



THE WATERSHED

Indiana SRF Loan Program Newsletter

Summer 2024

IN THIS ISSUE

Funding Updates and Earmarks • New Disbursement Request Forms • Public Comments Welcome • Lead Service Line Replacement Updates • Equivalency • Front End Document Certification Reminder • Office Renovation • Asset Management Program Updates and Cyber Security Requirements • Disadvantaged Community Memo Reminder • Exciting Opportunity • Bipartisan Infrastructure Law Mandated Signs for Equivalency Projects • New Staff • Staff Directory

100 N. Senate Ave., Rm. 1275 Indianapolis, IN 46204
(317) 234-1279 | www.srf.IN.gov

Funding Updates and Earmarks

As we start State Fiscal Year 2025, we once again see record levels of demand. When the dust settles from new applications received in March, we will have a total of over \$2.1 billion in Clean Water applications for nearly 140 different projects and \$1.5 billion in Drinking Water applications across just over 100 projects. At the same time, we are once again facing reduced federal funding as EPA Capitalization Grants are reduced nationwide to accommodate ‘congressionally directed spending’ or earmarks. Over the past three years, the Indiana SRF’s EPA Clean Water and Drinking Water Capitalization Grants have been reduced by a combined total of nearly \$70 million compared to 2021 funding levels, directly impacting the number of projects we can offer subsidized funding. For Federal Fiscal Year 2024, over half of all top line EPA funding to state SRF programs is being diverted to fund earmarks before traditional allocations are being made. As a result, Indiana’s current allocation is about 45% lower than in 2021.

We continue to adapt and modify our program to make the most of all resources available. This year you will see a renewed emphasis on deadlines as we work to ensure that as much of our funding as possible is put to use. Regular communication with both our technical and finance teams here at SRF will ensure we can support your community’s project in the most effective way possible.

To Summarize: The Project Priority List included 136 Clean Water Projects totaling \$2.1 Billion and 104 Drinking Water Projects totaling \$1.8 Billion. Clean Water Capitalization Grants have been cut by \$47.3 million since 2021. Drinking Water Capitalization Grants have been cut by \$22.3 million since 2021. For Federal Fiscal Year 2024, National Clean Water Capitalization Grants were 48% lower than 2021 and Drinking Water Capitalization Grants were 56% lower than 2021.

New Disbursement Request Forms

The SRF Disbursement team is excited to announce we have combined the different types of Disbursement Request Forms into one entirely new, simplified form! We are currently completing a final round of edits and will be rolling out the new form in July 2024. Please keep an eye on your email and our website for more information over the next few weeks!

Public Comments Welcome!

Each September, the SRF Loan Program posts both its draft DWSRF and CWSRF Intended Use Plans (IUPs) for a three-week period on the SRF Website (www.srf.in.gov). It is during this public comment period that the public is encouraged to review the IUPs and provide comments to the SRF Loan Program. Comments can be provided to the SRF Compliance Officer: Amy Henninger by calling 317-232-6566 or emailing ahenning@ifa.in.gov. Comments may also be mailed to Attn: SRF Compliance Officer, 100 N. Senate Ave., RM 1275, Indianapolis, IN 46204.

Lead Service Line Replacement Updates

The October 16, 2024 deadline for submission of the Service Line Inventory to the IDEM Portal is quickly approaching. After this date, submittal of the Inventory to the IDEM Portal will be a pre-requisite to a Drinking Water Financing with SRF. Communities can reach out to Stacy Jones, IDEM Section Chief for the Chemical & Surface Water Compliance Section at sjones@idem.in.gov with questions about the submittal process and upcoming inventory-related notification requirements.

On May 1, 2024, EPA released a memorandum clarifying implementation information for DWSRF-funded lead service line replacement (LSLR) projects. The memorandum describes updated programmatic requirements for full LSLR and details exceptions; provides recommended strategies on lead service line (LSL) identification and LSLR planning and design; identifies best practices for risk mitigation when an LSLR is conducted; and emphasizes the importance of public notifications during projects. New requirements stipulated in the memorandum will apply to financings completed on or after August 1, 2024. The complete memorandum is available at <https://www.epa.gov/dwsrf/implementing-lead-service-line-replacement-projects-funded-dwsrf>.

Potential Loan Participants should take note of the following:

- The IFA continues to require full LSLR where a SRF-funded project will disturb LSLs. Please continue to contact SRF staff to determine eligibility when encountering unique LSLR construction scenarios.
- Where disturbance of a LSL is unavoidable and the loan participant cannot gain access to conduct a full LSLR, customer refusal must be documented and submitted to the SRF.
- The IFA requests that, at a minimum, EPA-recommended best practices for obtaining property owner consent for full LSLR to be followed. This includes at least four attempts to engage with the customer using at least two different communication methods.
- It is the IFA's expectation that the entire length of each property's LSL will be replaced at the same time, and that applicable best practices for risk mitigation be included in the project scope of work.
- For Financial Assistance Agreements executed on or after August 1, 2024, meter replacement is considered a LSL-disturbing activity and will require full LSLR to be eligible for DWSRF funding.
- At this time, a LSL that is left in place in the ground but remains out of service may qualify as fully replaced if a new, non-lead service line is installed for use.
- SRF may only fund LSLR work through its DW program. Where non-drinking water projects (i.e., wastewater, stormwater, transportation) will disturb LSLs, the community will need to submit a Drinking Water Application and be placed on the Lead Service Line Project Priority List to access SRF funds for LSLR.

The IFA acknowledges that regulatory definitions and requirements regarding LSLR are evolving and the SRF's current practices may be subject to future regulatory changes. We will strive to promptly communicate current requirements and best practices with potential and current loan participants and look forward to partnering with communities and their consultants to protect and mitigate public health risks. DWSRF assistance recipients will be required to comply with all applicable local, state, and federal requirements for LSLR-related customer notification, risk mitigation, and waste disposal, including any new regulations that are in effect at the time of the work.

Equivalency (EQ)

The IFA receives capitalization funds on an annual basis from EPA. There are “base” funds received from EPA under the traditional SRF program, and currently a “supplemental” amount received under the 5-year BIL program. The total amount awarded each year from the EPA determines the amount of Equivalency Funds we must identify for that grant cycle (essentially each state fiscal year). These dollars are identified as Federal funds.

1. How are EQ projects identified?

- EQ projects are identified by SRF
- Any LSLR financing using the BIL LSLR forgivable loan funds must be considered equivalency (EPA requirement)
- Any financing with Emerging Contaminant BIL forgivable funds must be considered equivalency (EPA requirement)

2. What are the additional equivalency requirements?

- BABA (unless using waiver)
- Telecommunications certification
- Signage – Borrower & SRF staff work together to fulfill this requirement. The signage requirement may require the community to either post a press release on their website about the project/funding (press release is drafted by SRF) or erect a physical sign at the construction site if the project is funded with BIL funds (sign is provided by SRF). Note: Some projects that are not equivalency may require a BIL sign, SRF staff will inform the borrower if this applies to their project.
- Clean Water Equivalency Projects ONLY – The A/E procurement method (QBS) is a requirement only for Clean Water projects. This requirement does not apply to Drinking Water Projects.
- Single Audit Act—requires a Single Audit be obtained by any borrower expending \$750,000 in federal financial assistance in a fiscal year. This requirement is triggered by expenditures of federal financial assistance from any source, not just SRF EQ funds.
- Disadvantaged Business Enterprise (DBE) Reporting—This rule encourages borrowers to solicit a “Fair share” on contracts to small, minority, and women-owned businesses. EQ recipients are required to submit annual DBE reports to SRF.

3. How do I know if my project is EQ?

- SRF identifies (typically) larger WW and DW projects as potential EQ borrowers. SRF coordinates as early as possible with the engineer and borrower to inform them that their project has been selected as an equivalency project and to ensure the equivalency requirements are being met.
- Any borrower receiving LSLR BIL funds (likely on the LSLR PPL)
- Any borrower receiving Emerging Contaminant BIL funds

4. How should I report the financial assistance I received in Gateway if my project is deemed an EQ project?

You should report the financial assistance as federal funds, not state funds. Work with your municipal advisor for assistance with any reporting questions.

5. If I have any questions regarding equivalency projects, who should I call?

For questions regarding equivalency projects in general, please contact Camille Meiners at cmeyners@ifa.in.gov (317-234-3661); for questions related to the Single Audit Act, please contact Matt Martin at mmartin@ifa.in.gov (317-234-1278).

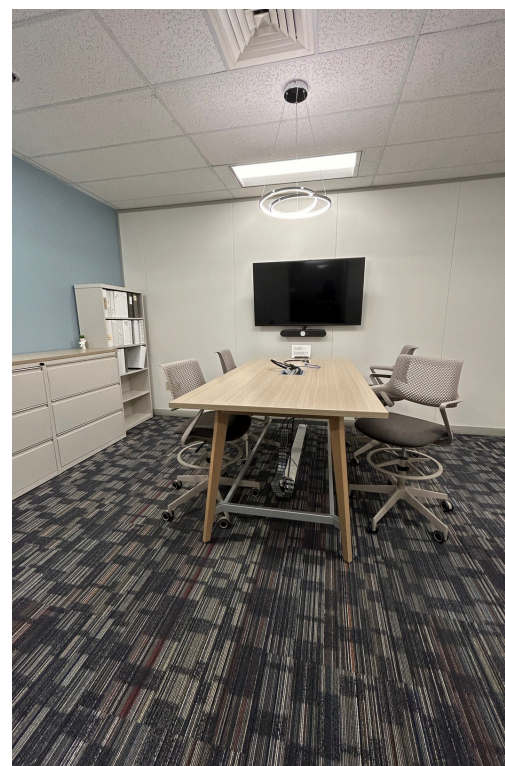
Front-End Document Certification Reminder

To assist with financing and project compliance, SRF requests that the Front-End Document Certification (FEDC) be submitted to postbids@ifa.in.gov prior to beginning the bid advertisement process. Recent updates have been made to the FEDC to capture project scheduling information along with Equivalency and BABA requirements. Please make sure to download the most current documents from our website under the Compliance – Bidding and Contracts Section at <https://www.in.gov/ifa/srf/applications-guidance-and-documents>. Additional information about the SRF bidding and contract review process is available at <https://www.in.gov/ifa/srf/files/Memo-Bidding-and-Contract-Review.pdf>

SRF will specifically reach out to communities early in the project review process to discuss if a project should be designated as Equivalency for the purpose of SRF financing. Unless you are contacted, it can be assumed the traditional SRF and American Iron and Steel (AIS) domestic preferences apply to your project (Front-End Document Attachments A through K). For those designated as Equivalency Projects, additional requirements apply, including compliance with the Build America, Buy America (BABA) Act domestic preference requirements (Front-End Document Attachments A through H and K through N). The SRF can assist with determining the applicability of potential BABA waivers as needed. It is important to note that if a project is co-funded with federal monies from an additional funding source, a determination of the Cognizant Agency will be necessary to establish domestic preference requirements for the project. If an alternate agency is determined to be the Cognizant Agency, SRF requires the project comply to comply with statutory AIS requirements at a minimum. Please contact Amy Henninger at 317-232-6566 or ahenning@ifa.in.gov with any questions.

IFA 12th Floor Office Renovation Complete

We are excited to share that our office has undergone a complete transformation and expansion. We are still located on the west end of the Government Center North Building's 12th floor (Room 1275). When exiting the elevator, badge access is required to leave the elevator bay area. When arriving, please contact the person you are scheduled to see and be aware of the binder in the southeast corner of the elevator bay to find the correct contact information, if necessary.



Asset Management Program Updates and Cyber Security Requirements

Pursuant to IC 10-5-1.2-16, a borrower must certify they have completed an Asset Management Program when a preliminary engineering report is submitted to the SRF Program. SRF does not require the actual Asset Management Program to be submitted. The AMP certification, checklist, guidance, and guidelines have been revised. Information related to SRF's Asset Management Program can be found at in.gov/ifa/srf/.

The most significant update to the requirements includes the annual undertaking of a cyber security vulnerability assessment. This is a condition of any financing on or after July 1, 2024, and will be included in the Financial Assistance Agreement (FAA) signed by the SRF borrowers. Additional information related to specifically how to perform the assessment is located in Appendix C of the AMP guidance.

The minimum requirements of an AMP have been modified and include the following:

1. System map
2. An inventory and assessment of system assets
3. Development of an infrastructure inspection, repair, and maintenance plan, including a plan for funding such activities
4. An evaluation and implementation of water and energy conservation efforts
5. An analysis of the customer rates necessary to support the AMP
6. An Audit performed every two years
7. Cyber Vulnerability Assessment performed at least annually (effective as of July 1, 2024)
8. Demonstration of the technical, managerial, legal and financial capability to operate and maintain the system, per the guidelines established by the IFA

Please contact Camille Meiners at cmeiners@ifa.in.gov or 317-946-5548 with any questions related to the Asset Management Program preparation or submittal requirements.

Disadvantaged Community Reminder

The Environmental Protection Agency (EPA) requires that each state establish affordability and disadvantaged criteria to define DAC in the state. When a community meets the state's DAC criteria, they are made eligible for consideration to possibly receive forgivable loans (i.e., grants) through the SRF, including funds made available through the Bipartisan Infrastructure Law. In Indiana, a DAC is one where the directly impacted area has a Median Household Income (MHI) less than 80% of the state's MHI. For State Fiscal Year 2025, this threshold is an MHI of \$53,800 or less. Each loan applicant's DAC status is noted on the Project Priority List, along with the MHI of the directly impacted project area, based on census data.

Additionally, the directly impacted project area is scored for additional disadvantaged community characteristics, including age of population, educational attainment, poverty, utility rate impacts, and population trends. For this reason, SRF requests each project application include a DAC Memo with specific project location information, even where the project may not qualify as a DAC based on MHI. DAC Memo guidance and additional information can be found at <https://www.in.gov/ifa/srf/files/SFY25-DAC-Guidance.pdf> or by contacting Jenn Pence, jpence@ifa.in.gov.

Exciting Opportunity!

This year SRF will be participating in the IWEA Young Professionals (YP) track, offering an opportunity for Engineers in Training and YP project managers to meet our staff and ask questions about the program and its requirements. The target audience for this presentation is consulting staff who are writing PERs, coordinating project schedules, and managing SRF compliance during construction. The presentation will take place on Tuesday August 13th, at 4 pm.

Bipartisan Infrastructure Law (BIL) Mandated Signs for Equivalency Projects



All SRF Participants completing a financing inclusive of federal funds appropriated under the BIL are required to display a specific sign (provided by SRF) throughout the construction process. SRF identifies projects requiring a sign and provides these to borrowers on a quarterly basis. It is important to note that some projects not identified as Equivalency Projects require signs. SRF notifies Participants of the requirement and sends the sign to be displayed at the project site. SRF Participants must place the sign at the construction site in a visible location. Once placed, the SRF Participant must take a photograph of the sign and send the photograph to Jenn Pence at jpence@ifa.in.gov. (The signs are four feet tall by six feet wide with a design/logo provided by the U.S. EPA.) If you have any questions about whether or not your project is required to place a sign at the construction site please contact Jenn Pence.

New Staff

Abbi joined the IFA in April 2024 as the SRF Program Support Associate. She holds a Master's of Public Affairs from Indiana University Bloomington's Paul O'Neill School of Public and Environmental Affairs. Prior to joining IFA, she worked as a Grants Officer and Donor Relations Manager for Little Red Door Cancer Agency. In her free time, she enjoys reading, exploring nearby rail trails, and gardening.



Abbi

Jenni joined IFA in April 2024 as the SRF Program Environmental Review Manager. She has a Master's degree in Natural Resources and Environmental Management from Ball State University and a Bachelor's degree in Fisheries and Aquatic Sciences from Purdue University. Prior to joining IFA, she worked as an Ecology and Waterway Permitting Team Lead for the Indiana Department of Transportation. Jenni has a 9-year-old daughter that she spends all her free time with enjoying the outdoors, camping, concerts, and nearby zoos & museums.



Jenni

Amy joined IFA in April 2024 as an SRF Engineer. She holds a Master of Science in Environmental Engineering from the University of Illinois Urbana-Champaign. Prior to joining IFA, she worked for an engineering consulting firm. In her free time, she enjoys traveling, reading, running, and cheering on her kids in their various activities.



Amy

Kathy joined IFA in May 2024 as the SRF Financial Analyst. She holds an MBA from WGU and a Bachelor of Accounting from Indiana Wesleyan University. In her free time, she enjoys traveling and spending time with her family.



Kathy

Alex joined IFA in April 2024 as the Director of Finance for the SRF Loan Program. Alex previously worked with communities as a municipal advisor and has been bringing projects to fruition through the SRF program for many years. He received a bachelor's in accounting and an MBA from Indiana University – Bloomington. Alex is an avid mountain biker, and his family spends lots of time on hikes, bikes, and in park playgrounds.



Alex

Dr. Nilufar Islam joined IFA as a Project Manager in September 2023. She possesses a PhD in Civil Engineering and has more than 16 years of experience spanning government agencies, academia, and consulting firms in the United States and Canada. Dr. Islam has received numerous national awards in Canada, notably the Young Professional Award in 2018 from the Canadian Water Resources Association. Furthermore, she is the founder of a non-profit organization dedicated to empowering girls through leadership training in Bangladesh.



Nilufar

Staff Directory



Jim McGoff
*Chief Operating Officer
& Director of Environmental Programs*
jmcgoff@ifa.in.gov



Alex Hilt
Director of Finance
ahilt@ifa.in.gov
463-261-6949



Matt Martin
Finance Manager
mmartin@ifa.in.gov
317-234-1278



Camille Meiners
Director of Technical Review
cmeiners@ifa.in.gov
317-234-3661



Bill Harkins
Underwriting Manager
wharkins@ifa.in.gov
317-234-4862



Kathryn Burbrink
Finance Assistant
kburbrink@ifa.in.gov
317-232-5870



Jenn Pence
SRF Program Manager
jpence@ifa.in.gov
317-232-4396



Joanie Jones
Administrative Assistant
joajones@ifa.in.gov
317-234-1279



Alison Martin
Financial Assistance Manager
almartin@ifa.in.gov
317-234-3080



Gayle Hicks
Bidding/Construction Coordinator
jghicks@ifa.in.gov
317-234-6730



Nilufar Islam
SRF Engineer/Project Manager
nislam@ifa.in.gov
463-261-7378



Karen Jones
Grant Coordinator/AP
karjones1@ifa.in.gov
317-232-8993



Brandi Rodriguez
Lead Engineer
jbrrodriguez@ifa.in.gov
317-232-0201



Sarah Hudson
*Technical Assistance and Outreach
Manager, Water Programs*
sahudson@ifa.in.gov
317-232-2812



Stephanie Mulkey
Disbursement Coordinator
smulkey@ifa.in.gov
317-234-7970



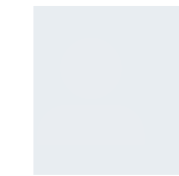
Amanda Rickard
SRF Engineer/Project Manager
arickard@ifa.in.gov
317-234-7703



Evan Fall
Project Manager
jefall1@ifa.in.gov
317-232-3195



Claire Hearn
Disbursement Coordinator
clhearn@ifa.in.gov



Tracy Irwin
SRF Engineer/Project Manager
tirwin@ifa.in.gov
317-232-8663



Jennifer Curry
Environmental Review Coordinator
jecurry@ifa.in.gov
463-261-6943



Debbie Wright
General Counsel
dwright@ifa.in.gov
317-234-4863



Amy Samuelson
SRF Engineer/Project Manager
asamuelson@ifa.in.gov
463-261-6969



April Douglas
Environmental Review Coordinator
adouglas@ifa.in.gov
317-234-7294



Amy Henninger
Compliance Manager
ahenning@ifa.in.gov
317-232-6566



Ethel Morgan
Engineering Consultant
emorgan@ifa.in.gov
317-234-8643



Abbi Kuhn
SRF Program Support Associate
abkuhn@ifa.in.gov
463-261-6950