

The Watershed

The Latest Happenings in Indiana's State Revolving Fund Loan Program

Spring 2016

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City of Greencastle: New High Service Pumps

Message from the Director

This is an exciting time of the year for the Indiana State Revolving Fund Loan Program as we wrap up projects from State Fiscal Year 2016, which ends on June 30, and make plans for State Fiscal Year 2017, which begins on July 1. We continue to identify ways to improve our approval process and offer low cost of capital, whether that is by streamlining environmental review or coordinating with our sister agencies or by offering interest rates which are at all-time historic lows.

In particular, in the era of dramatic changes to our climate, in the form of drought or extreme storms, and aging infrastructure, most recently highlighted by nationwide problems with lead-service lines, the SRF looks forward to working with Indiana towns and cities. As a part of this effort, as you will see described in articles in this issue of The Watershed, we are collaborating with Community Water Systems throughout Indiana to inventory existing water assets and identify long term water needs. We look forward to seeing you in our travels across the state as we together implement needed water and sewer infrastructure projects for Hoosiers to position Indiana for the future.

Bill Harkins, SRF Director

Applications and PERs are Due Soon

It's time to submit your applications and Preliminary Engineering Reports (PER) to the SRF Loan Program for SFY 2017!

Question: Did you know you can submit applications and PERs to the program all year?

Answer: It's true. We take your applications all year and score and rank them upon arrival of the PER.

Question: Why is the July 1st date so important?

Answer: July 1st is the beginning of the State Fiscal Year. It is also when we post the first priority list and score it for the fundable range. If you want to close on or before mid-December you need your PER in to us and scored for the PPL on July 1st. If you will finance after January 1st, the rush is not as important.

Question: When should I submit the PER to get on the July 1st PPL?

Answer: You must have the PERs submitted to SRF on or before June 17, 2016. This will allow SRF to score and rank the PER in time for the PPL to be posted in early July. Don't wait!

If you have any questions please contact Shelley Love at slove@ifa.in.gov or 317-232-4396.

SWERP Update

Source Water Emergency Response Plans (SWERPs) are being developed in a collaborative effort between IFA and IDEM. SWERPs are documents that are required for all surface water systems to serve as addendums to existing emergency response plans. These plans provide suggestions for [preparation in the event of an emergency](#), maps of potential sources of contamination, communication and outreach recommendations and protocols for responding to contamination of water supplies.

Thank you to the communities who worked with the State Revolving Fund to develop Source Water Emergency Response Plans (SWERPs). SWERPs are developed for utilities that use surface water as their primary source of drinking water supply. Of the 32 total communities that use surface water, 22 SWERPs have been completed and delivered. We anticipate delivering the final 10 documents by the end of June. For questions about SWERP, contact Staci Orr at sorr@ifa.in.gov or 317-232-8623.

DWSRF Needs Survey Update

A big thank you to the 74 drinking water systems that participated in the 2015 Drinking Water Infrastructure Needs Survey! Since the results of the survey directly impact the funds made available to the Indiana Drinking Water State Revolving Fund Loan Program for drinking water projects throughout the state, participation was crucial! In addition, the stacks of capital improvement plans, engineering reports, and cost estimates that each system submitted were very helpful in documenting those infrastructure needs and costs. The data is now being analyzed and a final report to Congress is expected in the spring.

Current SRF Interest Rates

Below are the current SRF Program interest rates, effective April 1, 2016 through June 30, 2016. The interest rates vary based on three ranges of average monthly user rates for an equivalent dwelling unit (User Rates) within each of the three Medium Household Income tiers, creating nine possible interest rates.

Indiana's Drinking Water and Wastewater SRF Programs use a Base SRF Interest Rate, which is re-set on the first business day of each January, April, July and October.

Drinking Water SRF Interest Rates	User Rates (Over \$45)	User Rates(\$25 to \$45)	User Rates (Under \$25)
Tier III (MHI*: under \$33,669)	2.00%	2.00%	2.00%
Tier II (MHI: \$33,670 to \$41,566)	2.00%	2.00%	2.09%
Tier I (MHI: over \$41,567)	2.00%	2.00%	2.34%
Wastewater SRF Interest Rates	User Rates (Over \$50)	User Rates(\$30 to \$50)	User Rates (Under \$30)
Tier III (MHI*: under \$33,669)	2.00%	2.00%	2.00%
Tier II (MHI: \$33,670 to \$41,566)	2.00%	2.00%	2.09%
Tier I (MHI: over \$41,567)	2.00%	2.00%	2.34%

*MHI reflected in the 2009-2013 American Community Survey

Note: Up to an additional .50% reduction may be permitted if a non-point-source project is financed along with a point source project or a project that includes green/sustainable components.

WHY-FI Water = Why Finance Water

Thank you to all of the water systems who submitted the Surveys and Audits to the IFA by the deadline of May 27, 2016! Your timely response is much appreciated! **With only a few systems remaining, don't let your utility be the last to submit your survey and audit!** The IFA is still accepting both Surveys and Water Loss Audits so please submit them as soon as possible!

Each week in May, all utilities who submitted the required information were entered into a drawing for the chance to win \$1,000 towards a new laptop for the utility! Week 1's winner was Dubois Water, week 2's winner was Ben Mar Chateau, week 3's winner was Sunnymede Community Association and week 4's winner was Crown Point Water Works. Congratulations and thank you for participating!



Photo: Crown Point Week 4 winner. Pictured from L to R: M. Scott Rediger – Director of Public Works, Senator Ed Charbonneau, Mayor David Uran, Kent Swinehart – Utilities Superintendent, Jim McGoff, IFA Director of Environmental Programs.

Over the past year, water safety issues made national headlines. In response to those reports and other challenges faced by Indiana water utilities, the Indiana General Assembly enacted SEA 347 which requires Indiana Community Water Systems to provide the Indiana Finance Authority (IFA) with critical information in the form of a Survey and Water Loss Audit.

The law includes two basic requirements:

All community water utilities in the State of Indiana provide to the Indiana Finance Authority a Non-Revenue Water Audit. When you have completed this requirement, please email the spreadsheet to waterstudy@ifa.in.gov. (the Audit)

IFA conduct a study and analysis of the infrastructure needs of the water utilities in the State of Indiana. (the Survey)

The Legislature noted, in its adoption of SEA 347, that leakage of treated water from distribution systems adds to the cost of service and may lead to increased raw water demands that may harm the natural environment. Identifying the needs of Indiana's water utilities will help plan for the mitigation of these issues and further protect Indiana's valuable drinking water supplies.

There are plenty of resources available to help you submit your survey and audit. All of that information can be found on IFA's website located here: <http://www.in.gov/ifa/2928.htm>

Technical assistance can be obtained by contacting waterstudy@ifa.in.gov.

More personal technical assistance can be obtained by contacting :

Staci Orr at 317-232-8623.

A total of eight workshops were held between April 20th and May 12th, 2016. More than 230 people attended, representing more than 160 utilities across the State of Indiana. Below is feedback received after those workshops:

"Very informative workshop and well attended. Keep up the good work!"

"Thank you for your time and efforts, it's genuinely appreciated!"

"Thank you for your good work and great class!"



The **NEW** Flood Control Revolving Fund Program

What is the Flood Control Revolving Fund Program?

The Flood Control Revolving Fund established under I.C. 14-28-5 is a fund from which financial assistance may be made to a Participant as defined in I.C. 14-28-5-4.5 for the purpose of instituting, accomplishing and administering any approved "flood control program" as defined in I.C. 14-28-5-1 and as set forth below. The administrative control, the responsibility for the administration of the fund, and the responsibility for the administration of the provisions of I.C. 14-28-5 is vested in the Indiana Finance Authority (Authority). Participants must demonstrate there is a need for the proposed flood control project for the purpose of protecting the health, safety, and general welfare of the inhabitants of the Participant's jurisdiction. Eligible participants may receive financing in the form of a low interest loan.

Who is eligible to apply for funding?

An eligible "participant" means any of the following: (1) a political subdivision as defined in I.C. 36-1-2-13, (2) a regional water, sewage, or solid waste district organized under I.C. 13-26-1, (3) a conservancy district established for purpose set forth in I.C. 14-33-1-1(a)(5), (4) an owner of a wastewater treatment system that is authorized by the federal Clean Water Act to borrow from the wastewater revolving loan program established under I.C. 13-18-13.

What types of projects are eligible for funding?

- The removal of obstructions and accumulated debris from channels of streams
- The clearing and straightening of channels of streams
- The creating of new and enlarged channels of streams, wherever required
- The building or repairing of dikes, levees, or other flood protective works
- The construction of bank protection works for streams
- The establishment of floodways
- Conducting all other activities that are permitted by the federal Flood Control Act and federal Clean Water Act

What are the loan terms, funding amount and interest rate?

- Maximum borrowing amount is \$250,000
- 2.0% for loan terms between 1 year and 5 years
- 2.5% for loan terms between 5 years to 10 years

When can applications be submitted and how are projects selected?

Applications may be submitted at any time. Project priority ranking will be based on the need of the Participant for the proposed flood control program as the need is related to the needs of other applicants. Emergency relief from actual or threatened flood damage may be considered regardless of priority rankings.

For more information contact Bill Harkins, SRF Program Director at 317-234-4862 or wharkins@ifa.in.gov

Water Resources Reform and Development Act WRRDA Update Spring 2016

WRRDA has been in effect for several years and the SRF Loan Program thought it would be helpful to remind participants of the following requirements. If you have any questions, please contact Camille Meiners at 317-234-3661. The referenced certification forms are located at www.srf.in.gov

Fiscal Sustainability Plans (FSP)

For applications submitted to the CWSRF Loan Program on or after October 1, 2014, loan recipients shall certify to the CWSRF Loan Program that they have developed and implemented or will develop and implement a fiscal sustainability plan (FSP) that includes the following minimum requirements:

- o An inventory of critical assets that are part of the treatment works.
- o An evaluation of the condition and performance of those assets.
- o A certification that the loan recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan.
- o A plan for maintaining, repairing, and replacing the assets and a plan for funding such activities

For loan recipients who are self certifying, the Certification Form is required to be submitted prior to loan closing. For loan recipients who are not self certifying, the Certification Form is due prior to the final disbursement of the project.

Cost & Effectiveness (C & E) Analysis

For applications submitted to the CWSRF Loan Program on or after October 1, 2015, loan recipients will have to certify that they have conducted a cost and effectiveness analysis on the proposed project. This analysis includes an evaluation of the costs and effectiveness of the proposed project, and selection of a project that, to the maximum extent practicable, maximizes the potential for energy conservation, and efficient water use, reuse, recapture, and conservation, taking into account construction, operation and maintenance, and replacement costs. The C & E certification must be provided to the CWSRF Loan Program prior to closing a loan.

Architectural & Engineering (A/E) Services

WRRDA requires architectural and engineering services for projects that are identified as equivalency projects to comply with the elements of the procurement processes for A/E services as identified in 40 U.S.C. 1101 et seq. or an equivalent state requirement. Equivalency projects will be required to certify that A/E contracts were procured in accordance with federal guidelines. The requirements of 40 U.S.C. 1101 et seq. are:

Public announcement of the solicitation (e.g. a Request for Qualifications);

- o Evaluation and ranking of the submitted qualifications statements based on established, publicly available criteria (e.g., identified in the solicitation);
 - o Evaluation criteria should be based on demonstrated competence and qualification for the type of professional services required (e.g., past performance, specialization, experience, and technical competence in the type of work required);
- o Discussion with at least three firms to consider anticipated concepts and compare alternative methods for furnishing services;
- o Selection of at least three firms considered to be the most highly qualified to provide the services required; and
- o Contract negotiation with the most highly qualified firm to determine compensation that is fair and reasonable based on clear understanding of the project scope, complexity, professional nature, and the estimated value of the services to rendered;
 - o In the event that a contract cannot be negotiated with the most highly qualified firm, negotiation continues in order of qualification.

What else is new?

American Iron and Steel

The American Iron and Steel (AIS) provision requires Clean Water State Revolving Fund and Drinking Water State Revolving Fund assistance recipients to use iron and steel products that are produced in the United States. This requirement applies to projects for construction, alteration, maintenance, or repair of a public water system or treatment.

The AIS provision is a permanent requirement for all Clean Water SRF projects under the Clean Water Act, as amended by the Water Resource and Redevelopment Act and is anticipated to be in Drinking Water State Revolving Fund appropriations in the future with no lapse in the requirement.

To date, the EPA has approved five national waivers that can be utilized by all SRF recipients on their project. If a community applies a national waiver, please have a copy of the Decision Memorandum in the project's AIS file for ease of review. National waivers can be reviewed at <https://www.epa.gov/cwsrf/state-revolving-fund-american-iron-and-steel-ais-requirement>.

Please contact Amy Henninger at 317-232-6566 or ahenning@ifa.in.gov with any American Iron and Steel Act questions.

Davis-Bacon Requirements

In accordance with EPA's Labor Standards Provisions, a copy of the Davis-Bacon General Wage Decision, as issued by the Department of Labor, must be included in all construction contracts in excess of \$2,000. Loan recipients are reminded that the wage rate modification that is in effect on the bid opening date is required to be used. Wage rate modifications are available at <http://www.wdol.gov>. If the contract is not awarded within 90 days from bid opening, the loan recipient is required to use the wage decision that is in effect at the time of contract award. Therefore, loan recipients are encouraged to award the contract within 90 days of bid opening.

A reminder that the State Revolving Fund no longer assigns a Labor Standards Administrator to closed loans. Any professional Labor Standards Administrator will need to be secured by the community or their contractors. A copy of this agreement should be submitted to the SRF and these costs should be included in the Sources and Uses for the project.

Additional resources to meet all your Davis Bacon needs are available on the SRF website at <http://www.in.gov/ifa/srf/2376.htm#DAVIS>. Please call Amy Henninger at 317-232-6566 or ahenning@ifa.in.gov with any questions.

Allocation of SRF Funds

The Indiana Finance Authority's Drinking Water State Revolving Fund (DWSRF) Loan Program is pleased to announce that Indiana allocated the 2016 Drinking Water State Revolving Fund Capitalization Grant quicker than any other state in the nation.

The federal government awards states capitalization grants to fund necessary drinking water and wastewater projects. It is significant that Indiana quickly allocates the capitalization grants to projects because it demonstrates Indiana has an immediate need for these funds.

What can your community do to ensure Indiana remains first in the nation to allocate these funds? Once a loan is secured with our program, spend down the funds as soon as possible by keeping on schedule and submitting disbursements on a regular basis.

SRF programs operate around the country to provide states and communities the resources necessary to maintain and improve the infrastructure that protects our valuable water resources nationwide. Communities can get more information about obtaining an SRF loan by contacting Shelley Love at (317) 232-4396, slove@ifa.in.gov, or by visiting www.srf.in.gov.



Project Highlight

Jackson County Water Utility

Jackson County Water Utility, Inc. Water System Improvements

The Jackson County Water Utility (JCWU) was established in 1970 and serves approximately 5,300 customers. Over the years, as the service area has expanded, the distribution system has grown larger with water main extensions, new water storage tanks and booster stations. The water demand has grown with the expansion and over time, JCWU has built and replaced treatment facilities, wells and other infrastructure. JCWU's recent needs included a new 600,000 gallon water tank, water main replacement, booster station upgrades, SCADA upgrades, water meter replacement, and rehabilitation and upgrades at the water treatment plant. JCWU received funding through the State Revolving Loan Program to complete their Water System Improvements Project .

Almost 40,000-LF of pipe was upsized and approximately 3,000-LF of galvanized steel pipe was replaced with PVC pipe. Six pumps were replaced at one of their booster stations and variable speed drives were added. The piping and valves in the booster station were also replaced. Approximately 3,300 meters were replaced with AMR meters which qualified for green project reserve. The project included a new 600,000 gallon storage tank as shown below. Several rehabilitation projects were included at the water treatment plant including rehabilitation of the sodium hydroxide room and technology center improvements.

Construction on this project began in January of 2015 and was substantially complete in October 2015.



Jackson County: New 600,000 gallon water storage tank next to the existing 300,000 gallon water storage tank.

Project Highlight

City of Evansville

In November 2010 the Evansville Water & Sewer Utility (EWSU) agreed to terms of a consent decree with the Indiana Department of Environmental Management and USEPA resolving a dispute and litigation regarding alleged Clean Water Act violations. On June 22, 2011 the Federal District Court for the Southern District approved the Consent Decree. The Decree requires the EWSU to develop and implement an Integrated Overflow Control Plan to address sewer system overflows and to develop and implement measures to properly operate and maintain the sewer systems and both East and West WWTPs.

Evansville closed on a \$35.4 million dollar loan through the SRF on December 15, 2014 saving the city approximately \$7.6 million in interest over a 20-year period. This loan financed the construction of twelve projects including the rehabilitation of the digesters at both the East and West wastewater treatment plants (WWTP).

The East WWTP is a conventional activated sludge plant that provides preliminary treatment, primary clarification, secondary treatment, sludge stabilization provided by anaerobic digestion and disinfection. The anaerobic digestion system includes three heated and mixed 75-foot diameter primary digesters and one unheated and unmixed 75-foot diameter secondary digester constructed in the late 1950s. The West WWTP is a conventional activated sludge plant/biological aerated filter system that also provides preliminary treatment, primary clarification, secondary treatment, sludge stabilization provided by anaerobic digestion and disinfection. The West WWTP also has the same number and size of primary digesters and secondary digester and constructed in the mid 1950s.

All six primary digesters with floating covers and two secondary digesters with gas holder covers were replaced or rehabilitated in the early 1990s. In the mid 2000s, a jet mixing system was installed to replace the cover mounted gas mixing system for the primary digesters at the East WWTP. The cover mounted gas mixing systems remained at the West WWTP.

The East WWTP's rehabilitation project includes: rehabilitating the secondary and primary digester covers; replacing the gas/safety handling equipment; replacing the primary sludge, sludge transfer and sludge recirculation pumps; making structural repairs to the digester tanks, control building and tunnels; simplifying the digester piping; replacing valves; applying corrosive resistant coatings to walls and piping; installing new gas and flow meters, level transmitters, temperature and pressure sensors; upgrading ventilation equipment and associated electrical equipment.

The proposed West WWTP's rehabilitation project includes: rehabilitating the primary and secondary digester covers; replacing the gas/safety handling equipment; rehabilitating the heat exchangers; installing a new jet mixing system; replacing the primary sludge, sludge transfer, sludge recirculating and interplant sludge pumps; modifying the digester piping; replacing valves; making structural repairs to the digester tanks, control building and tunnels; applying corrosive resistant coatings to walls and piping; installing new gas and flow meters, level transmitters, temperature and pressure sensors; upgrading ventilation equipment and electrical equipment; and installing a new motor control center.

This project included Green Project Reserve components:

1. Jet Mixing System- replacing the existing system at the West WWTP with a more efficient system that will achieve a higher reduction in volatile suspended solids resulting in less sludge production (energy efficiency).
2. Recycled Materials in Ductile Iron Piping- using 100% recycled ductile iron as opposed to new steel for making the digester piping modifications (energy efficiency).



East WWTP - Secondary Digester Gas Holder Cover in Back and Primary Digester Cover in Front

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Indiana State Revolving Fund Loan Programs: Drinking Water, Wastewater, Nonpoint Source

The State Revolving Fund (SRF) Loan Programs provide low-interest loans to Indiana communities for projects that improve wastewater and drinking water infrastructure. The SRF Programs, administered by the Indiana Finance Authority, protect both public health and the environment.



Indiana State Revolving Fund Loan Program

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