

The Watershed

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

Summer 2017

In this issue:

- [Message from the Director](#)
- [2017 SRF National Workshop comes to Indiana](#)
- [SRF Extended Loan Terms – Up to 35 Years](#)
- [SRF Interest Rates](#)
- [Lead Sampling Program for Public Schools](#)
- [Project Highlight: Cayuga](#)



Farmland, IN: Pouring concrete walls for Disinfection Channel

Message from the Director

The SRF aims to provide the lowest cost of capital to finance water and sewer infrastructure projects for Indiana communities while at the same time streamlining our approval process. To do this, over the years, we have introduced various financial incentives and expedited project reviews. Nevertheless, we realize that the costs to implement needed projects is rising and water and sewer bills continue to increase.

With that in mind, we determined that one immediate way we can help to mitigate these rising costs is to offer extended term financings for communities. In order to make this change, we were required to apply to the federal government for approval and we are pleased to announce that, effective, September 1, 2017, we are now able to offer extended term financings for certain projects. To our knowledge, we are only the second state to receive such permission for sewer projects and the first to receive permission for drinking water projects. Please read the article [SRF Extended Loan Terms](#) in this newsletter to learn more.

We could not make such innovations alone. We relied on input from fellow state SRFs and the federal U.S. EPA. These relationships, along with strong relationships with Indiana communities, consulting engineers, bond and local counsel, financial advisors and public interest groups, have together helped to improve the SRF. In that spirit, we are also excited to announce that we will host the 2017 CIFA SRF National Workshop in Indianapolis October 30-31, 2017 where we will talk about ways to improve the SRFs and continue to offer low cost financing to communities across the U.S. Please read the [CIFA National Workshop](#) article to learn more or register at [CIFA Registration](#). We encourage participation in this conference as this is rarely held in the Midwest.

We look forward to continuing to work with Indiana communities to protect public health and the environment and look forward to hearing from you all soon.

Enjoy the last few days of summer! Hope to see you at the 2017 National SRF Workshop in Indianapolis!

Bill Harkins, SRF Director

2017 SRF National Workshop comes to Indiana



In October, the Indiana Finance Authority will host the 2017 SRF National Workshop, put on by the Council of Infrastructure Financing Authorities ("CIFA"). The annual conference will feature programmatic, financial, legal, and engineering topics that affect SRF Loan Programs and their participants. The workshop offers attendees the opportunity to network with peers from across the country. The two-day conference will begin Monday, October 30 and will be held at The Westin Indianapolis (241 W. Washington St.). A registration link is available at the CIFA Registration site, <http://www.cifanet.org/conferences.html> or on the Indiana SRF website. For more information, please contact Joanie Jones, joajones@ifa.in.gov or call 317-234-1279.

SRF Extended Loan Terms – Up to 35 Years

In an effort to allow all Indiana utilities to address the issue of aging water and sewer infrastructure, while achieving more affordable customer user rates, the Indiana Finance Authority's State Revolving Fund (SRF) Loan Program recently received approval from the EPA to offer an Extended Term Financing Program with loan terms up to 35 years to water and sewer pipe projects, having a useful life at least equal to or greater than the loan term.

In order to provide this accommodation to borrowers, an interest rate premium will be assessed at the rate of 10 basis points per each five years that the loan is extended beyond 20 yrs. This increase will be assessed after any interest rate incentives (Lead Remediation, Nonpoint Source, Green Project Reserve/Sustainability/Climate Resilient Projects, and Brownfields) are applied.

For more information or for contact information, please visit the SRF Website at www.srf.in.gov. Contact the SRF Program Administrator, Shelley Love at 317-232-4396 or slove@ifa.in.gov with questions.

Current SRF Interest Rates

Below are the current SRF Program interest rates, effective July 1, 2017 through September 30, 2017. The interest rates vary based on three ranges of average monthly user rates for an equivalent dwelling unit (User Rates) within each of the three Medium Household Income tiers, creating nine possible interest rates.

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

Drinking Water SRF Interest Rates	User Rates (Over \$45)	User Rates(\$25 to \$45)	User Rates (Under \$25)
Tier III (MHI*: under \$33,669)	2.00%	2.00%	2.00%
Tier II (MHI: \$33,670 to \$41,566)	2.00%	2.00%	2.06%
Tier I (MHI: over \$41,567)	2.00%	2.00%	2.31%
Wastewater SRF Interest Rates	User Rates (Over \$50)	User Rates(\$30 to \$50)	User Rates (Under \$30)
Tier III (MHI*: under \$33,669)	2.00%	2.00%	2.00%
Tier II (MHI: \$33,670 to \$41,566)	2.00%	2.00%	2.06%
Tier I (MHI: over \$41,567)	2.00%	2.00%	2.31%

**MHI reflected in the 2009-2013 American Community Survey*

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

Lead Sampling Program for Public Schools

The Lead Sampling for Indiana Public Schools Program is a new program developed via a collaborative effort between IFA and IDEM. The IFA has also partnered with Indiana Association of School Business Officials (IASBO) and Indiana Association of Public School Superintendents (IAPSS) to effectively reach all of Indiana's public school leaders.

The goal of the Lead Sampling Program is to provide lead testing for all public, K-12 schools who wish to participate in this voluntary program. Sampling will take place at fixtures used for consumption or food preparation, to ensure the health and safety of Indiana's children. The IFA will cover the costs of first-round sampling and laboratory analysis. Any subsequent sampling and remediation actions will need to be addressed by the schools, individually.



Contractor drawing a sample from a water fountain at a school.

Only schools that are not regulated by the Safe Drinking Water Act are eligible to participate. Schools that obtain water from their own well or source (defined as a Public Water Supply) are responsible for periodic compliance sampling for lead, and are already aware of their school's water quality.

The IFA and/or its contractor will conduct sampling by trained staff, coordinate all testing by state-certified laboratories, communicate results to schools and provide technical assistance regarding any necessary corrective action.

The program currently has over 730 schools registered for sampling. Although the official registration deadline has passed, late registrations are still being accepted. Thank you to all of the schools that have registered for this program. [We began working with schools to develop lead sampling plans this summer, 2017. We anticipate that sampling efforts will begin in August, when schools are back in session.] For questions, contact Staci Orr at 317-232-8623 or e-mail at IFA-Lead@ifa.IN.gov.

Project Highlight

Town of Cayuga

Town Provides School System Drinking Water Source with a New Connection

North Vermillion Community School Corporation operated a drinking water well system, located on school property. The school ceased utilizing the elementary school well for drinking water in December 2011, when the well started having water quality issues with increasing levels of nitrate. To protect the health of the students, the North Vermillion School Corporation began using bottled water.

In April 2016, the North Vermillion Community School Corporation and the Indiana Department of Environmental Management (IDEM) entered into an Agreed Order to bring the nitrate levels down to below the Maximum Contaminant Level (MCL).

The School Corporation looked at several options. One of the options was to contact the Town of Cayuga to see if connection to the town would be a feasible alternative. The town was willing and had a nearby connection point that could provide the volume needed for the School Corporation. This alternative would bring the School Corporation into compliance with the Agreed Order and allow the students to once again use the existing distribution system within the elementary school.

The Corporation contacted the State Revolving Fund Loan Program for financial assistance. It was determined at the time that the best financial alternative would be for the Town of Cayuga to be the recipient of SRF funding. Cayuga had an existing billing system in place and would bill the School Corporation as a customer. The project included over 7,700 feet of 8-inch diameter water main running along State Road 63 up to the connection points with both the elementary and junior-senior high school buildings.

As of the date of this release, the project is near completion. Site work continues at this time and the line will be ready sometime over the summer months, making it less disruptive to the students and sport schedules.

The State Revolving Fund Loan Program is happy to help with alternatives and connecting partners to help find solutions. If you have any questions, please contact Shelley Love at slove@ifa.in.gov or 317-232-4396.

	
<p><i>New water main pipe sections mobilized to the site.</i></p>	<p><i>Installation of a new fire hydrant across from the Junior and Senior High School Buildings.</i></p>

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

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



Indiana State Revolving Fund Loan Program

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