



STATE REVOLVING FUND (SRF) LOAN PROGRAM CLEAN WATER AND DRINKING WATER ASSET MANAGEMENT PROGRAM GUIDELINES

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**STATE REVOLVING FUND (SRF) LOAN PROGRAM
CLEAN WATER AND DRINKING WATER
ASSET MANAGEMENT PROGRAM GUIDELINES**

Section 1: Purpose

Pursuant to Indiana Code 5-1.2-10-16(b), the following Guidelines, established by the Indiana Finance Authority (Authority), shall be used to create and implement an Asset Management Program (AMP). Any Participant receiving financial assistance from the State Revolving Fund Loan Program (Program) is required to complete and implement an AMP. The purpose of the AMP is to:

- (1) Develop an AMP (by the participant) that can be used to assist in the necessary long-term management of the Utility's assets and support cost effective, proactive decisions related to the Utility's assets from creation, acquisition, operation and maintenance, and replacement/upgrade.
- (2) Ensure the long-term sustainability of the Participant's Utility assets by treating the AMP as a living document which is regularly referenced, revised, expanded, and implemented as an integral part of the operation and management of the Utility.
- (3) Provide a structural framework of the asset information to help the Utility and stakeholders determine when it is most appropriate to repair, replace, or rehabilitate a particular asset as well as determine a long-term funding strategy to ensure sufficient funds will be available to implement the Utility's improvements as needed.
- (4) Provide documentation demonstrating that the Utility has the technical, managerial, legal and financial capability to operate and maintain its water and/or wastewater system.

Section 2: Definitions

The following definitions apply throughout this document:

Asset Management Program (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. An AMP shall be inclusive of the requirements of a Fiscal Sustainability Plan as defined below.

Authority means the Indiana Finance Authority, created under IC 5-1.2-3-1.

Clean Water SRF or CWSRF means the State's Clean Water State Revolving Fund Loan Program created in accordance with the Clean Water Act, U.S.C. 1251 et seq., and IC 5-1.2-10.

Drinking Water SRF or DWSRF means the Drinking Water State Revolving Fund Loan Program as authorized by the Safe Drinking Water Act, 42 U.S.C. 1452 et seq., and IC 5-1.2-10.

Financial Assistance means any financial assistance provided by the Program or Authority.

Fiscal Sustainability Plan (FSP) means in connection with a project that provides for the repair, replacement, or expansion of an existing Treatment Works, a plan that is consistent with requirements of the criteria set forth in CWA Section 603 (d) (1) (E), including (a) an inventory of critical assets that are a part of the Treatment Works; (b) an evaluation of the condition and performance of inventoried assets or asset groupings; (c) a certification that the Participant has evaluated and will be implementing water and energy conservation efforts as part of the plan; and (d) a plan for maintaining, repairing, and, as necessary, replacing the Treatment Works and a plan for funding such activities.

Guidelines means these Clean Water and Drinking Water Asset Management Program Guidelines.

Participant means the following:

- (1) Political Subdivision as defined in IC 36-1-2-13.
- (2) Regional Water, Sewage, or Solid Waste District organized under IC 13-26-1.
- (3) Qualified entity described in IC 5-1.5-1-8(4) that is a public water utility as described in IC 8-1-2-125.
- (4) Conservancy District established for the purpose set forth in IC 14-33-1-1(a)(4) and (5)
- (5) Any other owner of a PWS that is authorized by the Safe Drinking Water Act to borrow from the Drinking Water SRF.

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

Program means the Drinking Water State Revolving Fund Loan Program as established by IC 5-1.2-10 and/or the Clean Water State Revolving Fund Loan Program as established by IC 5-1.2-10. Program may also mean any fund administered by the Authority.

Proposed Project means the activities or tasks a Participant identifies in its PER or any other document required by the Program related to the planning, design, and/or construction of a Proposed Project for which a Participant may commit and expend funds.

Utility means the body that maintains the infrastructure for water and/or wastewater services.

Section 3: Asset Management Program Development

The purpose of the AMP is to demonstrate that the Utility has the technical, managerial, legal and financial capability to operate and maintain its water and/or wastewater system.

Documentation for the AMP includes, but is not limited to the following categories:

- (1) Technical
- (2) Managerial
- (3) Financial

The AMP shall include, at a minimum, the following:

- (1) System map
- (2) An inventory and assessment of system assets
- (3) Development of an infrastructure inspection, repair, and maintenance plan, including a plan for funding such activities
- (4) An evaluation and implementation of water and energy conservation efforts
- (5) An analysis of the customer rates necessary to support the AMP
- (6) An Audit performed at least every two years
- (7) A Cyber Security Vulnerability Assessment performed at least annually
- (8) Demonstration that the Participant has the technical, managerial, legal and financial capability of operating and maintaining its water or wastewater system

An AMP certification must be submitted to the Program prior to becoming eligible for financing from the Indiana Finance Authority. Participants must submit the AMP certification with the PER as part of the project submittal. PERs submitted without an AMP certification will appear unranked on the project priority lists. The AMP shall meet the criteria set forth in these Guidelines. A Participant shall certify to the Program that it has met the above requirement.

For wastewater projects, the PER shall contain statements confirming that the Participant's AMP is inclusive of the requirements of a Fiscal Sustainability Plan (FSP). The FSP shall meet the criteria as set forth in CWA Section 603 (d) (1) (E) and as determined by the Program. A Participant shall certify to the Program that it has met the requirement.

More detailed information regarding AMPs can be found on SRF's website:
<https://www.in.gov/ifa/srf/2376.htm>.

Section 4: Financial Assistance Eligibility

The creation of an AMP is eligible for funding from the DWSRF and/or CWSRF program as a part of the Proposed Project which meets the Clean Water or Drinking Water State Revolving Fund Loan Program Guidelines.

Section 5: Reservation of Rights

The following rights are reserved:

- (1) The AMP Guidelines do not affect the Program's right under existing rules to take remedial action, including, but not limited to, administrative enforcement action and actions for breach of contract against a Participant that fails to carry out its obligations under these Guidelines.
- (2) Review or approval by or for the Program does not relieve the Participant of its responsibility to properly develop its AMP as required by state statutes, rules, and regulations.