STATE OF INDIANA

Drinking Water
State Revolving Fund
Loan Program

Intended Use Plan
State Fiscal Year 2015
July 1, 2014

Drinking Water State Revolving Fund Loan Program
Intended Use Plan SFY 2015

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Intended Use Plan
SFY 2015

I. Introduction

Pursuant to the Safe Drinking Water Act (SDWA), 40 CFR 35.3555 and P.L. 113-235 Fiscal Year (FY) Consolidated and Further Continuing Appropriations Act, 2015, 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) 2015 for its Drinking Water State Revolving Fund (DWSRF). An IUP is prepared each fiscal year to identify the uses of all monies available to the DWSRF during that fiscal year. Acronyms and terms used herein are defined in Exhibit A, DWSRF Loan Program Definitions.

This IUP supports all funds appropriated to the DWSRF during SFY 2015. Collectively, all grants to the DWSRF are referred to herein as Capitalization Grants.

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 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 2015 which is attached as Exhibit B.

II. Project Priority List (PPL)

The SFY 2015 PPL includes all applications and Projects. Projects for which a PER has been submitted have been ranked and scored. All other Projects for which the Authority received applications but for which PERs have not been submitted, are listed alphabetically un-scored and un-ranked. 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, a Fundable Range has been identified on the PPL.

The DWSRF Loan Program will continue to fund green projects. In addition to the PPL, Exhibit C sets forth green projects that may be included in the Green Project Reserve Sustainability Incentive Program.

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 Cross-cutter requirements must be applied to projects identified by the Authority whose cumulative funding is equivalent to the amount of the capitalization grant (i.e.

equivalency projects). The Indiana Drinking Water SRF Loan Program identifies equivalency projects in Exhibit E.

A. Project Scoring and Ranking System

To determine which Projects will receive loans, the State follows criteria for assistance established by the SDWA and 40 CFR 35.3555(c)(1). To the extent practical, the State expects to give priority to projects that propose the following items:

1. Address the most serious risk to human health;
2. Are necessary to ensure compliance with the SDWA; and
3. Assist systems most in financial need on a per household basis according to the State affordability criteria.
4. Bonus points will be available for Projects that include Green Project Reserve (GPR) Sustainability Incentive Program components, and climate resiliency elements.

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).

In addition to being ranked and scored and in the Fundable Range, "Project readiness criteria" will be applied to assure that Projects are ready for 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.

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, the State calculated a "Fundable Range" for those projects that are on the PPL.

The DWSRF Loan Program uses the Fundable Range to plan and prioritize its responsibilities and resources. On July 1, 2014, the Authority determined that funds available were insufficient to fund all projects on the PPL, 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 only 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 the additional requirements of P.L. 113-235 Consolidated and Further Continuing Appropriations Act, 2015. In addition, Projects that are viable only because of non-SRF financial assistance may be funded in advance of Projects in the Fundable Range.

Projects were included in the Fundable Range based on a Project's rank and score.

C. Bypass Procedure

The Authority has determined that funds on-hand are insufficient to fund projects in addition to those within the Fundable Range, therefore, the State will use the following bypass procedures to allow other projects on the PPL to receive financial assistance from the DWSRF during SFY 2015. As allowed by 40 CRF 35.3555(c)(2)(ii), these bypass procedures enable projects originally identified outside the 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 will be used in SFY 2015:

1. The DWSRF Loan Program will note the Fundable Range on the SFY 2015 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 must bid the entire DWSRF Loan Program financed project in advance of a DWSRF loan closing.

3. Up to December 31, 2014, only projects in the Fundable Range will be permitted to close a DWSRF loan. However, to meet the additional requirements of the Consolidated and Further Continuing Appropriations Act, 2015, the DWSRF Loan Program will give priority to Projects that are eligible to receive Additional Subsidization (in the form of principal forgiveness) and permit those projects to be funded in advance of projects in the Fundable Range. In addition, the DWSRF Loan Program will give priority to Projects that are viable only because of non-SRF financial assistance and permit those Projects to be funded in advance of the Projects in the Fundable Range.

4. After December 31, 2014, the DWSRF Loan Program will permit the bypass of projects within the Fundable Range that have not closed, or scheduled to close a loan. The DWSRF Loan Program will extend the Fundable Range by the amount of such bypassed projects. This is intended to afford Participants otherwise outside the original Fundable Range to gain priority in working quickly to close their loans.

5. After December 31, 2014, 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.

6. Notwithstanding the foregoing, after December 31, 2014, 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, etc.

7. All unfunded Projects are eligible to remain on the next SFY's PPL if they inform the DWSRF Loan Program of their desire to do so.

8. 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 not be limited to, the loss of safe drinking water resulting from the following events: flood, fire, system collapse, tornado, weather damage or hazardous spills. 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 to emergency projects.

III. 2015 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 State expects to achieve during SFY 2013, while long-term goals and objectives are those the State expects to achieve over a longer period.

A. Short-Term Goals and Objectives

During SFY 2015, the DWSRF Loan Program expects to achieve the following short-term goals and objectives:

ST1 Goal: Seek the immediate award of the Federal Fiscal Year (FFY) 2015 Capitalization Grant. Upon award, continue to disburse loan proceeds such that the 2015 Capitalization Grant can promptly be utilized.

ST1a Goal: Ensure that at least 20% but no more than 30% of the 2015 Capitalization Grant is used to provide Additional Subsidization in the form of principal forgiveness, negative interest loans or grants.

ST1b Goal: Ensure that Davis Bacon Act wage rules apply to all assistance agreements made with funds appropriated under the 2015 Capitalization Grant.

ST1c Goal: Ensure that all American Iron and Steel requirements (AIS) as set forth in the current Capitalization Grant are met.

ST1d Goal: If practical, identify equivalency projects in Exhibit E. List equivalency projects in Annual Report.

ST2 Goal: Ensure that all DWSRF Loan Program participants achieve or maintain compliance with existing or future requirements of the Safe Drinking Water Act.

ST3 Goal: Conduct at least 30 technical inspections during the construction phase and the post-construction phase to document the construction progress, as well as the appropriate use of SRF funds.

ST4 Goal: Work diligently with Participants and effectively manage Projects to assist Participants in closing loans and constructing projects in a timely, efficient manner.

B. Long-Term Goals and Objectives

During SFY 2015, the State will continue to work to achieve the following long-term goals:

LT1 Goal: Provide financial assistance to current and future Participants, by providing low-cost financing commensurate with prudent fiscal and credit standards.

LT2 Goal: Maintain the long-term financial integrity of the DWSRF by judiciously managing its assets in order to realize a rate of return that will sustain the DWSRF in perpetuity.

LT3 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, ensure the DWSRF Loan Program continues to avoid loan defaults. In particular, review the financial statements for Participants receiving a State Board of Accounts audit in the current calendar year. Require new Participants to utilize paying agent agreements and offer all prior Participants the opportunity to enter into a paying agent agreement. Conduct financial on-site visits as warranted.

LT4 Goal: Leverage EPA Capitalization Grants to generate loans that exceed two-times the awarded grant amounts.

LT5 Goal: Monitor Participant's draws of funds to assure loans are being drawn within two years. Assure that un-drawn funds are returned to the DWSRF loan pool and made available to other Participants, to minimize un-liquidated obligations.

LT6 Goal: Submit required reports to EPA in a well-prepared and timely manner.

LT7 Goal: Ensure that EPA funds are accessed within one week of incurring eligible expenses to minimize un-liquidated obligations.

LT8 Goal: Periodically publish an SRF Loan Program newsletter.

LT9 Goal: Develop a software database for staff to reference financial information related to each SRF financing.

LT10 Goal: Coordinate the co-funding of an Indiana Finance Authority Brownfield Program and DWSRF Loan Program project.

LT11 Goal: Report all uses of DWSRF funds in the Drinking Water Project Benefits Reporting (PBR) database and the Drinking Water SRF National Information Management System (NIMS) as required by the EPA and the Federal Funding Accountability and Transparency Act (FFATA).

LT12 Goal: Ensure that the DWSRF Loan Program and its Participants comply as required with Disadvantaged Business Enterprise, Federal environmental cross cutters and the Single Audit Act.

LT13 Goal: Encourage the funding of green projects that qualify for the Green Project Reserve Sustainability Incentive.

LT14 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, thereby increasing the DWSRF Set-Aside spending rate and reducing un-liquidated obligations. Coordinate with the Indiana Department of Environmental Management to develop new Set-Aside programs as needed.

LT15 Goal: Provide at least 15% of the DWSRF to systems serving fewer than 10,000 persons.

LT16 Goal: Complete an internal drinking water technical training course to ensure that all SRF Loan Program technical reviewers can competently review both wastewater and drinking water Projects.

LT17 Goal: Coordinate with the Indiana Department of Environmental Management's Drinking Water Branch to identify public water systems with Enforcement Targeting Tool (ETT) scores of 11 or greater that may benefit from DWSRF funding.

LT18 Goal: Ensure that DWSRF assistance is not provided to any public water system with an ETT score greater than or equal to 11, unless the conditions delineated in the SDWA section 1452(a)(3)(B) and (C) are met.

IV. Financial Status of the DWSRF

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 State, the proceeds of which are loaned to Participants. Earnings on the Capitalization Grants serve as a source of payment for Guarantee Revenue Bonds and State Match Revenue Bonds issued by the State.

As required by 40 CFR 35.3555(c)(4), Exhibit E, Intended Uses of the Funds, identifies the intended uses of the funds held in DWSRF 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(1) by using all of the funds in the DWSRF in an expeditious and timely manner.

B. Available Funds

During SFY 2015, the State 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 as, when and in amounts that are necessary for the State to meet the cash flow borrowing needs of existing and new loans. Binding commitments are only made from the DWSRF 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 State 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.

The maximum amount of funding available for loans depends on:

1. Demand for the DWSRF Loan Program as evidenced by Projects;
2. 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 2015; and
3. 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 State expects to seek a SFY 2015 Capitalization Grant, which is estimated to be $14,348,000. The State has been awarded the SFY 2014 Capitalization Grant in the amount of $14,348,000.

C. Cash Draw Ratio

The State's cash draw ratio calculation as of July 1, 2014 is presented in Exhibit F, Cash Draw Ratio Calculation.

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

The SDWA permits the State 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 State may use the Capitalization Grant to support activities in the Indiana Department of Environmental Management Drinking Water Program, 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. As required by 40 CFR 35.3555 (c)(3)(i), the State must provide the rationale for allocating Capitalization Grant funds between infrastructure loans and other activities known as "Set-Asides."

In SFY 2015, the State will take 2%, or approximately $286,960 of the Administrative Set-Aside. In addition, the State will bank 2%, or approximately $286,960 of the Administrative Set-Aside. See Exhibit G, State Fiscal Year 2015 Set-Aside Work Plan.

In SFY 2015, the State plans on taking approximately $1,000,000 of the State Program Management Set-Aside for source water activities. See Exhibit H, State Fiscal Year 2015 Set-Aside Workplan.

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 and directed toward infrastructure projects in the short-term. The DWSRF Loan Program retains the authority to reclaim the funds from a future Capitalization Grant.

A historic summary of Indiana DWSRF banked funds is presented in Exhibit H, Unspecified DWSRF Set-Aside Funds.

E. Other Types of Assistance Provided

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 State has the right to blend a large project with assistance from the SRF Pooled Loan Program. For instance, the State may require non-construction loans ("planning and design") loans to be funded by the SRF Pooled Loan Program. Furthermore, the State may require requests for additional funding to be funded by the SRF Pooled Loan Program.

The State 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 DWSRF Loan Program intends to provide at least 20% but no more than 30% of the 2015 Capitalization Grant funds as Additional Subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these. Pursuant to Indiana Code 13-18-21-2(a), the DWSRF Loan Program has the authority to offer loans and other financial assistance for the benefit of participants, including forgiveness of principal if allowed under federal law. The majority of the minimum amount of funds required to be given as Additional Subsidization shall be provided to those communities that have a lower median household income and/or high post-project user rates and/or have multiple SDWA violations. This will allow the DWSRF Loan Program to assist, as much as possible, communities that could not otherwise afford an SRF loan to receive the Additional Subsidization. The DWSRF Loan Program has not set a cap on the amount of principal forgiveness that a community may receive. The DWSRF Loan Program shall identify those communities who will receive Additional Subsidization and the amount of the Additional Subsidization prior to executing a financial assistance agreement. In cases where a project cost exceeds principal forgiveness, base SRF loan funds will make up a portion or all of the difference.

F. Transfers between DWSRF and CWSRF

The State has retained the flexibility to permit transfers between the DWSRF and the CWSRF of Capitalization Grants and other funds held in or allocable to such funds to the extent permitted by the CWA and the SDWA, specifically 40 CFR 35.3555(c)(8). Exhibit E, Intended Uses of the Funds, identifies transfer balances.

Each 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 State expects that transfers would be from funds held in its Grant Equity account or other funds held in the SRF and that such funds would be used to generate additional lending capacity under the leverage loan structure of the DWSRF. The State would expect only to make transfers in a manner consistent with agreements related to outstanding Guarantee Revenue Bonds and State Match Revenue Bonds.

G. Interest Rates

As allowed by 40 CFR 35.3555 (c)(3)(iii), Indiana's DWSRF Loan Program uses a Base Interest Rate, which is re-set on the first business day of each January, April, July, and October. The Base Rate is calculated by using 90 percent of the daily average 20-year AAA-rated, general obligation bond Municipal Market Data (MMD) composite index for the most recent calendar month. The Base Rate is discounted further based on the Participant's median household income (MHI) from 2000 Census data or the most recent American Community Five Year Survey 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 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-profits and for-profit entities will be set at the discretion of the State and may be higher, but no lower than the interest rates calculated by the means set forth immediately above.

H. Terms

Consistent with applicable law, all 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 State 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.

I. 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 State 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.

This cross-collateralization arrangement maximizes the security for bonds issued by the State to capitalize the SRF Loan Programs. Accordingly, this could relate to and affect all types of funds held in them. The State 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 State 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 State 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.

J. Fees Assessed on Recipients

As permitted by 40 CFR 35.3555 (c)(3)(iv), the State assesses Participants a Loan Closing Fee of $1,000 to offset loan processing costs incurred by the DWSRF Loan Program. The DWSRF Loan Program may also assess a Non-Use Fee on funds not used for project costs two years following the loan closing in order to encourage prompt use of funds. The total dollar amount in the DWSRF Administrative Fee account as of July 1, 2014 was $17,657.02.

Participants must use non-SRF monies to fund payment of the above mentioned fees.

K. DWSRF Financial Planning and Long-term Financial Health

The State employs financial advisor, Public Financial Management, Inc., to periodically evaluate the financial status and health of the DWSRF and make recommendations that support fiscal sustainability, in accordance with 40 CFR 35.3555 (c)(3)(v).

L. Assurances

As required by 40 CFR 31.26, 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 Budget Circular A-133.

As required by 40 CFR 35.3560(a), the Authority affirms that it will receive grant payment 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 withholdings of funds.

V. Public Participation

Pursuant to 40 CFR 35.3555 (b), the State will conduct a meaningful public review during the development of the SFY 2015 IUP. The DWSRF Loan Program will public notice the IUP dated July 1, 2014 on the SRF Loan Program website from February 11, 2015 through February 25, 2015.

The DWSRF Loan Program will respond to any major SFY 2015 IUP comment or concern; the process of such response will be determined by the nature of the comment or concern.

According to 40 CFR 35.3555(d), this IUP, including the PPL, may be amended during SFY 2015 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.

VI. Small Systems

Of the total amount available for assistance from the DWSRF each year, the State will make at least 15 percent 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 is a criterion of the priority system – small systems receive more points than large systems and the State monitors the population of Participants in order to verify this requirement.

VII. Set-Asides

On July 1, 2014, the balance of unexpended dollars in the Set-Aside funds was $473,523. The balance in each Set-Aside is listed in the attached spreadsheet, Exhibit I, Summary of Set-Aside Funds.

VIII. Disadvantaged Community Assistance

As permitted by 40 CFR 35.3555(c)(7), the State may provide assistance to disadvantaged communities. The State defines a disadvantaged community as a Participant with both 1) a Median Household Income (MHI) below $33,669, as established by the 2000 US Census or the most recent American Community Five Year Survey, and 2) an estimated post project user rate greater than $45.00 per month. These communities receive the lowest interest rate the State provides to DWSRF Participants. The 2015 Capitalization Grant requires at least 20% but no more than 30% of the funds appropriated to be used to provide Additional Subsidization to eligible recipients in the form of forgiveness of principal, negative interest loans or grants or any combination of these.

Exhibit A: DWSRF Loan Program Definitions

Terms used in this document have the following meanings:

Additional Subsidization means to provide assistance in the form of principal forgiveness, negative interest rate loans, or grants in accordance P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015. Priority for additional subsidies should be given to communities that could not otherwise afford such projects.

American Iron and Steel (AIS) means P.L. 113-235, Consolidated and Further Continuing Appropriations Act, 2015 (Act), includes an "American Iron and Steel (AIS)" requirement in section 436 that requires Clean Water State Revolving Loan Fund (CWSRF) and 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 or treatment works if the project is funded through an assistance agreement executed beginning January 17, 2014 (enactment of the Act), through the end of Fiscal Year 2015.

ARRA means the "American Recovery and Reinvestment Act of 2009" enacted on February 17, 2009.

Binding Commitment means a closed DWSRF loan.

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 I.C. 13-18-21 and the programs afforded thereby.

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

DWSRF Loan Program means the State's revolving fund loan program for drinking water infrastructure established under and pursuant to I.C. 13-18-21 and the programs afforded thereby.

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. DWSRF Equivalency Projects must comply with all of the following; a) FFATA reporting requirements, b) Single Audit Act, c) Federal Cross Cutters, and d) Disadvantaged Business Enterprise

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 climate resiliency planning.

Guarantee Revenue Bonds means one or more series of revenue bonds issued from time-to-time by the State to fund the 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 4-4-11.

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 Indiana Code 13-11-2-164.

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.

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 20 percent of each Capitalization Grant for the DWSRF.

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.

Wellhead Protection means a strategy to protect groundwater drinking supplies from pollution that can threaten health, lives, and community development.

INDIANA DRINKING WATER STATE REVOLVING FUND (DWSRF) LOAN PROGRAM

2015 Project Priority List (PPL), July 1, 2014, 1st Quarter

Projects Applying for Financial Assistance (20 Year Loan) In State Fiscal Year 2015 (July 1, 2014- June 30, 2015)

Preliminary Engineering Reports

PPL Rank [1]	PPL Score	Participant	MHI [2, 3]	Population	PWSID #	SRF Project No.	Project Description	EPA's Sustain-ability Policy Category [4]	Green Project Reserve Cost	Green Project Reserve Category [5]	Post-Project / Current User Rate (per 4,000 gallons)[2]	Total Project Cost	Cumulative DWSRF Request	
1	62	Greencastle	$29,789	12,699	5267004	DW 14076701	The utility has six wells considered under the direct influence of surface water. The utility proposes th make improvements to the current treatment facility to maintain compliance.	2	TBD	TBD	TBD	$2,675,500	$2,675,500	2015 Fundable Range: $25 Million
2	19	Gentryville	$38,750	1,500	5274004	DW 14027401	Parts of the distribution system have low pressure and low chlorine residuals. Some water mains are undersized and are approaching the end of useful life. An existing water storage tank has reached end of useful life. The utility will construct a new meter pit with chlorination facilities, water mains, booster station, an elevated and a ground water storage tanks.	1,2	$82,500	WE, EE	$47.95	$3,680,000	$6,355,500	
3	19	Washington Township Water Corp of Monroe County	$33,311	3,625	5253009	DW 14065301	The utility needs to replace some undersized pipe installed in the 1960s and 1970s, and rehabilitate an existing water storage tank.	1,2,3	TBD	WE	$39.73	$1,600,000	$7,955,500	
4	18	Brown County Water Utility Inc.	$43,708	11,300	5207001	DW13130702	The utility has a standpipe water tank that has reached the end of its useful life and is deteriorated. This project proposes a new larger tank to replace the old tank.	1,2	TBD	TBD	$50.88	$9,303,920	$17,259,420	
5	18	Jackson County Water Utility Inc.	$35,000	11,087	5236003	DW141236 01	The system treatment plant and distribution system are beyond their useful life for many of the parts. This project will rehab or replace components of the plant, treansmission mains, booster station and tank.	1, 3	TBD	TBD	$39.40	$4,800,511	$22,059,931	
6	17	Schneider	$46,339	314	5245042	DW 13024501	The town's distribution system has areas of old and undersized water mains that need to be replaced. Water quality and supply are insufficient; a water treatment plant and a new well are also proposed.	1,2	$0	N/A	$68.11	$2,134,248	$24,194,179	
7	17	Colfax	$42,687	878	5212001	DW 14011201	To improve water quality and safety, the town plans upgrades to the south well, treatment plant, and elevated storage tank. To address pressure and water quality issues, the town plans to install water mains, backflow prevention devices, and replacement of a hydrant. A new storage building is also planned.	1,2	$0	N/A	$48.00	$960,000	$25,154,179	
8	16	Southern Monroe Water Authority	$38,864	9,088	5253007	DW 14035301	The utility has low pressure issues and deteriorated booster stations. In response, it will construct a new connection with its supplier and install reinforcement mains.	2,3	TBD	TBD	$27.53	$2,680,000	$27,834,179	
9	16	Floyds Knobs Water Company	$61,312	5,846	5222002	DW 14112201	The utility has areas of low pressure and insufficient water storage. The utility plans to install new mains, reinforce some existing mains, and add a new storage tank to address these needs.	2	TBD	TBD	$32.62	$4,700,000	$32,534,179	
10	15	Reynolds	$40,833	532	5291013	DW 14109101	The town's water storage tank is over 60 years old and has reached end of useful life. The town will replace it.	2	TBD	TBD	$55.62	$1,490,000	$34,024,179	
11	15	Culver	$33,047	1,404	5250005	DW 14085001	The existing water treatment plant has reached end of useful life and the utility plans to replace it.	1,2,3	$63,000	WE, EE	$38.22	$1,525,000	$35,549,179	
12	13	Remington	$37,037	1,325	5237004	DW141337 01	Not meeting permit limits for iron. Construction of new water treatment plant.	1	TBD	TBD	TBD	$3,666,000	$39,215,179	
13	13	Bremen	$40,185	4,700	5250003	DW150250 01	The utility has inadequater water supply and need WTP upgrades. This project will inlcude planning for new wells, building wells, and WTP improvements.	2	TBD	EE	$17.66	$3,655,000	$42,870,179	
14	12	Yorktown	$50,974	4,684	5218014	DW 09671801	The utility needs to add a well to maintain supply and to act as back up in the event an existing well becomes inoperable.	2	$0	N/A	$35.64	$1,060,000	$43,930,179	
15	12	Citizens Water - Indianapolis	$40,051	869,570	5249004	DW 09534905	The utility requires another raw water intake structure at its White River water treatment plant.	2,3	$1,126,000	EE	varies	$28,700,000	$72,630,179	
16	9	Mount Vernon	$44,209	8,912	5265006	DW150165 02	Indivudal wells failing. Hook up to municipal water.	2	TBD	TBD	$28.16	$5,537,000	$78,167,179	
TOTAL PRELIMINARY ENGINEERING REPORTS SUBMITTED									**$1,271,500**			**$78,167,179**		

INDIANA DRINKING WATER STATE REVOLVING FUND (DWSRF) LOAN PROGRAM

2015 Project Priority List (PPL), July 1, 2014, 1st Quarter

Projects Applying for Financial Assistance (20 Year Loan) In State Fiscal Year 2015 (July 1, 2014- June 30, 2015)

Applications Only: Not Scored and Unranked

PPL Rank [1]	PPL Score	Participant	MHI [2, 3]	Population	PWSID #	SRF Project No.	Project Description	EPA's Sustain-ability Policy Category [4]	Green Project Reserve Cost	Green Project Reserve Category [5]	Post-Project / Current User Rate (per 4,000 gallons)[2]	Total Project Cost	Cumulative DWSRF Request
Application Only	--	Citizens Water - Indianapolis	$40,051	869,570	5249004	DW 10104901	Switchgear and other electrical components have reached end of useful life and need to be replaced. The utility plans to replace these.	2	TBD	TBD	varies	$7,993,000	$7,993,000
Application Only	--	Ligonier	$36,546	4,357	5257010	DW 14095701	The condition of the plant is poor due to age. The project proposes to update the treatment plant, add SCADA and make improvements to the distribution lines.	1,2	TBD	TBD	$29.41	$1,667,263	$9,660,263
Application Only	--	Millersburg	$43,750	900	5220015	DW 10032001	The utility needs a new water treatment plant and plans to replace it.	2	TBD	TBD	$33.92	$868,000	$10,528,263
TOTAL APPLICATIONS ONLY SUBMITTED												**$10,528,263**	

TOTAL PRELIMINARY ENGINEERING REPORTS and APPLICATIONS SUBMITTED **$1,271,500** **$88,695,442**

Footnotes:

[1] A community must submit a complete Preliminary Engineering Report to the DWSRF Loan Program in order for the project to be scored and ranked on the Project Priority List (PPL).

[2] Additional subsidization may be provided to participants who have a low Median Household Income (MHI) and/or high post-project user rates as outlined in the Intended Use Plan. 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 as a participant with a Median Household Income (2000 US Census) that is less than $33,669.

[4] EPA's Clean Water and Drinking Water Infrastructure Sustainability Policy. Category 1: projects that are based on a "fix it first" approach that focuses on system upgrade and replacement in existing communities. Category 2: investigations, studies, or plans that improve the technical, managerial, and financial capacity of the assistance recipient to operate, maintain, and replace financed infrastructure. Category 3: preliminary planning, alternatives assessment, and eligible capital projects that reflect the full life cycle costs of infrastructure assets, conserve natural resources, or use alternative approaches to integrate natural or "green" systems into the built environment.

[5] EE = Energy Efficiency, EI = Environmentally Innovative, GI = Green Infrastructure, WE = Water Efficiency.

Exhibit C: Green Project Reserve Sustainability Incentive

DWSRF Loan Program 2015 Capitalization Grant:	$14,358,000
Green Project Reserve Goal (20%):	$2,871,600
Green Project Reserve Provided:	$3,337,289

Community	Project Description	Total Project Cost	Green Project Description	Business Case (BC) or Categorical Exemption (CE)	Category 1: Green Infrastructure	Category 2: Water Efficiency	Category 3: Energy Efficiency	Category 4: Environmentally Innovative	Total Eligible GPR Cost (sum of Categories 1-4)
Washington Township Water Corp of Monroe	Water Main Replacement	$1,500,000	water main replacement	BC		$140,345			$140,345
Yorktown	install a new water well	$1,200,000	ductile iron pipe	BC				$344,050	$344,050
Gentryville	New meter pit, water mains, storage tank, booster station, SCADA	$1,390,000	SCADA	BC		$114,092			$114,092
Greencastle	WTP Improvements: surface water rules	$2,900,000	Ductile Iron Piping	BC				$187,340	$187,340
Jackson County Water	Rehab and replace distribution system.	$4,960,000	Automatic Meter Reading System	BC		$761,962			$761,962
Brown County Water Utility Inc.	The utility has a standpipe water tank that has reached the end of its useful life and is deteriorated. This project proposes a new larger tank to replace the old tank.	$9,303,920	TBD		TBD	TBD	TBD	TBD	TBD
Southern Monroe Water Authority	The utility has low pressure issues and deteriorated booster stations. In response, it will construct a new connection with its supplier and install reinforcement mains.	$2,680,000	TBD		TBD	TBD	TBD	TBD	TBD
Floyds Knobs Water Company	The utility has areas of low pressure and insufficient water storage. The utility plans to install new mains, reinforce some existing mains, and add a new storage tank to address these needs.	$4,700,000	water main replacement			TBD			TBD
Reynolds	The town's water storage tank is over 60 years old and has reached end of useful life. The town will replace it.	$1,490,000	TBD		TBD	TBD	TBD	TBD	TBD
Culver	The existing water treatment plant has reached end of useful life and the utility plans to replace it.	$1,525,000	VFDs			TBD	TBD		$63,000
Remington	Not meeting permit limits for iron. Construction of new water treatment plant.	$3,666,000	VFDs, ductile iron piping, steel horizontal pressure filters	BC		$3,500	$597,000		$600,500
Bremen	The utility has inadequate water supply and needs WTP upgrades. This project will include planning for new wells, constructing wells, and WTP improvements.	$3,655,000	TBD				TBD		TBD
Citizens Water - Indianapolis	The utility requires another raw water intake structure at its White River water treatment plant.	$28,700,000	VFDs, SCADA	BC			$1,126,000		$1,126,000
Mount Vernon	Individual wells failing. Hook up to municipal water.	$5,537,000	TBD	TBD	TBD	TBD	TBD	TBD	TBD
Shirley	Water loss and security issues. Pipe replacement, new hydrants and valves, new generator and new fence.	$721,855	TBD	TBD	TBD	TBD	TBD	TBD	TBD
TOTAL		**$73,928,775**							**$3,337,289**

INDIANA FINANCE AUTHORITY

DRINKING WATER STATE REVOLVING FUND LOAN PROGRAM

PROJECT SCORING AND RANKING WORKSHEET

Project Name: _____

SRF Project Number: _____

PWSID#: _____

SRF Worksheet Reviewer: _____

Date: _____

DWSRF Loan Program Project Scoring and Ranking Worksheet

INSTRUCTIONS:

Projects are scored using the following criteria in order to be ranked according to their priority on 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 points is 101. If projects score equally, the project with the highest initial total first in Section 1, then Section 2, and finally Section 3 will prevail. If a tie persists, then the project that serves the smallest population will prevail.

A project must submit a complete Preliminary Engineering Report (PER) to the DWSRF Loan Program in order to be scored and ranked on the PPL.

Section 1: Acute Public Health / SDWA Compliance (upper limit 55 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 55. Acute public health concerns affect an individual in the immediate short-term.

Criteria to be corrected by project	Points for this criteria	Points for the project
1. Administrative Order, Agreed Order, or the Indiana Department of Environmental Management (IDEM) declares a waterborne emergency at existing waterworks for acute public health concerns	**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. Condition determined to be an acute public health concern by IDEM or the Indiana State Department of Health (ISDH)	**50 points**	
7. Project corrects a compliance issue associated with an Enforcement Targeting Tool (ETT) score of 11 or greater	**50 points**	
	Initial total is:	

The upper limit for points in Section 1: Acute Public Health / SDWA Compliance is 55.

The final score for Section 1 is: _____

Section 2: Chronic Public Health / SDWA Compliance (upper limit 25 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 25 points. Chronic public health concerns affect an individual over a lifetime.

Criteria to be corrected by project	Points for this Criteria	Points for the project
1. Administrative Order or Agreed Order for chronic public health concerns	**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. Condition determined to be a chronic public health concern by IDEM or ISDH	**20 points**	
	Initial total is:	

The upper limit for points in Section 2: Chronic Public Health / SDWA Compliance is 25.

The final score for Section 2 is: _____

Section 3: Public Health / Water Works Regulations Compliance (upper limit 10 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 2003 Edition (A Report of the Water Supply Committee of the Great Lakes – Upper Mississippi River Board of State and Provincial Public Health and Environmental Managers). The upper limit for points in this section is 10 points.

Criteria to be corrected by project	Points for this Criteria	Points for the project
1. Resolve an IDEM connection ban, early warning notice or a non-SDWA violation	10 points	
2. Resolve inadequate pressure in water works	10 points	
3. Resolve conditions of inadequate quantity of a water supply, including individual home wells	7 points	
4. Ensure that drinking water receives appropriate treatment to meet secondary standards	7 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 into the distribution system	3 points	
9. Install eligible security measures (alternate intake, fencing, lighting, cameras, motion detectors, secure chemical and fuel storage, security hatches, and access panels)	3 points	
	Initial total is:	

The upper limit for points in Section 3: Public Health / Water Works Regulations Compliance is 10.

The final score for Section 3 is: _____

Section 4: Affordability and Population (upper limit 6 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 6 points. Sources for median household income and population data include the 2000 U.S. Census or the most recent American Community Five Year Survey and the IDEM Safe Drinking Water Information System (SDWIS). The post project annual water bill is based on an average monthly water bill (based on 4,000 gallons) x 12 months and rounded to one decimal place.

Criteria to be corrected by project	Points for this Criteria	Points for the project
A. Affordability: post-project annual water bill as a percentage of median household income *Community water systems only.*		
Greater than or equal to 1.5 %	**5 points**	
1.0 – 1.4 %	**4 points**	
Less than or equal to 0.9 %	**1 point**	
B. Population served by the project *Community and non-community water systems*		
Less than or equal to 10,000	**1 point**	
Greater than or equal to 10,001	**0 points**	
	Initial total is:	

The upper limit for points in Section 4: Affordability and Population is 6.

The final score for Section 4 is: _____

Section 5: Bonus (upper limit 4 points)

Instructions: Bonus points encourage community water systems to perform planning and proper operation and maintenance. Non-community water systems are not eligible for bonus points. The upper limit for points in this section is 4 points.

Criteria to be corrected by project	Points for this Criteria	Points for the project
A. Other Funds Available 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. The percentage is calculated by dividing the other funds by the total project cost and rounding to a whole number. Assign points based on whether the system has the committed funds (**Awarded**) or is still in process of applying for other funds (**Applying**).		
Less than or equal to 10 %	**0 points**	
11-50 % (Awarded: 2 points / Applying: 1 points)	**1-2 points**	
Greater than or equal to 50% (Awarded: 3 points / Applying: 2 points)	**2-3 points**	
B. Capacity Development / Sustainability		
1. Completes a self-assessment survey to assess the technical, managerial and financial capability of the utility, such as CUPSS (Check Up System for Small Systems)	**1 point**	
2. Attends training for Utility Board Drinking Water Administrators	**1 point**	
3. Consolidation of a SDWA compliant public water system or interconnection	**1 point**	
4. Zero SDWA violations in last 12 months	**1 point**	
5. Project includes Wellhead Protection Plan Implementation measures	**1 point**	
6. Member of InWARN Network	**1 point**	
7. Recognized with a Hoosier Water Guardian Award	**1 point**	
8. >95% customers metered	**1 point**	
9. Unaccounted for water <15%	**1 point**	
10. Public Water System utilizes a Water Conservation Ordinance	**1 point**	
11. Project includes the remediation/redevelopment of a brownfield (IC 13-11-2-19.3) in conjunction with the Indiana Finance Authority Brownfields Program	**1 point**	
12. Project incorporates sustainable infrastructure as identified on the Green Project Reserve Sustainability Incentive Drinking Water Checklist. One point is awarded for each category, four points maximum.		
Category 1: Green Infrastructure	**1 point**	
Category 2: Water Efficiency	**1 point**	
Category 3: Energy Efficiency	**1 point**	
Category 4: Environmentally Innovative	**1 point**	
13. Climate Resiliency	**1 point**	
	Initial total is:	

The upper limit for points in Section 5: Bonus is 5. The final score for Section 5 is: _____

DWSRF Project Scoring and Ranking Table	
Section 1: Acute Public Health / SDWA Compliance (upper limit 55 points)	
Section 2: Chronic Public Health / SDWA Compliance (upper limit 25 points)	
Section 3: Public Health / Water Works Regulations Compliance (upper limit 10 points)	
Section 4: Affordability and Population (upper limit 6 points)	
Section 5: Bonus (upper limit 5 points)	
TOTAL SCORE:	

DWSRF Loan Program FFY 2015 Capitialization Grant* $14,358,000

Community	Project Description	Total Project Cost	will submit DBE report	will comply with federal cross-cutters	will comply with the single audit act	will be reported to FSRS to meet FFATA requirements
Washington Township Water Authority	Replace water mains	1,500,000	yes	yes	yes	yes
Schneider	Replace water main, new water treatment plant and a new well.	2,154,000	yes	yes	yes	yes
Yorktown	install a new water well	1,200,000	yes	yes	yes	yes
Gentryville	New meter pit, water mains, storage tank, booster station, SCADA	1,390,000	yes	yes	yes	yes
Greencastle	WTP Improvements: surface water rules	2,900,000	yes	yes	yes	yes
Jackson County	Rehab and replace distribution system.	4,960,000	yes	yes	yes	yes
Colfax	upgrades to the south well, treatment plant, and elevated storage tank, install water mains, backflow prevention devices, and replacement of a hydrant. A new storage building is also planned.	600,000	yes	yes	yes	yes
	Equivalency Project Cost Total:	**$14,704,000**				

* These are the proposed equivalency projects. The actual equivalency projects will be outlined in the 2015 Drinking Water SRF Annual Report.

Exhibit F
Intended Uses of the 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 2014 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 2014 as well as loans anticipated to be closed in SFY 2015 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, 2014, the aggregate amount of closed and committed loans exceeded the balance in this account ("Excess Commitments"). As additional loans are closed in SFY 2015, such committed amounts will contribute to additional Excess Commitments. The aggregate amount held in this account as of July 1, 2014 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) 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 Intended Use 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 a portion of the not-yet-available FFY 2015 (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 Intended Use 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, 2014 and as anticipated in SFY 2015) 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

[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, 2014, 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 $255.1 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 2015 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.

Series of Program Bonds (a "Series Reserve") exceeds its Series Reserve Requirement.

Uses of Funds: These funds are used to fund each Series Reserve by immediately transferring them as necessary (the *first* possible use) to each Series Reserve that is below its Series Reserve Requirement on each February 1 and August 1 and secondly (if not required for such *first* use) shall be transferred to an Equity account (the *secondary* use; which is expected to occur). Any such transfer is either made to a Grant Account or Earnings Account depending on the source of the funds transferred to the Reserve Deficiency Account.

Available Balance: No amounts were held in this account as of July 1, 2014 nor are any so anticipated in SFY 2015.

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.

[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 Intended Use Plan, the DWSRF treats it as part of the "reserve" for the purposes of this Intended Use 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 2014 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, 2014.

[11] In addition to meeting any Excess Commitments as of July 1, 2014, 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, 2014, (b) PERs submitted and under review by the DWSRF as of July 1, 2014 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2015), each as detailed in the Use Schedule.

Available Balance: The aggregate amount held in this account (as of July 1, 2014 and as anticipated in SFY 2015) 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.

Drinking Water Equity Earnings Account

Sources of Funds: Funds held in this account come from (a) transfers from the Reserve Earnings Account and the Participant Loan Interest Account undertaken approximately annually or at the time of an issuance of additional Program Bonds and (b) earnings on amounts invested in the Equity accounts.

Uses of Funds: These funds are used (i) as security and as a source of payment for the outstanding Guarantee Revenue Bonds and outstanding State Match Revenue Bonds as permitted by 40 CFR 35.3525(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, 2014 is shown in the Use Schedule.[13]

Additional Information Concerning Expected Uses of SRF Funds

Use of Available Balances to Meet Closed Loan Commitments. 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, 2014, there were Excess Commitments. By closing new loans for qualified Proposed Projects with (a) approved PERs as of July 1, 2014, (b) PERs submitted and under review by the DWSRF as of July 1, 2014 and (c) additional PERs to be submitted (including as set in the new PPL in SFY 2015), 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 2015. 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 2015) in the event additional Guarantee Revenue Bonds could not to be issued.

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

Use of Available Balances as a Reserve and Source of Payment for Guarantee Revenue Bonds. 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 2015 in the event additional Guarantee Revenue Bonds could not to be issued and (b) any transfers to the CWSRF as permitted by law.

Use of Available Balances as a Source of Payment for State Match Revenue Bonds. All SRF earnings including amounts held in the Reserve Earnings Account and Equity Earnings Account secure, and are a source of payment, for State Match Revenue Bonds as permitted by 40 CFR 35.3550(g)(3). In addition to this use, a portion of these funds are held to meet (a) Excess Commitments in SFY 2015 in the event additional Guarantee 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, 2014, about $23.6 million has been transferred to DWSRF. As of July 1, 2014, the cumulative transfer amount available for additional transfers from CWSRF to the DWSRF could result in up to approximately $70.7 million of allowable transfers which includes 33% of the FFY 2014 grant. The full amount of any such potential transfers is banked.

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 transfer 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 F-Schedule 1

	Account Balances* as of: 30-Jun-2014 (Actual)	Future Deposits in SFY
A. Funds Committed to Projects by DWSRF		
Purchase Account	$ -	$ -
	$ -	$ -
B. Other Funds Held in DWSRF		
Reserve Grant Account	$ 17,600,000	$ -
Reserve Earnings Account	-	-
Reserve Deficiency Account	-	
Equity Grant Account	124,100,000	$ 26,100,000
Equity Earnings Account	23,300,000	-
	$ 165,000,000	$ 26,100,000
Total Available Funds (A. and B. above)	$ 165,000,000	$ 26,100,000

Proof of Timely & Expedious Use of Above Funds Held in DWSRF*	
Closed Loan (Undrawn loan amounts covered by on-hand Purchase A/C Funds)	$ -
Closed Loan Excess Commitments (after Application of above Purchase A/C **)	2,300,000
Closed Loan to be funded directly from Equity (undrawn portion of loan)	100,000
PERs In-house (approved & under-review) Awaiting Loan Closing	78,200,000
Other Projects on new SFY's PPL, Requesting Loan Funding	10,500,000
*1. Use: to cover Loan Demand****	91,100,000
2. Use: to cover Series Reserve Requirement	18,300,000
Possible Uses of Funds (1 & 2 above without considering other secondary purposes for holding them in the DWSRF) # are as follows:	$ 109,400,000
Uses of Funds (1 & 2 above):	$ 109,400,000
Less: Total Available Funds (A. and B. above)	191,100,000
Amount by which "*Possible Uses of Funds*" EXCEED "*Total Available Funds*"*****	$ (81,700,000)

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.

**** The substantial increase in available funds as compared to previous years is a direct result of the Program's restructuring that resulted in a reduced need for funds being held in reserve accounts for individual bond issues and an indirect result of the migration from a Reserve Fund Program to a Cash Flow Program.

EXHIBIT G: CASH DRAW RATIO CALCULATION

STATE OF INDIANA
STATE REVOLVING FUND
Multiplier Calculation - Drinking Water (Series 2014A) 04/24/14

Assumptions Re: Series 2014A Revenue Bonds

	Total Capitalization Grants (thru 04/2014) *(4)* **:**	243,062,100.00
	Existing and Anticipated Loans ***(1)*** **:**	
	Existing Loans Funded by Leverage Revenue Bonds	400,960,648.84
	Existing Loans Funded by Transfers to Purchase Account	57,835.75
	Existing Loans Funded by State Match Revenue Bonds	48,612,420.00
	Net Proceeds:	449,630,904.59
	Calculation of Debt Service Reserve Fund:	
	Capitalization Grants Matched by SM Bonds (2)	243,062,100.00
√	Future Capitalization Grants to be Matched or If Negative **(Over-matched)**	0.00
	Less Set-asides ***(3)***	(32,041,281.07)
	Debt Service Reserve	211,020,818.93
	State Match:	
	20% of Total Capitalization Grants	48,612,420.00
	Less Loans Funded by State Match Revenue Bonds (1)	(48,612,420.00)
		0.00
√	Future Loans to be Funded by State Match Revenue Bonds **(Over-match)**	0.00
	Calculation of Federal Share:	100.00%
	Federal Share = (Capitalization Grants less Set-asides) / Debt Service Reserve	
√	**Calculated Drinking Water SRF Program Multiplier:**	**46.93%**
	Multiplier = Federal Share * (Debt Service Reserve / Net Proceeds)	

EXHIBIT G: CASH DRAW RATIO CALCULATION

STATE OF INDIANA
STATE REVOLVING FUND
Multiplier Calculation - Drinking Water (Series 2014A) 04/24/14

Assumptions Re: Series 2014A Revenue Bonds

Details and Assumptions

(1) Loans Funded by Leverage Revenue Bond Proceeds	
Loans Funded by Series 1998A Leverage Revenue Bond Proceeds:	20,000,000.00
Loans Funded by Series 2000A Leverage Revenue Bond Proceeds:	21,263,000.00
Loans Funded by Series 2000B Leverage Revenue Bond Proceeds:	29,000,000.00
Loans Funded by Series 2001A Leverage Revenue Bond Proceeds:	67,000,000.00
Loans Funded by Series 2002B Leverage Revenue Bond Proceeds:	15,000,000.00
Loans Funded by Series 2004B Leverage Revenue Bond Proceeds:	31,469,263.45
Loans Funded by Series 2004C Leverage Revenue Bond Proceeds:	-
Loans Funded by Series 2005A Leverage Revenue Bond Proceeds:	20,000,000.00
Loans Funded by Series 2006A Leverage Revenue Bond Proceeds:	16,480,000.00
Loans Funded by Series 2006B Leverage Revenue Bond Proceeds:	29,406,891.00
Loans Funded by Series 2007A Leverage Revenue Bond Proceeds:	10,062,551.00
Loans Funded by Series 2007B Leverage Revenue Bond Proceeds:	27,600,000.00
Loans Funded by Series 2009A Leverage Revenue Bond Proceeds:	11,802,969.33
Loans Funded by Series 2010B Leverage Revenue Bond Proceeds:	17,132,172.08
Loans Funded by Series 2011A Leverage Revenue Bond Proceeds:	54,841,034.63
Loans Funded by Series 2012B Leverage Revenue Bond Proceeds:	17,212,767.35
Loans Funded by Series 2012C Leverage Revenue Bond Proceeds:	12,690,000.00
Loans Funded by Series 2014A Leverage Revenue Bond Proceeds:	-
	400,960,648.84
Loans Funded by Transfers to Purchase Account	
Series 2000B Gen. Fund Excess Transferred to Purchase Account:	12,042.81
Series 2001A Gen. Fund Excess Transferred to Purchase Account:	21,943.38
Series 2002B Gen. Fund Excess Transferred to Purchase Account:	5,419.23
Series 2005A COI and SRF Program Fund Excess Transferred to Purchase Act	18,430.33
	57,835.75
Loans Funded by State Match Revenue Bond Proceeds	
Loans Funded by Series 1 Subordinate State Match Revenue Bond Proceeds:	6,860,000.00
Loans Funded by Series 2 Subordinate State Match Revenue Bond Proceeds:	5,640,000.00
Loans Funded by Series 2000B	-
Loans Funded by Series 2001A	3,823,000.00
Loans Funded by Series 2002B	-
Loans Funded by Series 2004B	3,949,860.00
Loans Funded by Series 2004C	-
Loans Funded by Series 2005A	-
Loans Funded by Series 2006A	2,100,000.00
Loans Funded by Series 2006B	2,493,109.00
Loans Funded by Series 2007A	-
Loans Funded by Series 2007B	2,400,000.00
Loans Funded by Series 2009A	7,000,000.00
Loans Funded by Series 2010B	4,437,000.00
Loans Funded by Series 2011A	1,567,051.00
Loans Funded by Series 2012B	2,788,000.00
Loans Funded by Series 2012C	-
Loans Funded by Series 2014A	5,554,400.00
	48,612,420.00
(2) Capitalization Grants Available:	
Total Capitalization Grants (thru 04/2014) ***(4)***:	243,062,100.00
Less Set-Asides ***(3)***	(32,041,281.07)
Capitalization Grants Available for the Leveraged Program:	211,020,818.93
Less Capitalization Grants Matched by Series 1 Bonds:	(34,300,000.00)
Less Capitalization Grants Matched by Series 2 Bonds:	(28,200,000.00)
Less Capitalization Grants Matched by Series 2000B Bonds:	-
Less Capitalization Grants Matched by Series 2001A Bonds:	(19,115,000.00)
Less Capitalization Grants Matched by Series 2002B Bonds:	-
Less Capitalization Grants Matched by Series 2004B Bonds:	(19,749,300.00)
Less Capitalization Grants Matched by Series 2004C Bonds:	-
Less Capitalization Grants Matched by Series 2005A Bonds:	-
Less Capitalization Grants Matched by Series 2006A Bonds:	(10,500,000.00)
Less Capitalization Grants Matched by Series 2006B Bonds:	(12,465,545.00)
Less Capitalization Grants Matched by Series 2007A Bonds:	-
Less Capitalization Grants Matched by Series 2007B Bonds:	(12,000,000.00)
Less Capitalization Grants Matched by Series 2009A Bonds:	(35,000,000.00)
Less Capitalization Grants Matched by Series 2010B Bonds:	(22,185,000.00)
Less Capitalization Grants Matched by Series 2011A Bonds:	(7,835,255.00)
Less Capitalization Grants Matched by Series 2012B Bonds:	(13,940,000.00)
Less Capitalization Grants Matched by Series 2012C Bonds:	-
Less Capitalization Grants Matched by Series 2014A Bonds:	(27,772,000.00)
Capitalization Grants Matched by SM Bonds:	(243,062,100.00)
√ Capitalization Grants to be Matched by Future SM Bonds **(Over-match)**:	-

EXHIBIT G: CASH DRAW RATIO CALCULATION

STATE OF INDIANA
STATE REVOLVING FUND
Multiplier Calculation - Drinking Water (Series 2014A) 04/24/14

Assumptions Re: Series 2014A Revenue Bonds

	(3) DW Capitalization Grants Set-aside			
	1997 Federal Capitalization Grant	(Admin. Only)	4.00%	1,014,872.24
	1998 Federal Capitalization Grant	(Admin. Only)		-
	1999 Federal Capitalization Grant	(Admin. Only)		-
	2000 Federal Capitalization Grant	(Admin. Only)		-
	2001 Federal Capitalization Grant	(Admin. Only)		107,144.04
	2002 Federal Capitalization Grant	(Admin. Only)		123,298.00
	2003 Federal Capitalization Grant	(Admin. Only)		233,928.00
	2004 Federal Capitalization Grant	(Admin. Only)		-
	2005 Federal Capitalization Grant	(Admin. Only)		206,820.07
	2006 Federal Capitalization Grant	(Admin. Only)		417,488.00
	2007 Federal Capitalization Grant	(Admin. Only)		-
	2008 Federal Capitalization Grant	(Admin. Only)		100,000.00
	2009 Federal Capitalization Grant	(Admin. Only)	4.00%	454,680.00
	2010 Federal Capitalization Grant	(Admin. Only)	2.00%	452,760.00
	2011 Federal Capitalization Grant	(Admin. Only)	2.00%	314,180.00
	2012 Federal Capitalization Grant	(Admin. Only)	(banked) 4.00%	-
	2013 Federal Capitalization Grant	(Admin. Only)		561,840.00
	2014 Federal Capitalization Grant	(Admin. Only)		286,960.00
	2010 Additional Subsidization Allocation			7,000,000.00
	2011 Additional Subsidization Allocation			5,000,000.00
	2012 Additional Subsidization Allocation			3,000,000.00
	2013 Additional Subsidization Allocation			3,000,000.00
	2014 Additional Subsidization Allocation			3,000,000.00
	"Future" Federal Cap. Grant	(Admin. Only)	4.00%	573,920.00
	Additional Set-aside (non-admin.)			6,193,390.72
√			Total Set-asides	32,041,281.07
	(4) Drinking Water Federal Capitalization Grants			
	FCG Previously Awarded			
	1997 Federal Capitalization Grants			25,371,806
	1998 Federal Capitalization Grants			8,687,500
	1999 Federal Capitalization Grants			9,105,300
	2000 Federal Capitalization Grants			8,989,850
	2001 Federal Capitalization Grants			9,159,460
	2002 Federal Capitalization Grants			8,955,100
	2003 Federal Capitalization Grants			9,398,200
	2004 Federal Capitalization Grants			9,749,300
√	2005 Federal Capitalization Grants			11,201,850
	2006 Federal Capitalization Grants			12,166,734
	2007 Federal Capitalization Grants			11,484,000
	2008 Federal Capitalization Grants			11,367,000
	2009 Federal Capitalization Grants			11,367,000
	2010 Federal Capitalization Grants			22,638,000
	2011 Federal Capitalization Grants			15,709,000
	2012 Federal Capitalization Grants			14,970,000
	2013 Federal Capitalization Grants			14,046,000
	2014 Federal Capitalization Grants			14,348,000
				228,714,100
	FCG To be Awarded (Assumed amounts)			
	2015 Federal Capitalization Grants			14,348,000
	Total Federal Capitalization Grants			243,062,100

Exhibit H: SFY 2015 Set-Aside Work Plan

In SFY 2015 (July 1, 2014 – June 30, 2015), Indiana's Drinking Water State Revolving Fund (DWSRF) Loan Program will use its DWSRF Set-Aside allotments to continue promoting the implementation of the Safe Drinking Water Act (SDWA).

ADMINISTRATIVE SET-ASIDE (SDWA 1452(g)(2))

In SFY 2015, the State will take 2%, or approximately $286,960, 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. In addition, the State will bank 2%, or approximately $286,960, of the Administrative Set-Aside. The DWSRF Loan Program retains the authority to reclaim these funds from future capitalization grants.

STATE PROGRAM MANAGEMENT SET-ASIDE (SDWA 1452(g)(2))

In SFY 2015, the State will take 7%, or approximately $1,000,000 of the State Program Management Set-Aside for source water activities. The goals/ activities are described below.

1. Conduct a survey of the operations of the water utility and prepare an analysis of the planning and long range needs of the water utilities that serve the fifteen most populous cities in Indiana and five additional small water utilities.
2. Coordinate with and assist utilities in the completion of Surface Water Emergency Response Plans (SWERP) for each of the approximately 40 public water systems in the State that rely upon surface water intake.
3. Complete a report that describes the State's water resources for the purpose of long term planning.

Agency Responsibilities/ Deliverables

To complete these source water protection and infrastructure assessment goals, the Authority will work with the Indiana Department of Environmental Management (IDEM) and third party contractors. A Memorandum of Agreement (MOA) between IDEM and the Authority shall set forth the responsibilities of each party. In addition, Professional Services Agreements entered into with each selected contractor shall further define their responsibilities. Below is a brief description of the responsibilities and the deliverables.

- The Authority and third-party contractors will perform the outreach and coordination to complete an analysis of the operations, planning, and long range needs of the water utilities in the State that serve the fifteen most populous cities and five additional small water utilities in Indiana that serve communities with a population of less than 10,000.
- The Authority and third party contractors will assist with the completion of SWERPs for Indiana drinking water utilities that rely upon the collection and treatment of surface water for their customers.
- IDEM will utilize existing staff resources to perform inspections and assist with the identification of potential sources of contamination upstream of surface water intakes, including an inventory of aboveground storage tanks.

Expected Outcomes/ Deliverables

As a result of this work, a report will be written that summarizes the survey results and makes recommendations about the management of Indiana's water resources.

Additionally, Indiana communities that rely on surface water as a source of drinking water will have the tools necessary to properly respond to the threat of contamination of its drinking water supply by having a SWERP in place.

Evaluation of Project

The Authority will review and evaluate the proposed summary of the survey of water utilities to determine completeness of information. If additional information is needed, the Authority will gather additional information to complete the survey.

Success will be measured by the timely completion of a comprehensive report of the twenty selected systems and thorough outreach to drinking water facilities with a surface water intakes and a register of those communities with up to date SWERPs.

The Authority will include the status and outcomes of these initiatives in the State Revolving Fund Drinking Water Annual Report until completion of these efforts.

Schedule

Monthly:

The Authority will meet with the third party contractors and IDEM to discuss the status of the source water activities no less than monthly.

November 1, 2015:

A summary of the survey of water utilities serving the fifteen most populous cities of Indiana and the five additional small water utilities will be due November 1, 2015.

December 31, 2015:

It is projected that the work conducted by the third party contractors should be completed no later than December 31, 2015.

June 30, 2016 – December 31, 2016:

All other work on the Project, including work performed under the MOA, should be completed in the timeframe between June 30, 2016 – December 31, 2016. The total estimated time to complete the Project is approximately 24 months.

Exhibit I: Unspecified DWSRF Set-Aside Funds (Amount Banked)

	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	$286,960	$0	$0	**$286,960**
Totals	**$4,237,472**	**$577,926**	**$0**	**$4,241,478**

Indiana DWSRF Loan Program

Exhibit J - Summary of Set-Aside Funds in SFY 2015

Capitalization Grant Year	Set-Aside	Current Award Amount	Balance on 7/1/2014	ASAP Activity Date	Activity Amount	Description	Balance on 6/30/2015
2013	Administrative	561,840.00	186,563.09	09/29/14	(37,101.48)	DW Administrative Expenses	
				12/31/14	(76,331.96)	DW Administrative Expenses	
				03/30/15		DW Administrative Expenses	73,129.65
2014	Administrative	286,960.00	286,960.00	03/30/15		DW Administrative Expenses	
				06/29/15		DW Administrative Expenses	286,960.00
2015	Administrative	286,960.00	286,960.00				286,960.00