

Because the Authority's general funds consist of an indistinguishable combination of Federal, State, and recycled monies, EPA determined that Federal Crosscutter 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 Clean Water SRF Loan Program identifies the proposed equivalency projects for SFY 2024 in Exhibit C.

The Authority has continued to work with wastewater systems to identify emerging contaminants in treatment processes. In SFY 2024 these communities will continue to plan and design ways to address issues identified but are not yet ready to proceed with financing to address emerging contaminants. Conversely, the SFY 2024 DWSRF PPL includes several projects ready to address emerging contaminants in drinking water systems. To meet the needs of these ready-to-proceed drinking water projects, it is the intent of the Authority to apply for the entire FY2023 CWSRF Emerging Contaminants Capitalization Grant and transfer the entire allotment to the DWSRF Emerging Contaminant program. See the DWSRF PPL at [www.srf.in.gov](http://www.srf.in.gov) for a listing of projects with Emerging Contaminant components.

The funds will be used to finance the DWSRF projects found on the DWSRF PPL noted to address emerging contaminants in drinking water. The DWSRF Loan Program has sufficient projects reflected in the SFY 2024 PPL meeting the goals of the DWSRF Emerging Contaminants Program to utilize the entirety of the FY 2023 DWSRF Emerging Contaminants allotment (\$13,109,000) along with the FY 2023 CWSRF Emerging Contaminants allotment (\$5,124,000).

***A. Project Scoring and Ranking System for CWSRF Loan Programs***

To determine which projects will receive funding (including additional subsidy and loans) the Authority follows criteria for assistance established by the CWA. Scoring reflects the State's water quality goals and accounts for population differences. Priorities include:

1. Project need categories;
2. Water quality points;
3. Brownfield reuse;
4. Financial capability;
5. Bonus points will be available for projects that include Affordability Criteria (which includes disadvantaged communities), Green Project Reserve (GPR) Sustainability Incentive Program components, climate resiliency elements, regionalization, and participation in the Clean Watershed Needs Survey.
6. Deduction points - projects that disconnect from a viable treatment system will have points deducted.

The priority system designed to implement the program criteria, is attached as Exhibit D, CWSRF Loan Program Projects Scoring and Ranking Worksheet. All projects are scored and

ranked on the PPLs as required by the CWA. This IUP, including the PPLs (see Exhibit B), and Project Ranking System (See Exhibit D), has been subject to public review and comment in accordance with the CWA, as described in Section V below.

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 CWSRF Loan Program financing. Steps towards project readiness can be demonstrated by: (1) Submitting a PER, (2) Obtaining PER approval, a construction permit from IDEM, and bidding the project pursuant to the CWSRF Loan Program established timeframes, and (3) Initiating the steps required by State statute and the CWSRF Loan Program to proceed with a financial closing with the CWSRF 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 loan portion of the financing (if applicable) through the CWSRF Loan Program.

### ***B. Fundable Range***

To inform the public of current estimates regarding the CWSRF Loan Program’s financial capacity and to efficiently direct CWSRF Loan Program assistance to the highest priorities where possible, the State calculates the Fundable Range for those projects that are on the PPLs. Projects are included in the Fundable Range based on a project’s rank and score.

Historically, the CWSRF Loan Program uses a Fundable Range to plan and prioritize its responsibilities and resources. On July 1, 2023, the Authority estimated that funds available were insufficient to fund all Projects on the PPLs, therefore, those Projects within the Fundable Range are afforded priority of resources; most notably, preference in closing a loan as soon as the necessary programmatic and financial steps are completed.

Projects that are outside of the Fundable Range may receive funding in advance of those projects identified in the Fundable Range by following the bypass procedure. See bypass procedures outlined below in Section C.

### ***C. Bypass Process***

When the Authority has determined that funds on-hand are insufficient to fund projects that are outside of the Fundable Range but are on the PPL, the State will use the following bypass procedures to allow other projects on the PPLs to receive financial assistance from the CWSRF Loan Program during SFY 2024. The Bypass Process enables 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. 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 is used when the Authority uses a Fundable Range:

1. If applicable, the CWSRF Loan Program will note the Fundable Range on each 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