

# Indiana's Water/Wastewater Infrastructure Funding Needs



**NATIONAL UTILITY CONTRACTORS ASSOCIATION OF  
INDIANA**

**STATE SENATOR BEVERLY GARD  
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# 2003 Infrastructure Needs Study

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- **Indiana Advisory Commission on Intergovernmental Relations**
  - Indiana Association of Cities and Towns
  - State Budget Agency
  - American Council of Engineering Companies of Indiana
  - Indiana Constructor, Inc.
- **Center for Urban Policy and the Environment at IUPUI did the analysis**

# Scope of 2003 Study

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- **Correction of CSO's**
- **Wastewater conveyance and treatment**
- **Remediation of failing on-site septic systems**
- **Stormwater conveyance and management**
- **Drinking water production, treatment and distribution facilities**
- **Previous studies:**
  - 1999 USEPA Drinking Water Needs Survey
  - 2000 USEPA Clean Watersheds Needs Survey
  - 2002 USEPA Clean Water and Drinking Water Gap Analysis

# Financial Needs Found in 2003 Study

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- **CSO corrections: \$5.5 billion (106 municipalities)**
- **Wastewater Conveyance and Treatment: \$3.3 - \$3.8 billion**
- **Remediation of Failing Septic Systems: \$1.5 - \$2.3 billion**
- **Stormwater Management: \$500 million**
- **Drinking Water Distribution and Treatment: \$1.7 billion**
- **Total: \$12.4 - \$13.9 billion**

# 2007 IACIR Update

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- **20 year costs have increased at least 15%**
  - Reflects new needs estimate by USEPA for drinking water
  - All categories corrected for inflation
  - Real need likely still underestimated
  - Probably exceeds \$20 billion
- **IACIR inventoried funding sources – state and federal**
- **IACIR explored potential state funding sources**
- **Funding not available to complete update**

# State Revolving Fund History

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- **Clean Water SRF – 20 years old**
  - \$1.8 billion in wastewater loans awarded
- **Drinking Water SRF – 10 years old**
  - \$400 million in drinking water loans awarded
- **Supplemental SRF**
  - Phased out
- **State leverages federal dollars greater than 2:1**
  - More than \$2.2 billion awarded in 20 years

# Current SRF Status

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- **Fiscal year 2009**
  - Over \$200 million set aside for SRF low interest loans
- **Drinking water quality**
  - \$50 million
- **Water quality for small communities (less 10,000)**
  - \$50 million
- **Water quality for large communities (over 10,000)**
  - \$100 million
- Applications request over \$1.016 billion in projects
- SRF in IN is 100% federally funded

# SFY 2008 SRF Loan Program

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- 20 communities received loans totaling \$167 million
- Collectively communities realized over \$28 million in interest rate savings compared to open market
- Eliminated 5 CSO outfalls
- Connected 1,600 homes with failing septic systems to a sewer system

# Senate Resolution 40

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- Requested study of infrastructure funding solutions by the EQSC
- Recognized necessity for economic development
- Stated facts about need
  - Loss of federal funding
  - Indiana has one of highest rates of septic systems in nation
  - Communities lack capacity to increase rates enough to meet needs
  - Without investment water quality will erode
- Issue was not assigned to a committee for study

# States' Actions

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- National Conference of State Legislatures
- Urged Congress to restore CWSRF to 2004 level: \$1.342 billion
- EPA estimates a \$535 billion gap in funding for over 20 years.
- NCSL opposes any funding cuts for CWSRF
- NCSL opposes EPA effort to limit funding and flexibility under Sec. 106 thru implementation of set aside programs

# What's Next

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- **Need organized effort to call attention to problem**
- **Need better and more current data on needs**
- **Need inventory of other state's solutions**
- **Need creative, long term plan to address issues**

# QUESTIONS ?