



State Revolving Fund Loan Programs

Drinking Water, Wastewater, Nonpoint Source

PROGRAM UPDATE

July 2005

State fiscal year 2005 (SFY 2005) concluded June 30, 2005, marking another successful year for the State's SRF Program. This newsletter highlights many of the Program's accomplishments over the past fiscal year and details the savings provided to the ratepayers that took advantage of the SRF Program's subsidized interest rates.

And the rates keep coming down! The SRF Program's new interest rate policy continues to guarantee that borrowers receive the lowest possible interest rate. We begin SFY 2006 with an historical low rate for the SRF Program of 1.9%, which includes a non point source discount. The new rate matrix is in effect from July 1 to September 30 and is available on our web site at www.srf.in.gov.

Jim McGoff, Director

SRF NOW PART OF THE INDIANA FINANCE AUTHORITY

Effective May 15, 2005, the SRF Program became a part of the newly created Indiana Finance Authority. The Authority consolidated many of the State's debt issuing entities and will be responsible for the issuance of bonds on behalf of the SRF Program to capitalize our loan pool. The SRF Program will be part of the new Authority's "environmental programs" division which will also include the State's Brownfields and Shovel Ready programs. We look forward to combining resources to provide coordinated financial assistance to Indiana communities. Our office location and program personnel will remain the same as we continue to enhance the services we provide.

SFY 2005 PERFORMANCE

LOAN CLOSINGS

By financing their infrastructure improvements through the SRF Programs, rather than with open market loans, communities will save an estimated \$26,186,824 in interest payments over the next twenty years. Eight communities closed loans totaling \$13,631,000 in order to provide safe drinking water to approximately 17,000 Hoosiers, and sixteen wastewater project loans closed totaling \$188,852,498 to provide over 1,137,000 residents with improved wastewater treatment.

Communities have invested more than \$1.3 billion in wastewater infrastructure through 224 wastewater SRF (WWSRF) loans since the inception of the WWSRF Loan Program thirteen years ago. The six-year old drinking water SRF (DWSRF) loan program has made 86 DWSRF loans for a total of \$204 million. Loan proceeds disbursed for wastewater projects totaled \$162,369,004 and drinking water disbursements totaled \$20,237,580 for SFY 2005!

ENVIRONMENTAL AND PUBLIC HEALTH BENEFITS

Indiana was one of 23 states that participated in the national pilot program sanctioned by EPA, is aimed at determining the environmental and public health benefits derived from WWSRF financed projects. Of the sixteen projects closed in SFY 2005, thirteen have a positive impact on an impaired 303(d) listed stream, one discharges to an unimpaired stream, and two discharge to streams that have not been assessed by the State. Of the thirteen facilities on impaired streams, nine projects allow systems to achieve compliance with their NPDES permits and three will help systems remain in compliance. One project extends sewers to an area with failing septic systems, thereby providing bacterial reduction benefits to non-point source water run off.

GRANTS

SFY 2005 was the inaugural year of the Small System Technical Assistance Fund (SSTAAF), which granted up to \$25,000 to communities serving 10,000 or fewer drinking water customers or 5,000 or fewer wastewater customers. Projects had to be ranked on the SRF SFY 2005 project priority list (PPL) and advertise for bid by the end of the SFY. Drinking water SSTAF recipients included Pittsboro, Jonesboro, Hope and Utilities, Inc. Wastewater SSTAF grantees included Brookston, Roann, Fulda, LaFontaine and Campbell Township/Butlerville.

INSPECTIONS

When funds approximating 50% of the SRF loan for a project have been disbursed, SRF engineering staff perform initial inspections of the SRF funded project. A final inspection is scheduled closer to substantial completion of the project. The purpose of the inspection is to ensure that the project is constructed in accordance with its approved preliminary engineering report (PER), authorized contract award and approved disbursements.

Nine drinking water facilities received initial inspections during SFY 2005. Of the seventeen wastewater projects that were inspected, one received three inspections, eight received two inspections, and eight had one initial inspection.

Staff Updates

We are pleased to announce that Sarah Reymann is our new Drinking Water Administrator. Sarah joins us from IDEM's Capacity Development Section of the Drinking Water Branch, where she had been assisting communities with financial capacity. Prior to joining IDEM, Sarah was the drinking water program coordinator for the Rural Communities Assistance Program. She has a B.S. in Biology from IU and an M.S. in Biology from the University of Dayton. In addition to being the president of her toastmasters' club, she is currently pursuing a degree in engineering.

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