$3.96	$7,793,000	$151,006,000
12	79	Huntington	$56,250	17,300	5235005	DW 26 13 35 00	Lead Service Line Replacement	$8,918,000	No	Yes	N/A	$40.40	$63.03	$8,918,000	$159,924,000
13	79	Bruceville	$79,351	449	5242003	DW 26 16 42 00	Lead Service Line Replacement	$1,202,000	No	Yes	N/A	$52.74	$69.57	$1,202,000	$161,126,000
14	78	Winamac	$47,083	2,400	5266005	DW 26 34 66 00	Lead Service Line Replacement	$3,732,000	No	Yes	N/A	$37.41	$74.17	$3,732,000	$164,858,000
15	78	Rockport	$48,889	2,088	5274007	DW 26 23 74 00	Lead Service Line Replacement	$1,902,000	No	Yes	N/A	$45.01	$70.95	$1,902,000	$166,760,000
16	78	Eaton	$54,531	1,595	5218006	DW 26 03 18 00	Lead Service Line Replacement	$5,000,000	No	Yes	N/A	$49.79	$67.14	$5,000,000	$171,760,000
17	77	Peru	$46,159	11,417	5252016	DW 26 44 52 00	Lead Service Line Replacement	$14,000,000	No	Yes	N/A	$32.73	TBD	$14,000,000	$185,760,000
18	77	Connersville	$60,333	13,953	5221001	DW 25 07 21 00	Lead Service Line Replacement	$5,000,000	No	Yes	N/A	$29.67	$43.00	$5,000,000	$190,760,000
19	77	Kendallville	$64,981	10,271	5257008	DW 26 42 57 00	Lead Service Line Replacement	$20,087,000	No	Yes	N/A	$28.26	$29.11	$20,087,000	$210,847,000
20	75	Mishawaka	$51,940	49,675	5271009	DW 23 41 71 00	Lead Service Line Replacement	$5,841,000	No	Yes	N/A	$16.42	$16.42	$5,841,000	$216,688,000
21	75	Logansport	$59,907	18,369	5209012	DW 26 37 09 00	Lead Service Line Replacement Phase IV	$5,001,000	No	Yes	N/A	$31.36	$31.36	$5,001,000	$221,689,000
22	73	Crown Point	$101,686	30,000	5245008	DW 25 08 45 00	Lead Service Line Replacement Phase II	$5,000,000	No	No	WE	$50.04	$51.92	$5,000,000	$226,689,000
23	73	Crown Point	$101,686	30,000	5245008	DW 26 22 45 00	Lead Service Line Replacement Phase III	$6,200,000	No	No	N/A	$57.23	$57.23	$6,200,000	$232,889,000
24	71	Nappanee	$68,892	6,800	5220016	DW 25 12 20 00	Lead Service Line Replacement	$8,699,000	No	No	N/A	$31.75	$38.25	$8,699,000	$241,588,000
25	70	Lafayette	$53,716	49,000	5279013	DW 26 43 79 00	Lead Service Line Replacement Phase III	$50,972,000	No	Yes	N/A	$14.64	TBD	$50,972,000	$292,560,000
26	70	West Terre Haute	$64,320	4,075	5284015	DW 24 26 84 00	Lead Service Line Replacement Phase I	$6,250,000	No	Yes	N/A	$41.00	$49.15	$6,250,000	$298,810,000
27	69	Chesterfield	$59,019	2,800	5248004	DW 24 64 48 00	Lead Service Line Replacement Phase II	$6,072,000	No	No	N/A	$36.00	$43.56	$6,072,000	$304,882,000
28	68	Monticello	$52,798	5,508	5291011	DW 26 24 91 00	Lead Service Line Replacement Phase II	$2,130,000	No	Yes	N/A	$39.11	$39.11	$2,130,000	$307,012,000
29	65	South Bend	$63,770	115,000	5271014	DW 26 31 71 00	Lead Service Line Replacement	$7,500,000	No	Yes	N/A	$17.99	$17.99	$7,500,000	$314,512,000
TOTAL REQUESTED FUNDS - PRELIMINARY ENGINEERING REPORTS (PERs)								**$286,095,000**							**$314,512,000**

PPL Rank	PPL Score	Participant	MHI [2, 3]	Population Served	PWSID No(s).	SRF Project No.	Project Description	Lead Service Line Replacement Cost	Emerging Contaminants ?	Disadvantaged Community?	Green Project Reserve Category [4]	Current User Rate (per 4,000 gallons) [2]	Estimated Post-Project User Rate (per 4,000 gallons)[2]	Estimated Total Project Cost	Cumulative Total
Application Only	Application Only	Marshall	$51,157	417	IN5261003	DW 26 41 61 00	Lead Service Line Replacement	$150,000	No	Yes	N/A	TBD	TBD	$150,000	$150,000
TOTAL REQUESTED FUNDS - APPLICATIONS ONLY								**$150,000**							**$150,000**
TOTAL REQUESTED FUNDS - PERs & APPLICATIONS								**$286,245,000**							**$314,662,000**

Footnotes:

[1] A community must submit a complete Preliminary Engineering Report to the DWSRF Loan Program by April 1, 2026 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] The Indiana DWSRF Loan Program defines a Disadvantaged Community in Section VII of the IUP.

[4] Emerging Contaminants funds are reserved for DWSRF eligible projects whose primary purpose must be to address emerging contaminants, with an emphasis on PFAS, using the broad CCL 1 - 5.

[5] Disadvantaged Community determinations in this PPL are based on MHI and rates provided at the time the PPL was posted for public notice. Additional information on populations positively impacted by the project may be submitted and considered prior to loan closing.

[6] EE = Energy Efficiency, EI = Environmentally Innovative, GI = Green Infrastructure, WE = Water Efficiency, CR = Climate Resiliency.

[7] All scores are out of a maximum of 200 points.

[8] No specific fundable range will be established for the Lead Service Line Replacement Project Priority List

*The SFY 2027 Project Priority List Draft was published on June 1, 2026 for a 3-week public comment period.

Equivalency Required - Active General Grants in SFY 2027 (less set-asides)

FY 2026 BIL General Supplemental Grant:	28,792,589
FY 2027 Base Capitalization Grant:	6,197,420
Total	**34,990,009**

Community	Project Description	Total Project Cost	Equivalency Amount	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 requirment	will be reported to Sam.gov to meet FFATA requirements
Goshen	New Source, Treatment, and Distribution Improvements	77,090,000	16,990,009	yes	yes	yes	yes	yes
Connersville	Treatment and Distribution Improvements	16,781,000	8,000,000	yes	yes	yes	yes	yes
Anderson	New Source, Treatment and Storage, and Phase 2 Distribution Improvements + Lead Service Line Replacement	52,823,000	10,000,000	yes	yes	yes	yes	yes

Equivalency Project Cost Total: **$34,990,009**

Emerging Contaminant Funds in SFY 2027 (less set-asides)

FY 2024 Emerging Contaminant Capitalization Grant (inc. reallotm	8,824,676
FY 2025 Emerging Contaminant Capitalization Grant	12,976,640
FY 2026 Emerging Contaminant Capitalization Grant	12,671,640
Total	**34,472,956**

Community	Project Description	Total Project Cost	Equivalency Amount	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 requirment	will be reported to Sam.gov to meet FFATA requirements
Anderson	New well field to avoid PFAS contamination in the system. Project will also include a new WTP.	52,823,000	8,000,000	yes	yes	yes	yes	yes
Goshen	New well field to avoid PFAS contamination in the system. Project will also include a new WTP.	77,448,000	12,000,000	yes	yes	yes	yes	yes
South Bend	Addition of AIX Treatment at the North WTP to address PFAS contamination	20,428,000	14,472,956	yes	yes	yes	yes	yes

Equivalency Project Cost Total: **$34,472,956**

Lead Service Line Replacement Funds in SFY 2027 (less set-asides)

FY 2025 LSLR Capitalization Grant:	54,712,970
FY 2026 LSLR Capitalization Grant:	124,240,520
Total	**178,953,490**

Community	Project Description	Total Project Cost (PPL)	Equivalency Amount (est)	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 requirment	will be reported to Sam.gov to meet FFATA requirements
Michigan City	Lead Service Line Replacement	17,357,000	5,000,000	yes	yes	yes	yes	yes
Jasper	Lead Service Line Replacement	3,631,000	3,631,000	yes	yes	yes	yes	yes
Linton	Lead Service Line Replacement	6,725,080	6,725,080	yes	yes	yes	yes	yes
Citizens Energy Group (Indianapolis)	Lead Service Line Replacement	21,561,000	5,000,000	yes	yes	yes	yes	yes
Valparaiso	Lead Service Line Replacement	7,793,000	5,000,000	yes	yes	yes	yes	yes
Bruceville	Lead Service Line Replacement	1,202,000	1,100,000	yes	yes	yes	yes	yes
Winamac	Lead Service Line Replacement	3,732,000	3,732,000	yes	yes	yes	yes	yes
Crown Point	Lead Service Line Replacement	6,200,000	6,000,000	yes	yes	yes	yes	yes
Fort Wayne	Lead Service Line Replacement	35,142,000	9,225,000	yes	yes	yes	yes	yes
Hammond	Lead Service Line Replacement	10,000,000	10,000,000	yes	yes	yes	yes	yes
Indiana American Water- Gary	Lead Service Line Replacement	36,612,000	36,612,000	yes	yes	yes	yes	yes
Paoli	Lead Service Line Replacement	2,184,000	2,184,000	yes	yes	yes	yes	yes
Citizens Energy Group (Indianapolis)	Lead Service Line Replacement	21,561,000	16,561,000	yes	yes	yes	yes	yes
Rochester	Lead Service Line Replacement	5,000,000	5,000,000					
Bloomington	Lead Service Line Replacement	5,000,000	2,500,000	yes	yes	yes	yes	yes
Huntington	Lead Service Line Replacement	8,918,000	8,918,000	yes	yes	yes	yes	yes
Rockport	Lead Service Line Replacement	1,902,000	1,902,000	yes	yes	yes	yes	yes
Eaton	Lead Service Line Replacement	5,000,000	5,000,000	yes	yes	yes	yes	yes
Peru	Lead Service Line Replacement	14,000,000	14,000,000	yes	yes	yes	yes	yes
Connersville	Lead Service Line Replacement	5,000,000	5,000,000	yes	yes	yes	yes	yes
Kendallville	Lead Service Line Replacement	20,087,000	15,862,410	yes	yes	yes	yes	yes
Mishawaka	Lead Service Line Replacement	5,841,000	5,000,000	yes	yes	yes	yes	yes
Logansport	Lead Service Line Replacement	5,001,000	5,001,000	yes	yes	yes	yes	yes
		Equivalency Project Cost Total:	**$178,953,490**					

*Remainders as of July 1, 2026.
These equivalency projects are proposed. Actual equivalency projects will be outlined in the 2027 Drinking Water SRF Annual Report.

Exhibit D

DWSRF Loan Program Project Scoring and Ranking Worksheet

This Exhibit documents the scoring system utilized to rank projects in PPLs between July 1, 2026, and June 30, 2027, as found in Exhibit B of this IUP.

	INDIANA FINANCE AUTHORITY **Drinking Water State Revolving Fund Loan Program** **Project Scoring and Ranking Worksheet**[1] **State Fiscal Year 2027 (July 1, 2026 to June 30, 2027)**
Applicant Name:	Project Name:
SRF Project No.:	PWSID No.:

Core Project Points	**Score**	**Maximum Points Available**
Section 1: Acute Public Health / SDWA Compliance	0	50
Section 2: Chronic Public Health / SDWA Compliance	0	20
Section 3: Public Health / Water Works Regulations Compliance	0	25
Section 4: Affordability Criteria	0	25
Total Project Score:	**0**	120
Organizational Points		
1. Other Funds Available	0	5
2. Capacity Development / Sustainability	0	15
3. Regionalization	0	10
Total Organizational Points:	**0**	30
Lead Service Line Replacement (LSLR) and Inventory Points (if applicable)		
Lead Service Line Replacement and Inventory Points	0	50
Total LSLR Points:	**0**	50
Point Deduction		
Disconnection	0	-20
Total Deduction Points:	**0**	-20
TOTAL POINTS EARNED:	**0**	
TOTAL POINTS POSSIBLE:	**200**	

Instructions:

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

1. Address the most serious risk to human health;
2. Are necessary to ensure compliance with the Safe Drinking Water Act (SDWA); and
3. Assist systems most in financial need on a per household basis, according to the State's affordability criteria.

Points are assigned to proposed projects that intend to correct deficiencies. For example, if the Public Water System has persistent violations of a Maximum Contaminant Level (MCL) but the proposed project does not address that problem, the points associated with persistent violations of a MCL will not be assigned. However, if the Participant does not have persistent MCL violations, but the project will address another Public Water System's persistent MCL violations, such as through consolidation, the points associated with the persistent MCL violations will be assigned.

The total number of available Core Project Points is 120. The total number of available Organizational Points is 30. The total number of available Lead Service Line Replacement Points is 50. The Total Score is determind by adding the Core Project Points + Organizational Points + Lead Service Line Replacement Points - Deduction Points. **If a tie occurs, the project with the lowest Median Household Income (MHI) will prevail.**

A loan recipient must submit a Preliminary Engineering Report (PER) on or before April 1 to the DWSRF 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 on the PPL. Participants that submit applications only (without a PER) will appear on the PPL as unscored and unranked.

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

Core Project Points (upper limit 120 points)		
Section 1: Acute Public Health / SDWA Compliance (upper limit 50 points)		
Instructions: Assign points to projects that address acute public health concerns occurring within the last three years. The upper limit for points in this section is 50. Acute public health concerns affect an individual in the immediate short-term.		
Criteria to be corrected by project	Maximum Points	**Points earned**
1. Order from the Indiana Department of Environmental Management (IDEM) or Indiana State Department of Health (ISDH) declaring a waterborne emergency at existing waterworks for acute public health concerns or other condition determined to be an acute public health concern.	50 Points	
2. Interim Enhanced/Long Term 1/Long Term 2 Surface Water Treatment Rule violation (including Filter Backwash Recycling and Ground Water Rules) i.e., inadequately treated surface water or groundwater under the influence of surface water.	50 Points	
3. Persistent Total Coliform Rule (TCR) or Nitrate violations.	50 Points	
4. Inadequate individual home water supplies documented by the local or state health department to show health hazards, such as exceeding drinking water Maximum Contaminant Levels (MCL).	50 Points	
5. Consolidation of a non-complying public water system (acute public health concerns).	50 Points	
6. Project addresses PFAS in the water system.	50 Points	
7. Project corrects a compliance issue associated with an Enforcement Targeting Tool (ETT) score of 11 or greater	50 Points	
Total Points:	**0**	

Section 2: Chronic Public Health / SDWA Compliance (upper limit 20 points)		
Instructions: Assign points to projects that address chronic public health concerns occurring within the last three years. The upper limit for points in this section is 20 points. Chronic public health concerns affect an individual over a lifetime.		
Criteria to be corrected by project	Maximum Points	**Points earned**
1. Order from IDEM or ISDH for condition determined to be a chronic health concern.	20 Points	
2. Persistent MCL violations of the National Primary Drinking Water Regulations (Microorganisms, Disinfectants, Disinfection Byproducts, Inorganic and Organic Chemicals, and Radionuclides).	20 Points	
3. Consolidation of a non-complying public water system (chronic public health concerns).	20 Points	
4. Project addresses an emerging contaminant listed in EPA's Contaminant Candidate List 1 - 5 in the water system.	20 Points	
Total Points:	**0**	

Section 3: Public Health / Water Works Regulations Compliance (upper limit 25 points)		
Instructions: Assign points to projects for infrastructure improvements that will bring the existing public water systems into compliance with IDEM and/or water works regulations, such as Recommended Standards For Water Works (10 States Standards). The upper limit for points in this section is 25 points.		
Criteria to be corrected by project	Maximum Points	**Points earned**
1. Resolve an IDEM connection ban, early warning notice, a non-SDWA violation, or addresses PFAS or other emerging contaminant as listed in EPA's Contaminant Candidate List 1 - 5.	10 Points	
2. Resolve inadequate pressure in water works.	10 Points	
3. Resolve conditions of inadequate water supply, including individual home wells and redundancy.	7 Points	
4. Ensure that drinking water receives appropriate treatment to meet secondary standards.	10 Points	
5. Ensure storage capacity in the water works is adequate.	7 Points	
6. Reduce leakage and increase accountability.	5 Points	
7. Ensure adequate flow in distribution system.	5 Points	
8. Prevent conditions favoring the entrance of contaminants (including lead or copper, or non-regulated contaminants) into the distribution system.	5 Points	
9. Install eligible security measures (alternate intake, fencing, lighting, cameras, motion detectors, secure chemical and fuel storage, security hatches, and access panels) or implementation of Source Water Protection projects or Wellhead Protection projects.	5 Points	
Total Points:	**0**	

Section 4: Affordability Criteria (upper limit 25 points)		
Instructions: Affordability points are assigned to assist community water systems most in need on a per household basis. Therefore, non-community systems are not eligible to receive affordability points. The upper limit for points in this section is 25 points.	Maximum 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 (> 16.9%)	5 Points	
3. Educational Attainment (≤ 28.2%)	6 points	
4. Population Trend (if decreased within 5-year ACS data, 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 (>12.3%)	5 points	
Total Points:	**0**	

Organizational Points (upper limit 30 points)		
Instructions: Organizational Points encourage community water systems to perform planning and proper operation and maintenance. Non-community water systems are not eligible for organizational points. The upper limit for points in this section is 30 points.		
Organizational Point	Maximum Points	**Points earned**
Section 1. Other Funds Available		
Instructions: Points are assigned to encourage community water systems to have other funds (cash on hand, grants or other loans) in addition to the construction loan from the DWSRF Loan Program. Assign points based on whether the system has the committed funds (**Awarded**) or is still in process of applying for other funds (**Applying**) as identified in the SRF application.		
No Other Funds Available	0 points	
Applying for Additional Funds	3 points	
Funds have been Awarded and/or Committed (includes leftover SRF funds)	5 points	
Total Other Funds Available Points		**0**
Section 2. Capacity Development / Sustainability		
1. Validated Water Loss Audit with Data Validity Score greater than 70	1 point	
2. Zero SDWA violations in last 12 months as reported on SRF application	1 point	
3. Member of InWARN Network or Hoosier Water Guardians	1 point	
4. Public Water System utilizes a Water Conservation Ordinance	1 point	
5. Project includes the remediation/redevelopment of a brownfield (IC 13-11-2-19.3) in conjunction with the Indiana Finance Authority Brownfields Program	5 point	
6. Project incorporates sustainable infrastructure as identified on the Green Project Reserve Sustainability Incentive Drinking Water Checklist.		
Category 1: Green Infrastructure	1 point	
Category 2: Water Efficiency	1 point	
Category 3: Energy Efficiency	1 point	
Category 4: Environmentally Innovative	1 point	
Category 5: Climate Resiliency	2 points	
Total Capacity Development / Sustainability Points		**0**
Section 3. Regionalization		
Regionalize with a nearby drinking water system	10 points	
Remain regionalized with a nearby drinking water system	10 points	
Total Regionalization Points		**0**

Lead Service Line Replacement and Inventory Points (upper limit 50)		
Instructions: Points are awarded based on the community-wide impact of the lead service line replacements determined through cost of proposed lead service line replacement compared to total project cost. Points are also awarded based on inventory validation.		
Criteria to be corrected by project	Maximum Points	**Points earned**
1. Impact of Lead Service Line Replacements	40 Points	
2. Inventory Validation	10 Points	
Total Points:		**0**

Point Deduction (lower limit -20)		
Instructions: Points are deducted when a project involves disconnection from an active and available regional water system.		
Disconnection	- 20 Points	
Total Deduction Points:		**0**

Exhibit E
Expeditious and Timely Use of Funds

This Exhibit identifies the intended uses of the funds held in various accounts of the DWSRF, and how those uses support the goals of the DWSRF. This Exhibit also demonstrates how the Authority meets the requirements of 40 CFR 35.3550(1) by using all of the funds in the DWSRF 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 Drinking Water Trust Indenture and comprise its DWSRF. Set forth on the attached Schedule 1 (the "Use Schedule") is detail on what funds are held in the DWSRF and how they were expeditiously and timely used in SFY 2026 and will continue to be in perpetuity.

Drinking Water Purchase Account

Sources of Funds: Funds held in this account[1] come from proceeds of Program Bonds[2] 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 2026 as well as loans anticipated to be closed in SFY 2027 and after.

Uses of Funds: These funds are used to make loans for qualified Proposed Projects as permitted by 40 CFR 35.3525(a). This use directly furthers the primary purpose of the DWSRF Loan Program by financing qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: As of July 1, 2026, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2027, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2026 is shown in the Use Schedule. Accordingly, none of the funds presently on deposit in this account are available for other SRF Loan Program 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] These bonds are revenue bonds within the meaning of 40 CFR 35.3525(e), the net proceeds of which were deposited in the DWSRF. 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 DWSRF. 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 DWSRF 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; their proceeds (together with other match sources) have matched all capitalization grants awarded to date as well as the not-yet-available FFY 2027 (FFY refers to the Federal Fiscal Year ending September 30 of the year listed) grant by reason of over-match.

Drinking Water 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 35.3525(e) 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 that facilitate compliance with the Safe Drinking Water Act and protect public health.

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.

Drinking Water 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 35.3525(e) and 40 CFR 35.3550(g)(3), respectively. This use indirectly furthers the primary purpose of the SRF by making loan proceeds available to finance qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

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.

DRINKING WATER RESERVE[3] contains the following accounts:

Drinking Water 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

[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 Safe Drinking Water Act, as amended.

35.3525(e) and 40 CFR 35.3550(g)(3), respectively, and *secondly* transferred to the Reserve Deficiency Account, as described below.

Available Balance: Approximately annually, this account is fully depleted to make payments on Program Bonds, with any excess available balances to be transferred to the Reserve Deficiency Account. Accordingly, none of the funds presently on deposit[4] in this account are available for other SRF purposes.

Drinking Water Reserve Grant Account

Sources of Funds: Funds held in this account[5] come from federal capitalization grants drawn when funds are loaned, up to the amount therein (and in the 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 security[7] for outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(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 35.3525(e) and 40 CFR 35.3550(g)(3), respectively. This use both directly and indirectly furthers the primary purpose of the DWSRF Loan Program by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: The aggregate amount held in this account (as of July 1, 2026 and as anticipated in SFY 2027) 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 and/or agencies obligations.

Drinking Water 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.

[4] And before any transfers to the CWSRF 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 from principal on loan repayments funded from such proceeds. As of July 1, 2026, 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 35.3525(e) 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 $10.0 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 DWSRF 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 2027 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 transfers to the CWSRF as discussed elsewhere in this Exhibit.

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, 2026 nor are any so anticipated in SFY 2027.

DRINKING WATER EQUITY[9] contains the following accounts:

Drinking Water Equity Grant Account

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

Uses of Funds: These funds are used (i) as security[10] and as a source of payment for the outstanding Guarantee Revenue Bonds as permitted by 40 CFR 35.3525(e), (ii) to fund any transfers to the Authority's CWSRF as permitted by law including Section 302 of the Safe Drinking Water Act, and (iii) to fund that portion of any loans closed but not presently on deposit in the Purchase Account[11] 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 DWSRF Loan Program by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: The aggregate amount held in this account (as of July 1, 2027 and as anticipated in SFY 2027) is shown in the Use Schedule.[12] In furtherance of these purposes, the funds in this account are invested with certain short-term investments and State and Local Government Series (SLGS) securities.

[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 DWSRF treats it as part of the “reserve” for the purposes of this Plan and the federal Safe Drinking Water Act, as amended.

[10] 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 2027 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, 2026.

[11] In addition to meeting any Excess Commitments as of July 1, 2026, 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, 2026, (b) PERs submitted and under review by the DWSRF as of July 1, 2026 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2027), each as detailed in the Use Schedule.

[12] And before any transfers to the CWSRF as discussed elsewhere in this Exhibit.

<u>Drinking Water Equity Earnings Account</u>

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 35.3525(e) and 40 CFR 35.3550(g)(3), respectively, like the Equity Grant Account and (ii) to fund that portion of any loans closed but not on deposit in the Purchase Account in the event additional leveraged Guarantee Revenue Bonds could not be issued for any reason to meet such commitments. This use both directly and indirectly furthers the primary purpose of the SRF by making financing for qualified Proposed Projects that facilitate compliance with the Safe Drinking Water Act and protect public health.

Available Balance: The aggregate amount held in this account as of July 1, 2026 is shown in the Use Schedule.[13]

<u>Additional Information Concerning Expected Uses of SRF Funds</u>

<u>Use of Available Balances to Meet Closed Loan Commitments</u>. Under its existing practices, the Authority closes DWSRF loans with Participants without the necessity of having available balances in its Purchase Account to fully fund those loan commitments on the date a DWSRF 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, 2026, (b) PERs submitted and under review by the DWSRF as of July 1, 2026 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2027), 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 2026. 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 2027) in the event additional Guarantee Revenue Bonds could not to be issued.

<u>Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds</u>. Amounts held in the 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 35.3525(e). In addition to this use, a portion of these funds are also held to meet (a) Excess Commitments in SFY 2027 in the event additional Guarantee Revenue Bonds could not to be issued and (b) any transfers to the CWSRF as permitted by law.

<u>Use of Available Balances as a Source of Payment for State Match Revenue Bonds</u>. 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 35.3550(g)(3). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2027 in the event additional Guarantee

[13] And before any transfers to the CWSRF as discussed elsewhere in this Exhibit.

Revenue Bonds could not to be issued and (b) any transfers to the CWSRF as permitted by law.

Use of Available Balances to Possibly Transfer Funds to the Wastewater SRF. As of July 1, 2026, about $23.6 million has been transferred to DWSRF. As of July 1, 2026, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately $191million of allowable transfers which includes 33% of the anticipated FFY 2027 Base and General Supplemental grants. The full amount of any such potential transfers is banked.

Additionally, as of July 1, 2026, $7,377,000 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.

Further, transfers can be made from DWSRF to the CWSRF up to the cumulative amount made from CWSRF to 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 transfers may be effectuated by a transfer of an invested balance from one or more of the Authority's 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 DWSRF or CWSRF 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 1

	Account Balances* as of: 30-Jun-2026 (Actual)	Future Deposits in SFY
A. Funds Committed to Projects by DWSRF		
Purchase Account	$ 600,000	$ -
	$ 600,000	$ -
B. Other Funds Held in DWSRF		
Reserve Grant Account	$ 1,300,000	$ -
Reserve Earnings Account	-	-
Reserve Support Account	-	
Reserve Deficiency Account	-	-
Equity Grant Account	177,200,000	$ 42,300,000
Equity Earnings Account	62,000,000	-
	$ 240,500,000	$ 42,300,000
Total Available Funds (A. and B. above)	$ 241,100,000	$ 42,300,000

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

Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	$ 600,000
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	432,600,000
Expected FY2027 Loan Closings	75,000,000
*1. Use: to cover Loan Demand****	508,200,000
2. Use: to cover Series Reserve Requirement	1,300,000
Expected Uses of Funds (1 & 2 above without considering other secondary purposes for holding them in the DWSRF) # are as follows:	$ 509,500,000
Uses of Funds (1 & 2 above):	$ 509,500,000
Less: Total Available Funds (A. and B. above)	283,400,000
Amount by which "Expected Uses of Funds" EXCEED "Total Available Funds"	$ 226,100,000

Notes:

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

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

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

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.

Set Aside Workplan for the FY 2027 DWSRF Base Capitalization Grant

Indiana's Drinking Water State Revolving Fund (DWSRF) Loan Program will use its DWSRF Set-Aside allotments from the FY 2027 Base Capitalization Grant to continue promoting the implementation of the Safe Drinking Water Act (SDWA).

ADMINISTRATIVE SET-ASIDE

The DWSRF Loan Program may cover the reasonable costs of administering the program and provide technical assistance to public water systems within the State to one of the following, whichever is greatest, plus any fees collected by the DWSRF Loan Program.

- $400,000 per year;
- 1/5% of the current valuation of the fund; and
- An amount equal to four percent (4%) of all grant awards to the fund under this section for the fiscal year.

The Authority will take four percent (4%), or $263,720[1], of the Administrative Set-Aside for the administration of the DWSRF Loan Program, which may include funding DWSRF salaries, benefits, and miscellaneous expenses incurred with program management.

TECHNICAL ASSISTANCE TO SMALL SYSTEMS SET-ASIDE

The Authority will also take two percent (2%), or $131,860[1], of the Technical Assistance Set-Aside allowed through the DWSRF Loan Program grant to engage professional services to conduct community outreach and assistance with preliminary planning to allow small Disadvantaged Communities ease of access to the State Revolving Fund and related programs. Funds may also be used to support the Indiana Drinking Water Certified Operator Apprenticeship Program, specifically for eligible apprentices serving in small systems.

[1] Based on previous year's allotment

Previous Year Grants Set-Aside Amendments

Administration of the Drinking Water State Revolving Fund (DWSRF) set-aside programs occasionally require adjustments to account for changes in project timelines and to efficiently use remaining balances. While significant reallocations between set-aside categories or the loan fund may require a formal amendment with the U.S. Environmental Protection Agency (EPA), most adjustments occur within the same category and between previously approved activities. This document summarizes the set-aside amendments requested for SFY 2027.

Grant and Set-Aside	Set-Aside Current Workplan Amount	Program name	Amendment	Amended Set-Aside Amount
2022 LSLR -Administration	1,733,360	Administration of the Lead Service Line Replacement Funding	(1,117,919.96)	615,440
	-	*Addition to LSLR Loan Pool*	*1,117,919.96*	
2023 LSLR -Administration	2,606,440	Administration of the Lead Service Line Replacement Funding	(2,606,440)	-
	-	*Addition to LSLR Loan Pool*	*2,606,440*	
2024 Base - Technical Assistance	159,940	Outreach to DACs	(159,940)	-
	-	Apprentice Program	159,940	159,940
2025 Base - Technical Assistance	374,260	Outreach to DACs	(270,060)	104,200
	-	Apprentice Program	270,060	270,060
2023 General Supplemental -SPM	722,560	LSLI Funding Assistance Program	(259,170)	463,390
	-	Apprentice Program	259,170	259,170

1. **Name of program:** Lead Service Line Replacement Program Administration to Loan Pool

    a. **Funding Amounts:** $1,117,919.96 from the 2022 LSLR Administration, and $2,606,440 from the 2023 LSLR Administration

    b. **Purpose:** These administration funds are utilized to cover the reasonable costs associated with administering the LSLR program and may be used to provide technical assistance to public water systems within the State.

    c. **Description of Amendment**: The Authority continues to award and administer the IIJA Lead Service Line Replacement Program. Recent increases in the FY25 and FY26 allotments have expanded the administrative funding available in the most recent grants, adequately covering current and anticipated program needs. At the same time, statewide demand for LSLR loans continues to grow. The Authority has determined that the administrative funds in the FY22 and FY23 grants can be effectively used by transferring them to the LSLR loan pool, where they will promptly support community projects.

    d. **Deliverables**: After the grant amendments are finalized, the Authority will report loans equivalent to the amount of $3,724,359.96 that meet the eligibility requirements of the Lead Service Line Replacement Program.

    e. **Evaluation of Project**: The funding will provide additional assistance necessary for Indiana communities on the FY 2027 lead service line PPL.

f. **Schedule:** The funds will be allocated to LSLR projects in Q1 of SFY 2027 (July – September 2026) and are expected to be disbursed by December 2026.

2. **Name of program:** Indiana Drinking Water Certified Operator Apprenticeship Program

    a. **Amount:** $159,450 of the 2024 Technical Assistance Set-Aside, $270,060 of the 2025 Technical Assistance Set-Aside, and $200,000 of the 2023 SPM Set-Aside.

    b. **Purpose:** To provide training of skilled workers and standardize training across Indiana for Certified Operators for Drinking Water systems.

    c. **Description of Amendment:** The Authority continues to focus on outreach to small systems and communities. In recent years wastewater assistance has taken priority, leaving available set-aside funding. At the same time, the Alliance continues to administer the Apprenticeship Program and extends services to several small communities meeting the goals of the Technical Assistance program. To expedite the use of funds the Authority will apply Technical Assistance funding to this valuable program.

    d. **Deliverables**: The Authority will work with the Alliance of Indiana Rural Water (a non-profit organization) to administer the Apprenticeship Program and provide assistance for the training, supplies, and salary of eligible apprentices. The Authority will ensure that Technical Assistance set-aside funding is used to support eligible apprentices serving in **small systems**. The project will deliver qualified, Certified Operators for drinking water systems in Indiana to meet the needs of the future.

    e. **Evaluation of Project**: Success will be measured by the number of eligible apprentices that complete the 288 hours of coursework, and by the number of eligible apprentices that become Certified Operators.

Exhibit H

Unspecified DWSRF Set-Aside Funds (Amount Banked)

(Set-Aside from the Base DWSRF Capitalization Grant)

	Administrative	Small System Technical Assistance	State Program Management	**Totals**
FY 2004	$389,972	$0	$0	**$389,972**
FY 2005	$0	$0	$0	**$0**
FY 2006	$0	$0	$0	**$0**
FY 2007	$459,360	$229,680	$0	**$689,040**
FY 2008	$360,000	$130,000	$0	**$490,000**
FY 2009	$0	$218,246	$0	**$218,246**
FY 2009 ARRA	$1,088,480	$0	$0	**$1,088,480**
FY 2010	$452,760	$0	$0	**$452,760**
FY 2011	$314,180	$0	$0	**$314,180**
FY 2012	$598,800	$0	$0	**$598,800**
FY 2013	$0	$0	$0	**$0**
FY 2014	$286,960	$0	$0	**$286,960**
FY 2015	$285,060	$0	$0	**$285,060**
FY 2016	$0	$0	$0	**$0**
FY 2017	$0	$0	$0	**$0**
FY 2018	$0	$0	$0	**$0**
FY 2019	$6,160	$0	$15,400	**$21,560**
FY 2020	$0	$0	$0	**$0**
FY 2021	$6,160	$0	$15,400	**$21,560**
FY 2022	$0	$0	$0	**$0**
FY 2023	$0	$0	$0	**$0**
FY 2024	$0	$0	$799,700	**$799,700**
FY 2025	$0	$0	$1,871,300	**$1,871,300**
FY 2026	$0	$0	$659,300	**$659,300**
FY 2027*	$0	$0	$659,300	**$659,300**
Totals	**$4,247,892**	**$577,926**	**$4,020,400**	**$8,846,218**

Unspecified DWSRF Set-Aside Funds (Amount Banked)
(Set-Aside from the BIL DWSRF General Supplemental Capitalization Grant)

	Administrative	Small System Technical Assistance	State Program Management	**Totals**
FY 2022 BIL	$0	$0	$2,744,500	**$2,744,500**
FY 2023 BIL	$0	$722,560	$2,890,240	**$3,612,800**
FY 2024 BIL	$0	$788,780	$1,893,900	**$2,682,680**
FY 2025 BIL	$0	$0	$2,272,200	**$2,272,200**
FY 2026 BIL	$0	$0	$2,270,500	**$2,270,500**
Totals	**$0**	**$1,511,340**	**$12,071,340**	**$13,582,680**

Unspecified DWSRF Set-Aside Funds (Amount Banked)
(Set-Aside from the BIL DWSRF Lead Service Line Replacement Capitalization Grant)

	Administrative	Small System Technical Assistance	State Program Management	**Totals**
FY 2022 LSLR	$0	$866,680	$0	**$866,680**
FY 2023 LSLR	$0	$1,303,220	$6,516,100	**$7,819,320**
FY 2024 LSLR	$0	$1,316,360	$6,581,800	**$7,898,160**
FY 2022 LSLR reallotment (24)	$147,520	$73,760	$368,800	**$590,080**
FY 2025 LSLR	$0	$2,679,200	$13,396,000	**$16,075,200**
2022 DW LSLR RE (25)	$74,440	$37,220	$186,100	**$297,760**
2023 DW LSLR RE (25)	$676,400	$338,200	$1,691,000	**$2,705,600**
2024 DW LSLR RE (25)	$717,600	$358,800	$1,794,000	**$2,870,400**
FY 2026 LSLR	$0	$2,572,740	$12,863,700	**$15,436,440**
2022 DW LSLR RE (26)	$29,960	$14,980	$74,900	**$119,840**
Totals	**$1,645,920**	**$9,561,160**	**$43,472,400**	**$54,679,480**

Unspecified DWSRF Set-Aside Funds (Amount Banked)
(Set-Aside from the BIL DWSRF Emerging Contaminant Capitalization Grant)

	Administrative	Small System Technical Assistance	State Program Management	**Totals**
FY 2022 EC	$0	$230,960	$1,154,800	**$1,385,760**
FY 2023 EC	$0	$262,180	$1,310,900	**$1,573,080**
FY 2024 EC	$0	$262,180	$1,310,900	**$1,573,080**
FY 2022 EC reallotment (24)	$4,080	$2,040	$10,200	**$16,320**
FY 2025 EC	$0	$262,180	$1,310,900	**$1,573,080**
FY 2022 EC reallotment (25)				
FY 2023 EC reallotment (25)	$14,720	$7,360	$36,800	**$58,880**
FY 2026 EC	$0	$262,180	$1,310,900	**$1,573,080**
2022 DW EC RE (26)	$120	$60	$300	**$480**
2023 DW EC RE (26)	$3,360	$1,680	$8,400	**$13,440**
Totals	**$22,280**	**$1,290,820**	**$6,454,100**	**$7,767,200**

Exhibit I

Summary of Set-aside Balances Available in SFY 2027
DWSRF Awarded Grants

Capitalization Grant	Set-Aside Category	Total Set-Aside	Balance on 6/30/2026	Intended Use in SFY 2027 (as outlined in Set-Aside Workplans)
2022 Emerging Contaminants	Administrative	461,920	153,533	Administration of the Emerging Contaminants Program
	Local Assistance	200,000	17,924	City of Anderson PFAS Planning and Design
2023 Base	Local Assistance	847,300	67,774	Community Outreach and Assistance to DACs
2023 General Supplemental	State Program Management	722,560	304,667	LSLI Funding Assistance Program
	Local Assistance	3,612,800	1,922	LSLI Funding Assistance Program and Water Studies
2023 Emerging Contaminants	Administrative	524,360	524,360	Administration of the Emerging Contaminants Program
2024 General Supplemental	Administrative	1,577,560	149,280	Administration of the DWSRF Program
	State Program Management	2,050,000	1,521,374	Certified Operator Apprenticeship Program and Water Studies
	Local Assistance	3,943,900	1,743,699	Indiana Water Studies
2024 LSL Removal	Administrative	2,632,720	2,504,094	Administration of LSLR Program
	Local Assistance	500,000	68,919	LSLI Funding Assistance Program
2024 EC	Administrative	524,360	524,360	Administration of the Emerging Contaminants Program
2025 Base	Administrative	748,520	748,520	Administration of the DWSRF Program
	Technical Assistance	374,260	230,315	Community Outreach and Assistance to DACs and Certified Operator Apprenticeship Program in Small Systems

2025 General Supplemental	Administrative	1,708,880	1,708,880	Administration of the DWSRF Program
	Technical Assistance	854,440	854,440	Community Outreach and Assistance to DACs
	State Program Management	2,000,000	1,952,649	Certified Operator Apprenticeship Program, Indiana Water Studies, and Summitville Source Water Protection
	Local Assistance	2,000,000	1,662,404	Indiana Water Studies
2025 LSL Removal	Administrative	5,358,400	5,358,400	Administration of LSLR Program
2025 EC	Administrative	524,360	524,360	Administration of the Emerging Contaminants Program
2026 Base	Administrative	263,720	-	Administration of the DWSRF Program
	Technical Assistance	131,860	-	Community Outreach and Assistance to DACs
2026 General Supplemental	Administrative	1,708,200	-	Administration of the DWSRF Program
	Technical Assistance	854,100	-	Community Outreach and Assistance to DACs
	State Program Management	2,000,000	-	Certified Operator Apprenticeship Program
	Local Assistance	2,000,000	-	Indiana Water Studies
2026 LSL Removal	Administrative	5,145,480	5,145,480	Administration of LSLR Program
2026 EC	Administrative	524,360	-	Administration of the Emerging Contaminants Program
2027 Base (est)	Administrative	263,720	-	Administration of the DWSRF Program
	Technical Assistance	131,860	-	Community Outreach and Assistance to DACs, and Certified Operator Apprenticeship Program in Small Systems

Notice of Public Comment on the State Fiscal Year 2027 Intended Use Plans for the Drinking Water State Revolving Fund and the Clean Water State Revolving Fund Loan Programs

Notice is given that the Indiana Drinking Water State Revolving Fund (DWSRF) and Clean Water State Revolving Fund (CWSRF) Loan Programs have developed draft Intended Use Plans (IUPs) for the State Fiscal Year (SFY) 2027. The IUPs detail the uses, goals, and objectives of the SRF Loan Programs pursuant to Section 1452 of the Safe Drinking Water Act and Section 216 of the Clean Water Act.

Notice is given that interested parties are invited to review the IUPs and provide comments to the DWSRF and CWSRF Loan Programs. Comments will be collected for a three-week period, ending **October 1, 2026**.

The IUPs are available at www.srf.in.gov and upon request.

Comments on the DWSRF and CWSRF draft IUPs may be directed to:

State Revolving Fund
100 N. Senate Ave. IGCN 1275
Indianapolis, IN 46204

PublicComments@ifa.in.gov

To receive updates when notices are posted, please subscribe to the IFA-SRF Newsletter mailing list here.