



April 3, 2017

ENGROSSED
SENATE BILL No. 416

DIGEST OF SB 416 (Updated March 30, 2017 2:06 pm - DI 58)

Citations Affected: IC 4-4; IC 8-1; IC 13-11; IC 13-18; IC 14-25; IC 21-47; IC 25-17.6.

Synopsis: Infrastructure assistance fund. Requires the Indiana finance authority to study the ability of utilities to provide clean and safe drinking water in Indiana for the foreseeable future. Requires the utility regulatory commission (IURC), in its deliberations in a general rate case of a water or wastewater utility, to consider governmental requirements arising from environmental law and their effect upon the utility's operational expenses. Authorizes the IURC, upon request by a water or wastewater utility in a general rate case, to permit the utility to voluntarily establish a customer assistance program. Provides that an
(Continued next page)

Effective: July 1, 2017.

**Charbonneau, Eckerty, Tallian,
Merritt, Bassler, Niezgodski, Stoops,
Glick, Randolph Lonnie M**
(HOUSE SPONSORS — OBER, BEUMER, STEMLER, MACER)

January 10, 2017, read first time and referred to Committee on Environmental Affairs.
January 23, 2017, amended, reported favorably — Do Pass; reassigned to Committee on Appropriations.
February 16, 2017, reported favorably — Do Pass.
February 20, 2017, read second time, ordered engrossed. Engrossed.
February 21, 2017, read third time, passed. Yeas 46, nays 2.
HOUSE ACTION
March 9, 2017, read first time and referred to Committee on Utilities, Energy and Telecommunications.
March 23, 2017, amended, reported — Do Pass. Referred to Committee on Ways and Means pursuant to Rule 127.
April 3, 2017, amended, reported — Do Pass.

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Digest Continued

IURC-approved customer assistance program may not be deemed a discriminatory utility regulation. Provides that certain water utilities that have withdrawn from the jurisdiction of the IURC may form a policy review committee to receive complaints from customers if certain conditions are met. Requires the environmental rules board to adopt rules to carry out the intent of the law concerning the safety of the public water supply. Authorizes the commissioner of the department of environmental management, when the point of water collection of a public water system is being relocated, to require that the water be tested at the new point of collection the public water system may begin to collect water at the new location. Establishes the infrastructure assistance fund (fund) to provide grants, loans, and other financial assistance for the planning, designing, acquisition, construction, renovation, improvement, and expansion of public water systems. Requires the Indiana finance authority (IFA) to administer the fund and to establish criteria for the making of grants, loans, and other financial assistance from the fund. Authorizes the IFA to sell loans and other obligations from the fund and to deposit the proceeds of the sales in the fund or in certain other funds. Authorizes the IFA to pledge loans and other obligations from the fund to secure other loans or financial assistance from the fund or from certain other funds. Requires the public finance director to submit a report on the fund to the budget committee and the legislative council not later than August 1 of each odd-numbered year through 2021. Changes the name of the Indiana geological survey to the Indiana geological and water survey (survey). Requires the survey to provide geological information about the water resources of Indiana. Changes the name of the geological survey advisory council to the geological and water survey advisory council.

ES 416—LS 7421/DI 55



April 3, 2017

First Regular Session 120th General Assembly (2017)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 2016 Regular Session of the General Assembly.

ENGROSSED SENATE BILL No. 416

A BILL FOR AN ACT to amend the Indiana Code concerning utilities.

Be it enacted by the General Assembly of the State of Indiana:

1 SECTION 1. IC 4-4-10.9-1.2, AS AMENDED BY P.L.155-2015,
2 SECTION 1, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
3 JULY 1, 2017]: Sec. 1.2. "Affected statutes" means all statutes that
4 grant a power to or impose a duty on the authority, including but not
5 limited to IC 4-4-11, IC 4-4-11.4, IC 4-4-11.6, IC 4-4-21, IC 4-13.5,
6 IC 5-1-16, IC 5-1-16.5, IC 5-1-17.5, IC 8-9.5, IC 8-14.5, IC 8-15,
7 IC 8-15.5, IC 8-16, IC 13-18-13, IC 13-18-21, **IC 13-18-25**,
8 IC 13-19-5, IC 14-14, and IC 14-28-5.

9 SECTION 2. IC 4-4-11-2, AS AMENDED BY P.L.233-2013,
10 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
11 JULY 1, 2017]: Sec. 2. (a) The legislature makes the following findings
12 of fact:

13 (1) That there currently exists in certain areas of the state critical
14 conditions of unemployment, inadequate drinking water,
15 inadequate wastewater and storm water management, or
16 environmental pollution, including water pollution, air pollution,
17 sewage and solid waste, radioactive waste, thermal pollution,

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- 1 radiation contamination, and noise pollution, and that these
2 conditions may well exist, from time to time, in other areas of the
3 state.
- 4 (2) That in some areas of the state such conditions are chronic and
5 of long standing and that without remedial measures they may
6 become so in other areas of the state.
- 7 (3) That economic insecurity due to unemployment, inadequate
8 drinking water, inadequate wastewater and storm water
9 management, or environmental pollution is a menace to the
10 health, safety, morals, and general welfare of not only the people
11 of the affected areas but of the people of the entire state.
- 12 (4) That involuntary unemployment and its resulting burden of
13 indigency falls with crushing force upon the unemployed worker
14 and ultimately upon the state in the form of public assistance and
15 unemployment compensation.
- 16 (5) That security against unemployment and the resulting spread
17 of indigency and economic stagnation in the areas affected can
18 be provided by:
- 19 (A) the promotion, attraction, stimulation, rehabilitation, and
20 revitalization of industrial development projects, rural
21 development projects, mining operations, and agricultural
22 operations that involve the processing of agricultural products;
23 (B) the promotion and stimulation of international exports; and
24 (C) the education, both formal and informal, of people of all
25 ages throughout the state by the promotion, attraction,
26 construction, renovation, rehabilitation, and revitalization of
27 and assistance to educational facility projects.
- 28 (6) That the present and prospective health, safety, morals, right
29 to gainful employment, and general welfare of the people of the
30 state require as a public purpose the provision of safe drinking
31 water, the provision of wastewater and storm water management,
32 the abatement or control of pollution, the promotion of increased
33 educational enrichment (including cultural, intellectual, scientific,
34 or artistic opportunities) for people of all ages through new,
35 expanded, or revitalized educational facility projects or through
36 assisting educational facility projects, and the promotion of
37 employment creation or retention through development of new
38 and expanded industrial development projects, rural development
39 projects, mining operations, and agricultural operations that
40 involve the processing of agricultural products.
- 41 (7) That there is a need to stimulate a larger flow of private
42 investment funds from commercial banks, investment bankers,



- 1 insurance companies, other financial institutions, and individuals
 2 into such industrial development projects, rural development
 3 projects, mining operations, international exports, and agricultural
 4 operations that involve the processing of agricultural products in
 5 the state.
- 6 (8) That the authority can encourage the making of loans or leases
 7 for creation or expansion of industrial development projects, rural
 8 development projects, mining operations, international exports,
 9 and agricultural operations that involve the processing of
 10 agricultural products, thus putting a larger portion of the private
 11 capital available in Indiana for investment to use in the general
 12 economic development of the state.
- 13 (9) That the issuance of bonds of the authority to create a
 14 financing pool for industrial development projects and carrying
 15 out the purposes of IC 13-18-13 and IC 13-18-21 promoting a
 16 substantial likelihood of opportunities for:
- 17 (A) gainful employment;
 - 18 (B) business opportunities;
 - 19 (C) educational enrichment (including cultural, intellectual,
 20 scientific, or artistic opportunities);
 - 21 (D) the abatement, reduction, or prevention of pollution;
 - 22 (E) the provision of safe drinking water;
 - 23 (F) the provision of wastewater and storm water management;
 - 24 (G) the removal or treatment of any substances in materials
 25 being processed that otherwise would cause pollution when
 26 used; or
 - 27 (H) increased options for and availability of child care;
- 28 will improve the health, safety, morals, and general welfare of the
 29 people of the state and constitutes a public purpose for which the
 30 authority shall exist and operate.
- 31 (10) That the issuance of bonds of the authority to create a
 32 funding source for the making of guaranteed participating loans
 33 will promote and encourage an expanding international exports
 34 market and international exports sales and will promote the
 35 general welfare of all of the people of Indiana by assisting Indiana
 36 businesses through stimulation of the expansion of international
 37 exports sales for Indiana products and services, especially those
 38 of small and medium-sized businesses, by providing financial
 39 assistance through the authority.
- 40 (b) The Indiana finance authority shall exist and operate for the
 41 public purposes of:
- 42 (1) promoting opportunities for gainful employment and business



1 opportunities by the promotion and development of industrial
 2 development projects, rural development projects, mining
 3 operations, international exports, and agricultural operations that
 4 involve the processing of agricultural products, in any areas of the
 5 state;

6 (2) promoting the educational enrichment (including cultural,
 7 intellectual, scientific, or artistic opportunities) of all the people
 8 of the state by the promotion, development, and assistance of
 9 educational facility projects;

10 (3) promoting affordable farm credit and agricultural loan
 11 financing at interest rates that are consistent with the needs of
 12 borrowers for farming and agricultural enterprises;

13 (4) preventing and remediating environmental pollution,
 14 including water pollution, air pollution, sewage and solid waste
 15 disposal, radioactive waste, thermal pollution, radiation
 16 contamination, and noise pollution affecting the health and
 17 well-being of the people of the state by:

18 (A) the promotion and development of industrial development
 19 projects; and

20 (B) carrying out the purposes of IC 13-18-13, ~~and~~ IC 13-18-21,
 21 **and IC 13-18-25;**

22 (5) promoting the provision of safe and adequate drinking water,
 23 **helping to upgrade deteriorating infrastructure,** and
 24 **promoting** wastewater and storm water management to positively
 25 affect the public health and well-being by carrying out the
 26 purposes of IC 13-18-13, ~~and~~ IC 13-18-21, **and IC 13-18-25;**

27 (6) otherwise positively affecting the public health and well-being
 28 by carrying out the purposes of IC 13-18-13, ~~and~~ IC 13-18-21,
 29 **and IC 13-18-25;**

30 (7) promoting affordable and accessible child care for the people
 31 of the state by the promotion and development of child care
 32 facilities; and

33 (8) carrying out the purposes of IC 5-1-17.5 concerning a
 34 motorsports investment district.

35 SECTION 3. IC 4-4-11-15, AS AMENDED BY P.L.98-2008,
 36 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 37 JULY 1, 2017]: Sec. 15. (a) The authority is granted all powers
 38 necessary or appropriate to carry out and effectuate its public and
 39 corporate purposes under the affected statutes, including but not
 40 limited to the following:

41 (1) Have perpetual succession as a body politic and corporate and
 42 an independent instrumentality exercising essential public



- 1 functions.
- 2 (2) Without complying with IC 4-22-2, adopt, amend, and repeal
- 3 bylaws, rules, guidelines, and policies not inconsistent with the
- 4 affected statutes, and necessary or convenient to regulate its
- 5 affairs and to carry into effect the powers, duties, and purposes of
- 6 the authority and conduct its business under the affected statutes.
- 7 These bylaws, rules, guidelines, and policies must be made by a
- 8 resolution of the authority introduced at one (1) meeting and
- 9 approved at a subsequent meeting of the authority.
- 10 (3) Sue and be sued in its own name.
- 11 (4) Have an official seal and alter it at will.
- 12 (5) Maintain an office or offices at a place or places within the
- 13 state as it may designate.
- 14 (6) Make, execute, and enforce contracts and all other instruments
- 15 necessary, convenient, or desirable for the purposes of the
- 16 authority or pertaining to:
- 17 (A) a purchase, acquisition, or sale of securities or other
- 18 investments; or
- 19 (B) the performance of the authority's duties and execution of
- 20 any of the authority's powers under the affected statutes.
- 21 (7) Employ architects, engineers, attorneys, inspectors,
- 22 accountants, agriculture experts, silviculture experts, aquaculture
- 23 experts, and financial experts, and such other advisors,
- 24 consultants, and agents as may be necessary in its judgment and
- 25 to fix their compensation.
- 26 (8) Procure insurance against any loss in connection with its
- 27 property and other assets, including loans and loan notes in
- 28 amounts and from insurers as it may consider advisable.
- 29 (9) Borrow money, make guaranties, issue bonds, and otherwise
- 30 incur indebtedness for any of the authority's purposes, and issue
- 31 debentures, notes, or other evidences of indebtedness, whether
- 32 secured or unsecured, to any person, as provided by the affected
- 33 statutes. Notwithstanding any other law, the:
- 34 (A) issuance by the authority of any indebtedness that
- 35 establishes a procedure for the authority or a person acting on
- 36 behalf of the authority to certify to the general assembly the
- 37 amount needed to restore a debt service reserve fund or
- 38 another fund to required levels; or
- 39 (B) execution by the authority of any other agreement that
- 40 creates a moral obligation of the state to pay all or part of any
- 41 indebtedness issued by the authority;
- 42 is subject to review by the budget committee and approval by the



- 1 budget director.
- 2 (10) Procure insurance or guaranties from any public or private
- 3 entities, including any department, agency, or instrumentality of
- 4 the United States, for payment of any bonds issued by the
- 5 authority, including the power to pay premiums on any insurance
- 6 or reinsurance.
- 7 (11) Purchase, receive, take by grant, gift, devise, bequest, or
- 8 otherwise, and accept, from any source, aid or contributions of
- 9 money, property, labor, or other things of value to be held, used,
- 10 and applied to carry out the purposes of the affected statutes,
- 11 subject to the conditions upon which the grants or contributions
- 12 are made, including but not limited to gifts or grants from any
- 13 department, agency, or instrumentality of the United States, and
- 14 lease or otherwise acquire, own, hold, improve, employ, use, and
- 15 otherwise deal in and with real or personal property or any
- 16 interest in real or personal property, wherever situated, for any
- 17 purpose consistent with the affected statutes.
- 18 (12) Enter into agreements with any department, agency, or
- 19 instrumentality of the United States or this state and with lenders
- 20 and enter into loan agreements, sales contracts, and leases with
- 21 contracting parties, including participants (as defined in
- 22 IC 13-11-2-151.1) for any purpose permitted under IC 13-18-13,
- 23 **or IC 13-18-21, or IC 13-18-25**, borrowers, lenders, developers,
- 24 or users, for the purpose of planning, regulating, and providing for
- 25 the financing and refinancing of any agricultural enterprise (as
- 26 defined in IC 5-28-31-1), rural development project (as defined
- 27 in IC 5-28-31-20), industrial development project, purpose
- 28 permitted under IC 13-18-13, **and IC 13-18-21, and IC 13-18-25**,
- 29 or international exports, and distribute data and information
- 30 concerning the encouragement and improvement of agricultural
- 31 enterprises and agricultural employment, rural development
- 32 projects, industrial development projects, international exports,
- 33 and other types of employment in the state undertaken with the
- 34 assistance of the authority under this chapter.
- 35 (13) Enter into contracts or agreements with lenders and lessors
- 36 for the servicing and processing of loans and leases pursuant to
- 37 the affected statutes.
- 38 (14) Provide technical assistance to local public bodies and to
- 39 profit and nonprofit entities in the development or operation of
- 40 agricultural enterprises, rural development projects, and industrial
- 41 development projects.
- 42 (15) To the extent permitted under its contract with the holders of



- 1 the bonds of the authority, consent to any modification with
2 respect to the rate of interest, time, and payment of any
3 installment of principal or interest, or any other term of any
4 contract, loan, loan note, loan note commitment, contract, lease,
5 or agreement of any kind to which the authority is a party.
6 (16) To the extent permitted under its contract with the holders of
7 bonds of the authority, enter into contracts with any lender
8 containing provisions enabling it to reduce the rental or carrying
9 charges to persons unable to pay the regular schedule of charges
10 when, by reason of other income or payment by any department,
11 agency, or instrumentality of the United States of America or of
12 this state, the reduction can be made without jeopardizing the
13 economic stability of the agricultural enterprise, rural
14 development project, or industrial development project being
15 financed.
16 (17) Notwithstanding IC 5-13, but subject to the requirements of
17 any trust agreement entered into by the authority, invest:
18 (A) the authority's money, funds, and accounts;
19 (B) any money, funds, and accounts in the authority's custody;
20 and
21 (C) proceeds of bonds or notes;
22 in the manner provided by an investment policy established by
23 resolution of the authority.
24 (18) Fix and revise periodically, and charge and collect, fees and
25 charges as the authority determines to be reasonable in connection
26 with:
27 (A) the authority's loans, guarantees, advances, insurance,
28 commitments, and servicing; and
29 (B) the use of the authority's services or facilities.
30 (19) Cooperate and exchange services, personnel, and information
31 with any federal, state, or local government agency, or
32 instrumentality of the United States or this state.
33 (20) Sell, at public or private sale, with or without public bidding,
34 any loan or other obligation held by the authority.
35 (21) Enter into agreements concerning, and acquire, hold, and
36 dispose by any lawful means, land or interests in land, building
37 improvements, structures, personal property, franchises, patents,
38 accounts receivable, loans, assignments, guarantees, and
39 insurance needed for the purposes of the affected statutes.
40 (22) Take assignments of accounts receivable, loans, guarantees,
41 insurance, notes, mortgages, security agreements securing notes,
42 and other forms of security, attach, seize, or take title by



- 1 foreclosure or conveyance to any industrial development project
 2 when a guaranteed loan thereon is clearly in default and when in
 3 the opinion of the authority such acquisition is necessary to
 4 safeguard the industrial development project guaranty fund, and
 5 sell, or on a temporary basis, lease or rent such industrial
 6 development project for any use.
- 7 (23) Expend money provided to the authority by the Indiana
 8 economic development corporation from the industrial
 9 development project guaranty fund created by IC 5-28-30, subject
 10 to the terms of any agreement with the Indiana economic
 11 development corporation governing the expenditure of that
 12 money.
- 13 (24) Purchase, lease as lessee, construct, remodel, rebuild,
 14 enlarge, or substantially improve industrial development projects,
 15 including land, machinery, equipment, or any combination
 16 thereof.
- 17 (25) Lease industrial development projects to users or developers,
 18 with or without an option to purchase.
- 19 (26) Sell industrial development projects to users or developers,
 20 for consideration to be paid in installments or otherwise.
- 21 (27) Make direct loans from the proceeds of the bonds to users or
 22 developers for:
- 23 (A) the cost of acquisition, construction, or installation of
 24 industrial development projects, including land, machinery,
 25 equipment, or any combination thereof; or
- 26 (B) eligible expenditures for an educational facility project
 27 described in IC 4-4-10.9-6.2(a)(2);
- 28 with the loans to be secured by the pledge of one (1) or more
 29 bonds, notes, warrants, or other secured or unsecured debt
 30 obligations of the users or developers.
- 31 (28) Lend or deposit the proceeds of bonds to or with a lender for
 32 the purpose of furnishing funds to such lender to be used for
 33 making a loan to a developer or user for the financing of industrial
 34 development projects under this chapter.
- 35 (29) Enter into agreements with users or developers to allow the
 36 users or developers, directly or as agents for the authority, to
 37 wholly or partially construct industrial development projects to be
 38 leased from or to be acquired by the authority.
- 39 (30) Establish reserves from the proceeds of the sale of bonds,
 40 other funds, or both, in the amount determined to be necessary by
 41 the authority to secure the payment of the principal and interest on
 42 the bonds.



- 1 (31) Adopt rules and guidelines governing its activities authorized
2 under the affected statutes.
- 3 (32) Use the proceeds of bonds to make guaranteed participating
4 loans.
- 5 (33) Purchase, discount, sell, and negotiate, with or without
6 guaranty, notes and other evidences of indebtedness.
- 7 (34) Sell and guarantee securities.
- 8 (35) Make guaranteed participating loans under IC 4-4-21-26.
- 9 (36) Procure insurance to guarantee, insure, coinsure, and
10 reinsure against political and commercial risk of loss, and any
11 other insurance the authority considers necessary, including
12 insurance to secure the payment of principal and interest on notes
13 or other obligations of the authority.
- 14 (37) Provide performance bond guarantees to support eligible
15 export loan transactions, subject to the terms of the affected
16 statutes.
- 17 (38) Provide financial counseling services to Indiana exporters.
- 18 (39) Accept gifts, grants, or loans from, and enter into contracts
19 or other transactions with, any federal or state agency,
20 municipality, private organization, or other source.
- 21 (40) Sell, convey, lease, exchange, transfer, or otherwise dispose
22 of property or any interest in property, wherever the property is
23 located.
- 24 (41) Cooperate with other public and private organizations to
25 promote export trade activities in Indiana.
- 26 (42) Cooperate with the Indiana economic development
27 corporation in taking any actions necessary for the administration
28 of the agricultural loan and rural development project guarantee
29 fund established by IC 5-28-31.
- 30 (43) In cooperation with the Indiana economic development
31 corporation, take assignments of notes and mortgages and security
32 agreements securing notes and other forms of security, and attach,
33 seize, or take title by foreclosure or conveyance to any
34 agricultural enterprise or rural development project when a
35 guaranteed loan to the enterprise or rural development project is
36 clearly in default and when in the opinion of the Indiana
37 economic development corporation the acquisition is necessary to
38 safeguard the agricultural loan and rural development project
39 guarantee fund, and sell, or on a temporary basis, lease or rent the
40 agricultural enterprise or rural development project for any use.
- 41 (44) Expend money provided to the authority by the Indiana
42 economic development corporation from the agricultural loan and



- 1 rural development project guarantee fund created by IC 5-28-31,
 2 subject to the terms of any agreement with the Indiana economic
 3 development corporation governing the expenditure of that
 4 money.
- 5 (45) Reimburse from bond proceeds expenditures for industrial
 6 development projects under this chapter.
- 7 (46) Acquire, hold, use, and dispose of the authority's income,
 8 revenues, funds, and money.
- 9 (47) Purchase, acquire, or hold debt securities or other
 10 investments for the authority's own account at prices and in a
 11 manner the authority considers advisable, and sell or otherwise
 12 dispose of those securities or investments at prices without
 13 relation to cost and in a manner the authority considers advisable.
- 14 (48) Fix and establish terms and provisions with respect to:
- 15 (A) a purchase of securities by the authority, including dates
 16 and maturities of the securities;
- 17 (B) redemption or payment before maturity; and
- 18 (C) any other matters that in connection with the purchase are
 19 necessary, desirable, or advisable in the judgment of the
 20 authority.
- 21 (49) To the extent permitted under the authority's contracts with
 22 the holders of bonds or notes, amend, modify, and supplement any
 23 provision or term of:
- 24 (A) a bond, a note, or any other obligation of the authority; or
- 25 (B) any agreement or contract of any kind to which the
 26 authority is a party.
- 27 (50) Subject to the authority's investment policy, do any act and
 28 enter into any agreement pertaining to a swap agreement (as
 29 defined in IC 8-9.5-9-4) related to the purposes of the affected
 30 statutes in accordance with IC 8-9.5-9-5 and IC 8-9.5-9-7,
 31 whether the action is incidental to the issuance, carrying, or
 32 securing of bonds or otherwise.
- 33 (51) Do any act necessary or convenient to the exercise of the
 34 powers granted by the affected statutes, or reasonably implied
 35 from those statutes, including but not limited to compliance with
 36 requirements of federal law imposed from time to time for the
 37 issuance of bonds.
- 38 (b) The authority's powers under this chapter shall be interpreted
 39 broadly to effectuate the purposes of this chapter and may not be
 40 construed as a limitation of powers. The omission of a power from the
 41 list in subsection (a) does not imply that the authority lacks that power.
 42 The authority may exercise any power that is not listed in subsection



1 (a) but is consistent with the powers listed in subsection (a) to the
2 extent that the power is not expressly denied by the Constitution of the
3 State of Indiana or by another statute.

4 (c) This chapter does not authorize the financing of industrial
5 development projects for a developer unless any written agreement that
6 may exist between the developer and the user at the time of the bond
7 resolution is fully disclosed to and approved by the authority.

8 (d) The authority shall work with and assist the Indiana housing and
9 community development authority established by IC 5-20-1-3, the ports
10 of Indiana established under IC 8-10-1-3, and the state fair commission
11 established by IC 15-13-2-1 in the issuance of bonds, notes, or other
12 indebtedness. The Indiana housing and community development
13 authority, the ports of Indiana, and the state fair commission shall work
14 with and cooperate with the authority in connection with the issuance
15 of bonds, notes, or other indebtedness.

16 SECTION 4. IC 4-4-11-15.4, AS ADDED BY P.L.235-2005,
17 SECTION 22, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
18 JULY 1, 2017]: Sec. 15.4. (a) The authority may issue bonds or notes
19 and invest or loan the proceeds of those bonds or notes to a participant
20 (as defined in IC 13-11-2-151.1) for the purposes of:

21 (1) the wastewater revolving loan program established by
22 IC 13-18-13-1; ~~and~~

23 (2) the drinking water revolving loan program established by
24 IC 13-18-21-1;

25 **(3) the supplemental drinking water and wastewater**
26 **assistance program established by IC 13-18-21-21; and**

27 **(4) the infrastructure assistance program established by**
28 **IC 13-18-25-1.**

29 (b) If the authority loans money to or purchases debt securities of a
30 political subdivision (as defined in IC 13-11-2-164(a) and
31 IC 13-11-2-164(b)), the authority may, by the resolution approving the
32 bonds or notes, provide that subsection (c) is applicable to the political
33 subdivision.

34 (c) Notwithstanding any other law, to the extent that any department
35 or agency of the state, including the treasurer of state, is the custodian
36 of money payable to the political subdivision (other than for goods or
37 services provided by the political subdivision), at any time after written
38 notice to the department or agency head from the authority that the
39 political subdivision is in default on the payment of principal or interest
40 on the obligations then held or owned by or arising from an agreement
41 with the authority, the department or agency shall withhold the
42 payment of that money from that political subdivision and pay over the



1 money to the authority for the purpose of paying principal of and
 2 interest on bonds or notes of the authority. However, the withholding
 3 of payment from the political subdivision and payment to the authority
 4 under this section must not adversely affect the validity of the
 5 obligation in default.

6 SECTION 5. IC 4-4-11-40, AS AMENDED BY P.L.235-2005,
 7 SECTION 31, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 8 JULY 1, 2017]: Sec. 40. Except as provided in IC 13-18-13, ~~or~~
 9 IC 13-18-21, **or IC 13-18-25**, all income and assets of the authority are
 10 for its own use without appropriation, but shall revert to the state
 11 general fund if the authority by resolution transfers money to the state
 12 general fund or if the authority is dissolved.

13 SECTION 6. IC 4-4-11-44.6, AS ADDED BY P.L.235-2005,
 14 SECTION 32, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 15 JULY 1, 2017]: Sec. 44.6. (a) For purposes of this section, "program"
 16 refers to:

17 (1) a program defined in IC 13-11-2-172(a) through
 18 IC 13-11-2-172(b); ~~and~~

19 (2) the supplemental drinking water and wastewater assistance
 20 program established by IC 13-18-21-21; ~~or~~

21 **(3) the infrastructure assistance program established by**
 22 **IC 13-18-25-1.**

23 (b) Notwithstanding any statute applicable to or constituting any
 24 limitation on the investment or reinvestment of funds by or on behalf
 25 of political subdivisions:

26 (1) a participant receiving financial assistance in connection with
 27 a program may invest and reinvest funds that constitute, replace,
 28 or substitute for the proceeds of bonds or other evidence of
 29 indebtedness sold to the authority under the program, together
 30 with any account or reserves of a participant not funded with the
 31 proceeds of the bonds or other evidence of indebtedness
 32 purchased by the authority but which secure or provide payment
 33 for those bonds or other evidence of indebtedness, in any
 34 instrument or other investment authorized under a resolution of
 35 the authority; and

36 (2) a participant that is obligated to make payments on bonds or
 37 other evidence of indebtedness purchased in connection with the
 38 operation of a program may invest and reinvest funds that
 39 constitute, replace, or substitute for the proceeds of those bonds
 40 or other evidence of indebtedness, together with any account or
 41 reserves of a participant not funded with the proceeds of the
 42 bonds or other evidence of indebtedness purchased under the



1 program but which secure or provide payment for those bonds or
 2 other evidence of indebtedness, in any instrument or other
 3 investment authorized under a resolution of the authority.

4 SECTION 7. IC 4-4-11.7 IS ADDED TO THE INDIANA CODE
 5 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
 6 JULY 1, 2017]:

7 **Chapter 11.7. Monitoring, Study, and Assessment by Indiana**
 8 **Finance Authority**

9 **Sec. 1. As used in this chapter, "authority" refers to the Indiana**
 10 **finance authority established by IC 4-4-11.**

11 **Sec. 2. As used in this chapter, "governmental requirement"**
 12 **means a requirement imposed on a utility by a governmental unit**
 13 **in connection with:**

- 14 (1) the federal Clean Water Act (33 U.S.C. 1251 et seq.);
- 15 (2) the federal Safe Drinking Water Act (42 U.S.C. 300f et
- 16 seq.); or
- 17 (3) any other law, order, rule, or regulation administered or
- 18 issued by the United States Environmental Protection Agency,
- 19 the department of environmental management, or the
- 20 department of natural resources in connection with the
- 21 federal Clean Water Act or the federal Safe Drinking Water
- 22 Act.

23 **Sec. 3. As used in this chapter, "utility" means:**

- 24 (1) a public utility (as defined in IC 8-1-2-1(a));
- 25 (2) a municipally owned utility (as defined in IC 8-1-2-1(h));
- 26 or
- 27 (3) a not-for-profit utility (as defined in IC 8-1-2-125(a));

28 **that provides water or wastewater service to the public.**

29 **Sec. 4. The authority shall monitor and study events and**
 30 **conditions that bear upon the ability of utilities to provide clean**
 31 **and safe drinking water in Indiana for the foreseeable future,**
 32 **including the ability of utilities to directly or indirectly fund the**
 33 **increasing costs of meeting governmental requirements.**

34 **Sec. 5. The powers of the authority under section 4 of this**
 35 **chapter include the following:**

- 36 (1) Assessing issues related to service line ownership and
- 37 replacement.
- 38 (2) Assessing the challenges that utilities are likely to
- 39 encounter as they become subject to more stringent
- 40 governmental requirements.
- 41 (3) Studying cost recovery mechanisms that enable utilities to
- 42 respond quickly to system needs.



1 **(4) Monitoring the growing costs for utilities in complying**
 2 **with consent decrees related to governmental requirements.**

3 **(5) Studying regional water ownership issues, including**
 4 **cross-border issues.**

5 SECTION 8. IC 8-1-1-16 IS ADDED TO THE INDIANA CODE
 6 AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY
 7 1, 2017]: Sec. 16. **(a) As used in this section, "commission" refers**
 8 **to the Indiana utility regulatory commission created by section 2**
 9 **of this chapter.**

10 **(b) As used in this section, "governmental requirement" means**
 11 **a requirement imposed on a utility by a governmental unit in**
 12 **connection with:**

13 **(1) the federal Clean Water Act (33 U.S.C. 1251 et seq.);**

14 **(2) the federal Safe Drinking Water Act (42 U.S.C. 300f et**
 15 **seq.); or**

16 **(3) any other law, order, rule, or regulation administered or**
 17 **issued by the United States Environmental Protection Agency,**
 18 **the department of environmental management, or the**
 19 **department of natural resources in connection with the**
 20 **federal Clean Water Act or the federal Safe Drinking Water**
 21 **Act.**

22 **(c) As used in this section, "utility" means:**

23 **(1) a public utility (as defined in IC 8-1-2-1(a));**

24 **(2) a municipally owned utility (as defined in IC 8-1-2-1(h));**
 25 **or**

26 **(3) a not-for-profit utility (as defined in IC 8-1-2-125(a));**
 27 **that provides water or wastewater service to the public and is**
 28 **under the jurisdiction of the commission for the approval of rates**
 29 **and charges.**

30 **(d) In its deliberations in a general rate case of a utility, the**
 31 **commission shall consider governmental requirements and their**
 32 **effect upon the utility's operational expenses.**

33 SECTION 9. IC 8-1-2-46 IS AMENDED TO READ AS FOLLOWS
 34 [EFFECTIVE JULY 1, 2017]: Sec. 46. **(a) The commission shall**
 35 **provide for a comprehensive classification of such service for each**
 36 **public utility and such classification may take into account the quantity**
 37 **used, the time when used, the purpose for which used and other**
 38 **reasonable consideration. Each public utility is required to conform its**
 39 **schedules of rates, tolls, and charges to such classification.**

40 **(b) As used in this section, "water or wastewater utility" means:**

41 **(1) a municipally owned utility, as defined in section 1(h) of**
 42 **this chapter; or**



1 (2) a not-for-profit utility, as defined in section 125(a) of this
2 chapter;
3 that provides water or wastewater service to the public.

4 (c) Upon request by a water or wastewater utility in a general
5 rate case, the commission may allow a water or wastewater utility
6 to establish a customer assistance program that:

- 7 (1) uses state or federal infrastructure funds; or
8 (2) provides financial relief to residential customers who
9 qualify for income related assistance.

10 A customer assistance program established under this subsection
11 that affects rates and charges for service is not discriminatory for
12 purposes of this chapter or any other law regulating rates and
13 charges for service. In considering whether to approve a water or
14 wastewater utility's proposed customer assistance program, the
15 commission shall determine that a customer assistance program
16 established under this subsection furthers the interests set forth in
17 section 0.5 of this chapter and is in the public interest.

18 (d) The commission shall adopt rules under IC 4-22-2 to
19 implement this section.

20 SECTION 10. IC 8-1-2.7-15.5 IS ADDED TO THE INDIANA
21 CODE AS A NEW SECTION TO READ AS FOLLOWS
22 [EFFECTIVE JULY 1, 2017]: Sec. 15.5. (a) This section applies to a
23 utility that is described in section 1.3(a)(1)(B) of this chapter that
24 has properly withdrawn from commission jurisdiction under this
25 chapter.

26 (b) As used in this section, "committee" refers to a policy review
27 committee established under this section.

28 (c) A policy review committee may be established for a utility if
29 the lesser of:

- 30 (1) one hundred (100); or
31 (2) more than fifty percent (50%);

32 of the utility's customers file, individually or collectively, with the
33 utility's board of directors, a verified petition under subsection (d)
34 to establish the committee.

35 (d) A petition under this section must provide for the following:

- 36 (1) A procedure for establishing districts within the utility's
37 service territory and for electing members, who must be
38 customers of the utility residing within the established
39 districts, to serve as members of the committee.
40 (2) The terms of the members of the committee.
41 (3) Procedures by which the committee is authorized to do the
42 following:



- 1 **(A) Receive complaints from customers of the utility**
- 2 **concerning:**
- 3 **(i) rules and policies established by the utility's board of**
- 4 **directors;**
- 5 **(ii) the utility's rates and charges;**
- 6 **(iii) utility service quality; or**
- 7 **(iv) other matters concerning the utility's operations,**
- 8 **management, or service, as specifically set forth in the**
- 9 **petition.**
- 10 **(B) Attempt to negotiate a resolution with the utility's**
- 11 **board of directors with respect to a complaint received**
- 12 **under clause (A).**
- 13 **(C) Seek mediation to be overseen by the office of the**
- 14 **attorney general with respect to complaints that are not**
- 15 **resolved through negotiations described in clause (B).**
- 16 **(4) Other matters that the petitioners consider appropriate**
- 17 **with respect to the utility's operations, management, or**
- 18 **service.**

19 **(e) The attorney general may adopt rules under IC 4-22-2,**
 20 **including emergency rules in the manner provided under**
 21 **IC 4-22-2-37.1, to implement this section.**

22 SECTION 11. IC 8-1-30.7-7, AS ADDED BY P.L.102-2016,
 23 SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 24 JULY 1, 2017]: Sec. 7. As used in this chapter, "water related state
 25 agency" means any of the following:

- 26 (1) The Indiana finance authority established by IC 4-4-11.
- 27 (2) The department of administration created by IC 4-13-1-2.
- 28 (3) The commission.
- 29 (4) The office of utility consumer counselor created by
- 30 IC 8-1-1.1-2.
- 31 (5) The department of environmental management established by
- 32 IC 13-13-1-1.
- 33 (6) The department of natural resources created by IC 14-9-1-1.
- 34 (7) The state department of health established by IC 16-19-1-1.
- 35 (8) The Indiana geological **and water** survey established as a part
- 36 of Indiana University by IC 21-47-2.
- 37 (9) The Indiana Water Resource Research Center of Purdue
- 38 University.
- 39 (10) The state department of agriculture established by
- 40 IC 15-11-2-1.

41 SECTION 12. IC 13-11-2-16, AS AMENDED BY P.L.235-2005,
 42 SECTION 126, IS AMENDED TO READ AS FOLLOWS



1 [EFFECTIVE JULY 1, 2017]: Sec. 16. (a) "Authority", for purposes of
 2 IC 13-22-10, refers to the Indiana hazardous waste facility site approval
 3 authority.

4 (b) "Authority", for purposes of IC 13-18-13, IC 13-18-21,
 5 **IC 13-18-25**, and IC 13-19-5, refers to the Indiana finance authority
 6 created under IC 4-4-11.

7 SECTION 13. IC 13-11-2-29 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 29. "Clean Water Act",
 9 for purposes of this chapter, IC 13-18-13, IC 13-18-22, ~~and~~
 10 IC 13-18-23, **and IC 13-18-25**, refers to:

11 (1) 33 U.S.C. 1251 et seq.; and

12 (2) regulations adopted under 33 U.S.C. 1251 et seq.

13 SECTION 14. IC 13-11-2-83, AS AMENDED BY P.L.235-2005,
 14 SECTION 127, IS AMENDED TO READ AS FOLLOWS
 15 [EFFECTIVE JULY 1, 2017]: Sec. 83. (a) "Financial assistance
 16 agreement", for purposes of IC 13-18-13, refers to an agreement
 17 between:

18 (1) the Indiana finance authority; and

19 (2) a participant under IC 13-18-13;

20 establishing the terms and conditions of a loan or other financial
 21 assistance, including forgiveness of principal if allowed under federal
 22 law, by the state to the participant under that chapter.

23 (b) "Financial assistance agreement", for purposes of IC 13-19-5,
 24 means an agreement between the authority and a political subdivision
 25 that:

26 (1) is approved by the budget agency; and

27 (2) establishes the terms and conditions of a loan or other
 28 financial assistance by the state to the political subdivision.

29 (c) "Financial assistance agreement", for purposes of IC 13-18-21,
 30 refers to an agreement between:

31 (1) the Indiana finance authority; and

32 (2) a participant under IC 13-18-21;

33 establishing the terms and conditions of a loan or other financial
 34 assistance, including forgiveness of principal if allowed under federal
 35 law, by the state to the participant under IC 13-18-21.

36 (d) **"Financial assistance agreement", for purposes of**
 37 **IC 13-18-25, refers to an agreement between:**

38 (1) **the Indiana finance authority; and**

39 (2) **a participant under IC 13-18-25;**

40 **establishing the terms and conditions of a loan or other financial**
 41 **assistance, including forgiveness of principal.**

42 SECTION 15. IC 13-11-2-87, AS AMENDED BY P.L.96-2016,



1 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
2 JULY 1, 2017]: Sec. 87. (a) "Fund", for purposes of IC 13-14-12, refers
3 to the environmental management special fund.

4 (b) "Fund", for purposes of IC 13-15-10, refers to the waste facility
5 operator trust fund.

6 (c) "Fund", for purposes of IC 13-15-11, refers to the environmental
7 management permit operation fund.

8 (d) "Fund", for purposes of IC 13-17-6, refers to the asbestos trust
9 fund.

10 (e) "Fund", for purposes of IC 13-17-8, refers to the Title V
11 operating permit program trust fund.

12 (f) "Fund", for purposes of IC 13-18-8-5, refers to a sanitary fund.

13 (g) "Fund", for purposes of IC 13-18-13, refers to the wastewater
14 revolving loan fund established by IC 13-18-13-2.

15 (h) "Fund", for purposes of IC 13-18-21, refers to the drinking water
16 revolving loan fund established by IC 13-18-21-2. The term does not
17 include the supplemental fund established by IC 13-18-21-22.

18 **(i) "Fund", for purposes of IC 13-18-25, refers to the**
19 **infrastructure assistance fund established by IC 13-18-25-2.**

20 ~~(i)~~ **(j)** "Fund", for purposes of IC 13-19-5, refers to the
21 environmental remediation revolving loan fund established by
22 IC 13-19-5-2.

23 ~~(j)~~ **(k)** "Fund", for purposes of IC 13-20-4, refers to the municipal
24 waste transportation fund.

25 ~~(k)~~ **(l)** "Fund", for purposes of IC 13-20-13, refers to the waste tire
26 management fund.

27 ~~(l)~~ **(m)** "Fund", for purposes of IC 13-20-22, refers to the state solid
28 waste management fund.

29 ~~(m)~~ **(n)** "Fund", for purposes of IC 13-21-7, refers to the waste
30 management district bond fund.

31 ~~(n)~~ **(o)** "Fund", for purposes of IC 13-21-13-2, refers to a district
32 solid waste management fund.

33 ~~(o)~~ **(p)** "Fund", for purposes of IC 13-23-6, refers to the
34 underground petroleum storage tank trust fund.

35 ~~(p)~~ **(q)** "Fund", for purposes of IC 13-23-7 and IC 13-23-8, refers to
36 the underground petroleum storage tank excess liability trust fund (or
37 ELTF).

38 ~~(q)~~ **(r)** "Fund", for purposes of IC 13-25-4, refers to the hazardous
39 substances response trust fund.

40 ~~(r)~~ **(s)** "Fund", for purposes of IC 13-25-5, refers to the voluntary
41 remediation fund.

42 ~~(s)~~ **(t)** "Fund", for purposes of IC 13-28-2, refers to the voluntary



- 1 compliance fund.
- 2 SECTION 16. IC 13-11-2-151.1, AS AMENDED BY P.L.235-2005,
 3 SECTION 128, IS AMENDED TO READ AS FOLLOWS
 4 [EFFECTIVE JULY 1, 2017]: Sec. 151.1. "Participant" means the
 5 following:
- 6 (1) For purposes of IC 13-18-13:
 7 (A) a political subdivision; or
 8 (B) any person, entity, association, trust, or other manner of
 9 participant permitted by law to enter contractual arrangements
 10 for a purpose eligible for assistance under the Clean Water
 11 Act.
- 12 (2) For purposes of the drinking water revolving loan program
 13 under IC 13-18-21:
 14 (A) a political subdivision; or
 15 (B) any person, entity, association, trust, or other manner of
 16 participant permitted by law to enter contractual arrangements
 17 for a purpose eligible for assistance under the Safe Drinking
 18 Water Act.
- 19 (3) For purposes of the supplemental drinking water and
 20 wastewater assistance program under IC 13-18-21-21 through
 21 IC 13-18-21-29:
 22 (A) a political subdivision; or
 23 (B) any person, entity, association, trust, or other manner of
 24 participant permitted by law to enter contractual arrangements
 25 for a purpose eligible for assistance under IC 13-18-21-21
 26 through IC 13-18-21-29.
- 27 **(4) For purposes of the infrastructure assistance program**
 28 **under IC 13-18-25:**
 29 **(A) a political subdivision; or**
 30 **(B) any person, entity, association, trust, or other manner**
 31 **of participant permitted by law to enter into contractual**
 32 **arrangements for assistance under IC 13-18-25.**
- 33 SECTION 17. IC 13-11-2-164 IS AMENDED TO READ AS
 34 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 164. (a) "Political
 35 subdivision", for purposes of IC 13-18-13, means:
 36 (1) a political subdivision (as defined in IC 36-1-2);
 37 (2) a regional water, sewage, or solid waste district organized
 38 under:
 39 (A) IC 13-26; or
 40 (B) IC 13-3-2 (before its repeal July 1, 1996); or
 41 (3) a local public improvement bond bank organized under
 42 IC 5-1.4.



1 (b) "Political subdivision", for purposes of IC 13-18-21 **and**
 2 **IC 13-18-25**, means:

- 3 (1) a political subdivision (as defined in IC 36-1-2);
 4 (2) a regional water, sewage, or solid waste district organized
 5 under:
 6 (A) IC 13-26; or
 7 (B) IC 13-3-2 (before its repeal July 1, 1996);
 8 (3) a local public improvement bond bank organized under
 9 IC 5-1.4;
 10 (4) a qualified entity described in IC 5-1.5-1-8(4) that is a public
 11 water utility described in IC 8-1-2-125; or
 12 (5) a conservancy district established for the purpose set forth in
 13 IC 14-33-1-1(a)(4).

14 (c) "Political subdivision", for purposes of IC 13-19-5, has the
 15 meaning set forth in IC 36-1-2-13 and includes a redevelopment district
 16 under IC 36-7-14 or IC 36-7-15.1.

17 SECTION 18. IC 13-11-2-172 IS AMENDED TO READ AS
 18 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 172. (a) "Program", for
 19 purposes of IC 13-18-13, refers to the wastewater revolving loan
 20 program established by IC 13-18-13-1.

21 (b) "Program", for purposes of IC 13-18-21, refers to the drinking
 22 water revolving loan program established by IC 13-18-21-1. The term
 23 does not include the supplemental program.

24 (c) **"Program", for purposes of IC 13-18-25, refers to the**
 25 **infrastructure assistance program established by IC 13-18-25-1.**

26 (c) (d) "Program", for purposes of IC 13-19-5, refers to the
 27 environmental remediation revolving loan program established by
 28 IC 13-19-5-1.

29 (d) (e) "Program", for purposes of IC 13-23, refers to an
 30 underground storage tank release:

- 31 (1) detection;
 32 (2) prevention; and
 33 (3) correction;

34 program created in accordance with the requirements of IC 13-23 or
 35 IC 13-7-20 (before its repeal).

36 SECTION 19. IC 13-11-2-177.3, AS AMENDED BY P.L. 112-2015,
 37 SECTION 8, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 38 JULY 1, 2017]: Sec. 177.3. "Public water system", for purposes of this
 39 chapter, IC 13-18-5.5, IC 13-18-11, IC 13-18-16, IC 13-18-20.5,
 40 IC 13-18-21, **IC 13-18-25**, and other environmental management laws,
 41 has the meaning set forth in 42 U.S.C. 300f.

42 SECTION 20. IC 13-11-2-195.5, AS ADDED BY P.L. 235-2005,



1 SECTION 129, IS AMENDED TO READ AS FOLLOWS
 2 [EFFECTIVE JULY 1, 2017]: Sec. 195.5. "Safe Drinking Water Act",
 3 for purposes of this chapter, ~~and IC 13-18-21, and IC 13-18-25~~, refers
 4 to:

- 5 (1) 42 U.S.C. 300f et seq.; and
- 6 (2) regulations adopted under 42 U.S.C. 300f et seq.

7 SECTION 21. IC 13-11-2-223.5 IS AMENDED TO READ AS
 8 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 223.5. "Storm water
 9 management program", for purposes of IC 13-18-21 ~~and IC 13-18-25~~,
 10 means a program that is consistent with the requirements in:

- 11 (1) 40 CFR 122.26(d)(2)(iv) for a proposed management
 12 program; or
- 13 (2) 40 CFR 122.34 for a storm water management program.

14 SECTION 22. IC 13-18-16-8, AS AMENDED BY P.L.112-2015,
 15 SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 16 JULY 1, 2017]: Sec. 8. (a) The board shall adopt rules under IC 4-22-2
 17 and IC 13-14-9 establishing requirements for public water systems,
 18 including the following:

- 19 (1) The requirement to obtain a permit for the construction,
 20 installation, or modification of facilities, equipment, or devices
 21 for any public water system.
- 22 (2) The requirement to obtain a permit for the operation of
 23 sources, facilities, equipment, or devices for any public water
 24 system.
- 25 (3) Requirements for the development of surface water quality
 26 threat minimization and response plans under section 7.5 of this
 27 chapter.

28 (b) The board shall adopt a permit by rule for water main extensions
 29 (as defined in 327 IAC 8-3-1) to satisfy the permit requirement in
 30 section 1(a) of this chapter.

31 **(c) The board may adopt rules to carry out the intent of this**
 32 **chapter related to requirements necessary to protect the safety of**
 33 **the public water supply.**

34 SECTION 23. IC 13-18-16-13 IS AMENDED TO READ AS
 35 FOLLOWS [EFFECTIVE JULY 1, 2017]: Sec. 13. (a) The
 36 commissioner may investigate and determine whether any public water
 37 system is providing water that is impure and dangerous to public
 38 health. If the commissioner determines that the water supply ~~of a~~
 39 **public water system:**

- 40 (1) is impure and dangerous to public health; or
- 41 (2) ~~is not sufficiently purified because of improper construction;~~
 42 ~~inadequate size, or inefficient management or operation; does not~~



1 **meet drinking water standards under:**

2 **(A) the federal Safe Drinking Water Act (42 U.S.C. 300f**
3 **through 300j); or**

4 **(B) rules adopted by the board;**

5 the commissioner may ~~under IC 13-30-3-10 through IC 13-30-3-12~~
6 order that the water supply be made pure and safe to health **in**
7 **accordance with the procedures under IC 13-14-2 and IC 13-30-3.**

8 **(b) When the point of water collection of a public water system**
9 **is being relocated, the commissioner may require water testing at**
10 **the new point of collection before allowing the public water system**
11 **to begin water collection at that point.**

12 ~~(b)~~ **(c)** If the commissioner determines ~~under subsection (a)~~ that a
13 water supply is impure and dangerous to public health because of
14 inefficient management or operation of the public water system
15 providing the water, the commissioner may order the person
16 responsible for the public water system to appoint, not later than fifteen
17 (15) days after the commissioner's determination, a competent person
18 to take charge of and superintend the operation of the water system
19 plant or works.

20 ~~(c)~~ **(d)** The commissioner must approve the person appointed in
21 response to the commissioner's order under subsection ~~(b)~~: **(c)**.
22 However, the person responsible for the water system plant or works
23 shall pay the salary of the person appointed.

24 SECTION 24. IC 13-18-25 IS ADDED TO THE INDIANA CODE
25 AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE
26 JULY 1, 2017]:

27 **Chapter 25. Infrastructure Assistance Program**

28 **Sec. 1. The infrastructure assistance program is established.**

29 **Sec. 2. (a) The infrastructure assistance fund is established as a**
30 **source of money for grants, loans, and other financial assistance to,**
31 **or for the benefit of, participants in the program.**

32 **(b) The fund shall be administered, held, and managed by the**
33 **authority.**

34 **(c) The authority shall invest or cause to be invested all or a part**
35 **of the fund, pursuant to the authority's investment policy, in a**
36 **fiduciary account or accounts with a trustee that is a financial**
37 **institution. Notwithstanding any other law, any investment under**
38 **this subsection may be made by the trustee in accordance with one**
39 **(1) or more trust agreements or indentures. A trust agreement or**
40 **indenture referred to in this subsection may permit disbursements**
41 **by the trustee to the authority, the department, the budget agency,**
42 **a participant, or any other person as provided in the trust**



- 1 agreement or indenture.
- 2 (d) The fund consists of the following:
- 3 (1) Fees and other amounts received by the state, paid by the
- 4 treasurer of state to the authority upon warrants issued by the
- 5 auditor of state, and deposited in the fund.
- 6 (2) Appropriations to the fund from the general assembly.
- 7 (3) Grants and gifts of money to the fund.
- 8 (4) Proceeds of the sale of:
- 9 (A) gifts to the fund; and
- 10 (B) loans, evidences of other financial assistance, and other
- 11 obligations evidencing the loans or other financial
- 12 assistance, as provided in sections 5 through 9 of this
- 13 chapter.
- 14 (5) Repayments of loans and other financial assistance from
- 15 the fund, including interest, premiums, and penalties.
- 16 (e) Fees and other amounts received by the state pursuant to law
- 17 concerning the funding of the infrastructure assistance fund shall
- 18 be paid monthly by the treasurer of state to the authority upon
- 19 warrants issued by the auditor of state and deposited in the fund.
- 20 (f) The expenses of administering the fund shall be paid from
- 21 money in the fund.
- 22 (g) Money in the fund at the end of a state fiscal year does not
- 23 revert to the state general fund.
- 24 **Sec. 3. Money in the infrastructure assistance fund may be used**
- 25 **to do the following:**
- 26 (1) Provide grants, loans, and other financial assistance to or
- 27 for the benefit of participants for:
- 28 (A) the planning, designing, acquisition, construction,
- 29 renovation, improvement, or expansion of public water
- 30 systems; and
- 31 (B) other activities necessary or convenient to complete the
- 32 tasks referred to in clause (A) whether or not the other
- 33 activities are permitted by the Clean Water Act or the Safe
- 34 Drinking Water Act.
- 35 (2) Provide grants, loans, or other financial assistance to or
- 36 for the benefit of participants for:
- 37 (A) the planning, designing, acquisition, construction,
- 38 renovation, improvement, or expansion of wastewater or
- 39 storm water collection and treatment systems; and
- 40 (B) other activities necessary or convenient to complete the
- 41 tasks referred to in clause (A) whether or not the other
- 42 activities are permitted by the Clean Water Act or the Safe



- 1 **Drinking Water Act.**
 2 **(3) Provide grants to political subdivisions for tasks associated**
 3 **with the development and preparation of:**
 4 **(A) long term control plans;**
 5 **(B) use attainability analyses; and**
 6 **(C) storm water management programs.**
 7 **(4) Undertake tasks associated with the development and**
 8 **preparation of water, wastewater, and storm water**
 9 **infrastructure and resource analyses.**
 10 **(5) Conduct all other activities that are permitted by the**
 11 **Clean Water Act or the Safe Drinking Water Act.**
 12 **Sec. 4. The authority shall adopt guidelines under**
 13 **IC 4-4-11-15(a)(2) to establish criteria for the making of grants,**
 14 **loans, and other financial assistance from the infrastructure**
 15 **assistance fund.**
 16 **Sec. 5. (a) The making of grants and loans and the providing of**
 17 **other financial assistance from the infrastructure assistance fund**
 18 **to or for the benefit of participants under this chapter are subject**
 19 **to the following conditions:**
 20 **(1) A grant, loan, or other financial assistance may be used:**
 21 **(A) for:**
 22 **(i) the planning, designing, acquiring, constructing,**
 23 **renovating, improving, or expanding of public water**
 24 **systems; and**
 25 **(ii) other activities necessary or convenient to the**
 26 **completion of the tasks referred to in item (i);**
 27 **(B) to:**
 28 **(i) establish guaranties, reserves, or sinking funds,**
 29 **including guaranties, reserves, or sinking funds to secure**
 30 **and pay, in whole or in part, loans or other financial**
 31 **assistance made from sources other than the fund**
 32 **(including financial institutions), for a purpose permitted**
 33 **by clause (A); or**
 34 **(ii) provide interest subsidies;**
 35 **(C) to pay financing charges, including interest on the loan**
 36 **during construction and for a reasonable period after the**
 37 **completion of construction; or**
 38 **(D) to pay the following:**
 39 **(i) Consultant, advisory, and legal fees.**
 40 **(ii) Other costs or expenses necessary or incident to the**
 41 **making of grants, loans, or other financial assistance or**
 42 **the administration of the fund or the program.**



- 1 **(2) A grant may be used for tasks associated with the**
 2 **development and preparation of water infrastructure and**
 3 **resource analyses.**
- 4 **(3) The authority must establish the terms and conditions that**
 5 **the authority considers necessary or convenient to the making**
 6 **of grants or loans or providing of other financial assistance**
 7 **under this chapter.**
- 8 **(b) In addition to exercising its powers under subsection (a), the**
 9 **authority may also make grants or loans or provide other financial**
 10 **assistance from the fund to or for the benefit of a participant under**
 11 **the following conditions:**
- 12 **(1) A grant, loan, or other financial assistance may be used:**
- 13 **(A) for planning, designing, acquiring, constructing,**
 14 **renovating, improving, or expanding wastewater or storm**
 15 **water collection and treatment systems, and other**
 16 **activities necessary or convenient to the completion of**
 17 **these tasks;**
- 18 **(B) to:**
- 19 **(i) establish guaranties, reserves, or sinking funds,**
 20 **including guaranties, reserves, or sinking funds to secure**
 21 **and pay, in whole or in part, loans or other financial**
 22 **assistance made from sources other than the**
 23 **infrastructure assistance fund (including financial**
 24 **institutions), for a purpose permitted by clause (A); or**
 25 **(ii) provide interest subsidies;**
- 26 **(C) to pay financing charges, including interest on the loan**
 27 **during construction and for a reasonable period after the**
 28 **completion of construction; or**
- 29 **(D) to pay:**
- 30 **(i) consultant, advisory, and legal fees; and**
 31 **(ii) other costs or expenses necessary or incident to the**
 32 **grant, loan, or other financial assistance or the**
 33 **administration of the infrastructure assistance fund or**
 34 **the infrastructure program.**
- 35 **(2) A grant may be used for tasks associated with the**
 36 **development and preparation of:**
- 37 **(A) long term control plans;**
 38 **(B) use attainability analyses;**
 39 **(C) storm water management programs; or**
 40 **(D) other wastewater or storm water infrastructure and**
 41 **resource analyses.**
- 42 **(3) The authority must establish the terms and conditions that**



- 1 the authority considers necessary or convenient to the making
2 of grants or loans or providing of other financial assistance
3 under this chapter.
- 4 **Sec. 6. (a)** An application for a grant, loan, or other financial
5 assistance from the infrastructure assistance fund must be
6 accompanied by all papers and opinions required by the authority.
- 7 **(b)** The authority may require that an application for a loan or
8 other financial assistance from the infrastructure assistance fund
9 be accompanied by the following:
- 10 (1) A certification and guarantee of signatures.
11 (2) A certification that, as of the date of the loan or other
12 financial assistance, no litigation is pending challenging the
13 validity of or entry into:
14 (A) the grant, loan, or other financial assistance; or
15 (B) any security for the loan or other financial assistance.
16 (3) Any other certifications, agreements, security, or
17 requirements that the authority requests.
18 (4) An approving opinion of nationally recognized bond
19 counsel.
- 20 **Sec. 7.** A participant receiving a grant, loan, or other financial
21 assistance from the infrastructure assistance fund shall enter into
22 a financial assistance agreement with the authority. A financial
23 assistance agreement entered into under this section is a valid,
24 binding, and enforceable agreement of the participant.
- 25 **Sec. 8. (a)** The authority may sell loans, evidences of other
26 financial assistance, and other obligations evidencing the loans or
27 other financial assistance from the infrastructure assistance fund:
28 (1) periodically;
29 (2) at any price; and
30 (3) on terms acceptable to the authority.
- 31 **(b)** Proceeds of sales under subsection (a) shall be deposited in:
32 (1) the infrastructure assistance fund;
33 (2) the wastewater revolving loan fund established by
34 IC 13-18-13-2;
35 (3) the drinking water revolving loan fund established by
36 IC 13-18-21-2; or
37 (4) the supplemental drinking water and wastewater
38 assistance fund established by IC 13-18-21-22;
39 at the direction of the authority.
- 40 **Sec. 9. (a)** The authority may pledge loans, evidences of other
41 financial assistance, and other obligations evidencing the loans or
42 other financial assistance from the infrastructure assistance fund



1 to secure other loans or financial assistance from:

- 2 (1) the infrastructure assistance fund;
 3 (2) the wastewater revolving loan fund established by
 4 IC 13-18-13-2;
 5 (3) the drinking water revolving loan fund established by
 6 IC 13-18-21-2; or
 7 (4) the supplemental drinking water and wastewater
 8 assistance fund established by IC 13-18-21-22;

9 for the benefit of participants.

10 (b) The terms of a pledge under this section must be acceptable
 11 to the authority.

12 (c) Notwithstanding any other law, a pledge of property made
 13 by the authority under this section is binding from the time the
 14 pledge is made. Revenues, other money, or other property pledged
 15 and thereafter received are immediately subject to the lien of the
 16 pledge without any further act. The lien of a pledge is binding
 17 against all parties having claims of any kind in tort, contract, or
 18 otherwise against:

- 19 (1) the authority;
 20 (2) the budget agency; or
 21 (3) the infrastructure assistance fund;

22 regardless of whether the parties have notice of any lien.

23 (d) A resolution, an indenture, or another instrument by which
 24 a pledge is created under this section does not have to be filed or
 25 recorded, except in the records of the authority.

26 (e) Action taken to:

- 27 (1) enforce a pledge made under this section; and
 28 (2) realize the benefits of the pledge;

29 is limited to the property pledged.

30 (f) A pledge under this section does not create a liability or
 31 indebtedness of the state.

32 Sec. 10. Not later than August 1 of each odd-numbered year
 33 through 2021, the public finance director shall prepare for the
 34 budget committee established by IC 4-12-1-3 and the legislative
 35 council a report that includes the following:

- 36 (1) Information concerning the financial assistance made
 37 available to participants from the infrastructure assistance
 38 fund during the two (2) most recent fiscal years.
 39 (2) Any other information requested by the budget committee
 40 and the legislative council.

41 The report must be submitted in an electronic format under
 42 IC 5-14-6.



1 SECTION 25. IC 14-25-7-18, AS ADDED BY P.L.102-2016,
 2 SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE
 3 JULY 1, 2017]: Sec. 18. (a) As used in this section, "authority" refers
 4 to the Indiana finance authority established by IC 4-4-11-4.

5 (b) As used in this section, "quality assurance review" means a
 6 process of reviewing and verifying water resources data with the goal
 7 of assuring the reliability of the data. The term includes the application
 8 of certain objectives, principles, and policies already in use at the
 9 Indiana geological **and water** survey in maintaining consistency in
 10 water resources data and accountability to the scientific community and
 11 general public.

12 (c) The authority shall perform a quality assurance review of the
 13 water resources data compiled from the reports submitted by owners of
 14 significant water withdrawal facilities under:

15 (1) section 15 of this chapter; and

16 (2) IC 13-2-6.1-1 and IC 13-2-6.1-7 (before their repeal);
 17 beginning with the reports submitted for the 1985 calendar year.

18 (d) The authority may enter into contracts with one (1) or more
 19 professionals or state educational institutions under which the
 20 professionals or state educational institutions will perform some or all
 21 of the duties imposed on the authority by this section. The authority
 22 may compensate the professionals or state educational institutions for
 23 work performed under this section with:

24 (1) money from the drinking water revolving loan fund
 25 established by IC 13-18-21-2; or

26 (2) any other funds appropriated to the authority.

27 (e) In performing the quality assurance review required by this
 28 section, the authority shall use the water resources data in a manner
 29 that:

30 (1) protects the confidential information of owners of significant
 31 water withdrawal facilities; and

32 (2) is consistent with IC 5-14-3-4.

33 (f) The authority shall present the results of the quality assurance
 34 review performed under this section, as those results become available,
 35 to the water rights and use section of the department's division of water.
 36 The water rights and use section shall maintain the results in the data
 37 base of data extracted from reports submitted by owners of significant
 38 water withdrawal facilities under section 15 of this chapter (and
 39 IC 13-2-6.1-1 and IC 13-2-6.1-7 before their repeal).

40 SECTION 26. IC 21-47-1-6, AS ADDED BY P.L.2-2007,
 41 SECTION 288, IS AMENDED TO READ AS FOLLOWS
 42 [EFFECTIVE JULY 1, 2017]: Sec. 6. "Survey", as used in IC 21-47-2,



1 refers to the Indiana geological **and water** survey established as a part
2 of Indiana University by IC 21-47-2.

3 SECTION 27. IC 21-47-2-1, AS ADDED BY P.L.2-2007,
4 SECTION 288, IS AMENDED TO READ AS FOLLOWS
5 [EFFECTIVE JULY 1, 2017]: Sec. 1. (a) The state geologist, while
6 holding the office of state geologist, shall be regarded as a member of
7 the faculty of Indiana University. The state geologist may be appointed
8 to a full-time or part-time position on the faculty of Indiana University.

9 (b) The state geologist shall be chosen by Indiana University. The
10 state geologist shall serve for an indefinite period at the pleasure of
11 Indiana University.

12 (c) The state geologist shall direct the collection and archiving of
13 rock, mineral, soil, and other ~~geologic~~ **geological** samples. These
14 samples shall be retained, as considered proper by the state geologist,
15 at Indiana University.

16 SECTION 28. IC 21-47-2-2, AS ADDED BY P.L.2-2007,
17 SECTION 288, IS AMENDED TO READ AS FOLLOWS
18 [EFFECTIVE JULY 1, 2017]: Sec. 2. (a) The Indiana geological **and**
19 **water** survey is established as a part of Indiana University.

20 (b) The head of the survey is the state geologist.

21 (c) The survey is under the direction and control of the board of
22 trustees of Indiana University to:

23 (1) continue the geological, **hydrogeological**, and scientific
24 survey of Indiana;

25 (2) continue the work of discovering, developing, and preserving
26 the **water**, mineral, **and** energy **and ground water** resources of
27 Indiana; and

28 (3) have charge of the state geological sample collection.

29 SECTION 29. IC 21-47-2-3, AS ADDED BY P.L.2-2007,
30 SECTION 288, IS AMENDED TO READ AS FOLLOWS
31 [EFFECTIVE JULY 1, 2017]: Sec. 3. (a) The survey shall do the
32 following:

33 (1) Provide ~~geologic~~ **geological** information about the **water**,
34 energy, **and** mineral **and ground water** resources and ~~geologic~~
35 **geologically** related hazards of Indiana.

36 (2) Provide services that include:

37 (A) the archiving of rock cores, well cuttings, other subsurface
38 ~~geologic~~ **geological** information, and other physical and
39 chemical data on ~~geologic~~ **geological** materials; and

40 (B) the collection and storage of data.

41 (3) Provide public service, information, and educational
42 programs.



- 1 (4) Engage in research.
- 2 (5) Participate in cooperative studies and contractual projects with
3 the department of natural resources and other agencies of state
4 and federal government.
- 5 (6) Participate in cooperative studies and contractual projects with
6 state educational institutions and private educational institutions.
- 7 (7) Disseminate published maps and reports **and digital data.**
- 8 (b) The survey may also do the following through contractual
9 agreements:
- 10 (1) Provide the department of natural resources with information
11 on the ~~geologic~~ **geological** occurrence of ground water and the
12 vulnerability of this resource to contamination.
- 13 (2) Provide to the department of natural resources and other state
14 agencies ~~geologic~~ **geological** information needed for the effective
15 regulation of the mineral, water, and energy resources of Indiana.
- 16 (3) At the request of the department of natural resources, perform
17 geotechnical investigations for a variety of mine reclamation
18 programs.
- 19 (4) Provide general geotechnical consultation and assistance as
20 may be needed from time to time.
- 21 **(5) Provide technical assistance including, but not limited to,**
22 **mapping and data collection as requested by the Indiana**
23 **finance authority established by IC 4-4-11.**
- 24 SECTION 30. IC 21-47-2-4, AS ADDED BY P.L.2-2007,
25 SECTION 288, IS AMENDED TO READ AS FOLLOWS
26 [EFFECTIVE JULY 1, 2017]: Sec. 4. (a) The president of Indiana
27 University may appoint a geological **and water** survey advisory
28 council.
- 29 (b) The council, if appointed, consists of nine (9) or more members
30 who shall be selected with regard to their experience and knowledge
31 concerning the public needs or enterprises served by the geological **and**
32 **water** survey.
- 33 (c) The president of Indiana University shall specify the length of
34 the term for which members of the council are appointed.
- 35 (d) Each member of the council who is not a state employee is
36 entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b).
37 A member is also entitled to reimbursement for traveling expenses
38 actually incurred in connection with the member's duties as provided
39 in the state policies and procedures established by the Indiana
40 department of administration and approved by the budget agency.
- 41 (e) The council shall meet with the state geologist from time to time,
42 at the call of the state geologist, to make recommendations concerning:



- 1 (1) the functions and performance of the survey; and
 2 (2) appropriations and funding for the survey.
 3 (f) The council may make recommendations concerning the
 4 effectiveness and efficiency of the survey and other matters.
 5 (g) Recommendations and reports of the council shall be directed to
 6 the following:
 7 (1) The governor.
 8 (2) The budget agency.
 9 (3) The president of Indiana University.
 10 (4) The director of the department of natural resources.
 11 SECTION 31. IC 21-47-4-3, AS ADDED BY P.L.2-2007,
 12 SECTION 288, IS AMENDED TO READ AS FOLLOWS
 13 [EFFECTIVE JULY 1, 2017]: Sec. 3. The center must be located at
 14 Purdue University at West Lafayette. In carrying out its duties under
 15 this chapter, the center must cooperate with and may use the resources
 16 of the following:
 17 (1) Indiana geological **and water** survey and other state
 18 educational institutions.
 19 (2) A state or federal department or agency.
 20 (3) A political subdivision.
 21 (4) Interest groups representing business, environment, industry,
 22 science, and technology.
 23 SECTION 32. IC 25-17.6-1-8, AS AMENDED BY P.L.2-2007,
 24 SECTION 323, IS AMENDED TO READ AS FOLLOWS
 25 [EFFECTIVE JULY 1, 2017]: Sec. 8. "State geologist" means the
 26 person in charge of the Indiana geological **and water** survey
 27 established by IC 21-47-2.
 28 SECTION 33. IC 25-17.6-1-9, AS AMENDED BY P.L.2-2007,
 29 SECTION 324, IS AMENDED TO READ AS FOLLOWS
 30 [EFFECTIVE JULY 1, 2017]: Sec. 9. "Survey" refers to the Indiana
 31 geological **and water** survey established by IC 21-47-2.



COMMITTEE REPORT

Madam President: The Senate Committee on Environmental Affairs, to which was referred Senate Bill No. 416, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS and be reassigned to the Senate Committee on Appropriations.

(Reference is to SB 416 as introduced.)

ECKERTY, Chairperson

Committee Vote: Yeas 10, Nays 0

COMMITTEE REPORT

Madam President: The Senate Committee on Appropriations, to which was referred Senate Bill No. 416, has had the same under consideration and begs leave to report the same back to the Senate with the recommendation that said bill DO PASS.

(Reference is to SB 416 as printed January 24, 2017.)

KENLEY, Chairperson

Committee Vote: Yeas 10, Nays 1

COMMITTEE REPORT

Mr. Speaker: Your Committee on Utilities, Energy and Telecommunications, to which was referred Senate Bill 416, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 18 with "[EFFECTIVE JULY 1, 2018]".

Page 13, between lines 3 and 4, begin a new paragraph and insert: "SECTION 6. IC 4-4-11.7 IS ADDED TO THE INDIANA CODE AS A NEW CHAPTER TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]:

Chapter 11.7. Monitoring, Study, and Assessment by Indiana Finance Authority

Sec. 1. As used in this chapter, "authority" refers to the Indiana finance authority established by IC 4-4-11.

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Sec. 2. As used in this chapter, "governmental requirement" means a requirement imposed on a utility by a governmental unit in connection with:

- (1) the federal Clean Water Act (33 U.S.C. 1251 et seq.);
- (2) the federal Safe Drinking Water Act (42 U.S.C. 300f et seq.); or
- (3) any other law, order, rule, or regulation administered or issued by the United States Environmental Protection Agency, the department of environmental management, or the department of natural resources in connection with the federal Clean Water Act or the federal Safe Drinking Water Act.

Sec. 3. As used in this chapter, "utility" means:

- (1) a public utility (as defined in IC 8-1-2-1(a));
 - (2) a municipally owned utility (as defined in IC 8-1-2-1(h)); or
 - (3) a not-for-profit utility (as defined in IC 8-1-2-125(a));
- that provides water or wastewater service to the public.

Sec. 4. The authority shall monitor and study events and conditions that bear upon the ability of utilities to provide clean and safe drinking water in Indiana for the foreseeable future, including the ability of utilities to directly or indirectly fund the increasing costs of meeting governmental requirements.

Sec. 5. The powers of the authority under section 4 of this chapter include the following:

- (1) Assessing issues related to service line ownership and replacement.
- (2) Assessing the challenges that utilities are likely to encounter as they become subject to more stringent governmental requirements.
- (3) Studying cost recovery mechanisms that enable utilities to respond quickly to system needs.
- (4) Monitoring the growing costs for utilities in complying with consent decrees related to governmental requirements.
- (5) Studying regional water ownership issues, including cross-border issues.

SECTION 7. IC 8-1-1-16 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: **Sec. 16.** (a) As used in this section, "commission" refers to the Indiana utility regulatory commission created by section 2 of this chapter.

(b) As used in this section, "governmental requirement" means



a requirement imposed on a utility by a governmental unit in connection with:

- (1) the federal Clean Water Act (33 U.S.C. 1251 et seq.);
- (2) the federal Safe Drinking Water Act (42 U.S.C. 300f et seq.); or
- (3) any other law, order, rule, or regulation administered or issued by the United States Environmental Protection Agency, the department of environmental management, or the department of natural resources in connection with the federal Clean Water Act or the federal Safe Drinking Water Act.

(c) As used in this section, "utility" means:

- (1) a public utility (as defined in IC 8-1-2-1(a));
- (2) a municipally owned utility (as defined in IC 8-1-2-1(h));
- or
- (3) a not-for-profit utility (as defined in IC 8-1-2-125(a));

that provides water or wastewater service to the public and is under the jurisdiction of the commission for the approval of rates and charges.

(d) In its deliberations in a general rate case of a utility, the commission shall consider governmental requirements and their effect upon the utility's operational expenses.

SECTION 8. IC 8-1-2-46 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 46. (a) The commission shall provide for a comprehensive classification of such service for each public utility and such classification may take into account the quantity used, the time when used, the purpose for which used and other reasonable consideration. Each public utility is required to conform its schedules of rates, tolls, and charges to such classification.

(b) As used in this section, "water or wastewater utility" means:

- (1) a municipally owned utility, as defined in section 1(h) of this chapter; or
- (2) a not-for-profit utility, as defined in section 125(a) of this chapter;

that provides water or wastewater service to the public.

(c) Upon request by a water or wastewater utility in a general rate case, the commission may allow a water or wastewater utility to establish a customer assistance program that:

- (1) uses state or federal infrastructure funds; or
- (2) provides financial relief to residential customers who qualify for income related assistance.

A customer assistance program established under this subsection



that affects rates and charges for service is not discriminatory for purposes of this chapter or any other law regulating rates and charges for service. In considering whether to approve a water or wastewater utility's proposed customer assistance program, the commission shall determine that a customer assistance program established under this subsection furthers the interests set forth in section 0.5 of this chapter and is in the public interest.

(d) The commission shall adopt rules under IC 4-22-2 to implement this section.

SECTION 9. IC 8-1-2.7-15.5 IS ADDED TO THE INDIANA CODE AS A NEW SECTION TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 15.5. (a) This section applies to a utility that is described in section 1.3(a)(1)(B) of this chapter that has properly withdrawn from commission jurisdiction under this chapter.

(b) As used in this section, "committee" refers to a policy review committee established under this section.

(c) A policy review committee may be established for a utility if the lesser of:

- (1) one hundred (100); or
- (2) more than fifty percent (50%);

of the utility's customers file, individually or collectively, with the utility's board of directors, a verified petition under subsection (d) to establish the committee.

(d) A petition under this section must provide for the following:

- (1) A procedure for establishing districts within the utility's service territory and for electing members, who must be customers of the utility residing within the established districts, to serve as members of the committee.
- (2) The terms of the members of the committee.
- (3) Procedures by which the committee is authorized to do the following:

(A) Receive complaints from customers of the utility concerning:

- (i) rules and policies established by the utility's board of directors;
- (ii) the utility's rates and charges;
- (iii) utility service quality; or
- (iv) other matters concerning the utility's operations, management, or service, as specifically set forth in the petition.

(B) Attempt to negotiate a resolution with the utility's



board of directors with respect to a complaint received under clause (A).

(C) Seek mediation to be overseen by the office of the attorney general with respect to complaints that are not resolved through negotiations described in clause (B).

(4) Other matters that the petitioners consider appropriate with respect to the utility's operations, management, or service.

(e) The attorney general may adopt rules under IC 4-22-2, including emergency rules in the manner provided under IC 4-22-2-37.1, to implement this section.

SECTION 10. IC 8-1-30.7-7, AS ADDED BY P.L.102-2016, SECTION 2, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 7. As used in this chapter, "water related state agency" means any of the following:

- (1) The Indiana finance authority established by IC 4-4-11.
- (2) The department of administration created by IC 4-13-1-2.
- (3) The commission.
- (4) The office of utility consumer counselor created by IC 8-1-1.1-2.
- (5) The department of environmental management established by IC 13-13-1-1.
- (6) The department of natural resources created by IC 14-9-1-1.
- (7) The state department of health established by IC 16-19-1-1.
- (8) The Indiana geological **and water** survey established as a part of Indiana University by IC 21-47-2.
- (9) The Indiana Water Resource Research Center of Purdue University.
- (10) The state department of agriculture established by IC 15-11-2-1."

Page 17, between lines 18 and 19, begin a new paragraph and insert:

"SECTION 18. IC 13-18-16-8, AS AMENDED BY P.L.112-2015, SECTION 13, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 8. (a) The board shall adopt rules under IC 4-22-2 and IC 13-14-9 establishing requirements for public water systems, including the following:

- (1) The requirement to obtain a permit for the construction, installation, or modification of facilities, equipment, or devices for any public water system.
- (2) The requirement to obtain a permit for the operation of sources, facilities, equipment, or devices for any public water system.



(3) Requirements for the development of surface water quality threat minimization and response plans under section 7.5 of this chapter.

(b) The board shall adopt a permit by rule for water main extensions (as defined in 327 IAC 8-3-1) to satisfy the permit requirement in section 1(a) of this chapter.

(c) The board may adopt rules to carry out the intent of this chapter related to requirements necessary to protect the safety of the public water supply.

SECTION 19. IC 13-18-16-13 IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 13. (a) The commissioner may investigate and determine whether any public water system is providing water that is impure and dangerous to public health. If the commissioner determines that the water supply of a public water system:

- (1) is impure and dangerous to public health; or
- (2) ~~is not sufficiently purified because of improper construction, inadequate size, or inefficient management or operation; does not meet drinking water standards under:~~

(A) the federal Safe Drinking Water Act (42 U.S.C. 300f through 300j); or

(B) rules adopted by the board;

the commissioner may ~~under IC 13-30-3-10 through IC 13-30-3-12~~ order that the water supply be made pure and safe to health in accordance with the procedures under IC 13-14-2 and IC 13-30-3.

(b) When the point of water collection of a public water system is being relocated, the commissioner may require water testing at the new point of collection before allowing the public water system to begin water collection at that point.

~~(b)~~ **(c)** If the commissioner determines ~~under subsection (a)~~ that a water supply is impure and dangerous to public health because of inefficient management or operation of the public water system providing the water, the commissioner may order the person responsible for the public water system to appoint, not later than fifteen (15) days after the commissioner's determination, a competent person to take charge of and superintend the operation of the water system plant or works.

~~(c)~~ **(d)** The commissioner must approve the person appointed in response to the commissioner's order under subsection ~~(b)~~: **(c)**. However, the person responsible for the water system plant or works shall pay the salary of the person appointed."

Page 22, line 27, delete "even numbered" and insert



"odd-numbered".

Page 22, line 28, delete "2020," and insert "**2021**,".

Page 22, delete lines 38 through 42, begin a new paragraph and insert:

"SECTION 21. IC 14-25-7-18, AS ADDED BY P.L.102-2016, SECTION 3, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 18. (a) As used in this section, "authority" refers to the Indiana finance authority established by IC 4-4-11-4.

(b) As used in this section, "quality assurance review" means a process of reviewing and verifying water resources data with the goal of assuring the reliability of the data. The term includes the application of certain objectives, principles, and policies already in use at the Indiana geological **and water** survey in maintaining consistency in water resources data and accountability to the scientific community and general public.

(c) The authority shall perform a quality assurance review of the water resources data compiled from the reports submitted by owners of significant water withdrawal facilities under:

(1) section 15 of this chapter; and

(2) IC 13-2-6.1-1 and IC 13-2-6.1-7 (before their repeal);

beginning with the reports submitted for the 1985 calendar year.

(d) The authority may enter into contracts with one (1) or more professionals or state educational institutions under which the professionals or state educational institutions will perform some or all of the duties imposed on the authority by this section. The authority may compensate the professionals or state educational institutions for work performed under this section with:

(1) money from the drinking water revolving loan fund established by IC 13-18-21-2; or

(2) any other funds appropriated to the authority.

(e) In performing the quality assurance review required by this section, the authority shall use the water resources data in a manner that:

(1) protects the confidential information of owners of significant water withdrawal facilities; and

(2) is consistent with IC 5-14-3-4.

(f) The authority shall present the results of the quality assurance review performed under this section, as those results become available, to the water rights and use section of the department's division of water. The water rights and use section shall maintain the results in the data base of data extracted from reports submitted by owners of significant water withdrawal facilities under section 15 of this chapter (and



IC 13-2-6.1-1 and IC 13-2-6.1-7 before their repeal).

SECTION 22. IC 21-47-1-6, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 6. "Survey", as used in IC 21-47-2, refers to the Indiana geological **and water** survey established as a part of Indiana University by IC 21-47-2.

SECTION 23. IC 21-47-2-1, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 1. (a) The state geologist, while holding the office of state geologist, shall be regarded as a member of the faculty of Indiana University. The state geologist may be appointed to a full-time or part-time position on the faculty of Indiana University.

(b) The state geologist shall be chosen by Indiana University. The state geologist shall serve for an indefinite period at the pleasure of Indiana University.

(c) The state geologist shall direct the collection and archiving of rock, mineral, soil, and other ~~geologic~~ **geological** samples. These samples shall be retained, as considered proper by the state geologist, at Indiana University.

SECTION 24. IC 21-47-2-2, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 2. (a) The Indiana geological **and water** survey is established as a part of Indiana University.

(b) The head of the survey is the state geologist.

(c) The survey is under the direction and control of the board of trustees of Indiana University to:

- (1) continue the geological, **hydrogeological**, and scientific survey of Indiana;
- (2) continue the work of discovering, developing, and preserving the **water**, mineral, **and** energy **and ground water** resources of Indiana; and
- (3) have charge of the state geological sample collection.

SECTION 25. IC 21-47-2-3, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. (a) The survey shall do the following:

- (1) Provide ~~geologic~~ **geological** information about the **water**, energy, **and** mineral **and ground water** resources and ~~geologic~~ **geologically** related hazards of Indiana.
- (2) Provide services that include:
 - (A) the archiving of rock cores, well cuttings, other subsurface ~~geologic~~ **geological** information, and other physical and



chemical data on ~~geologic~~ **geological** materials; and

(B) the collection and storage of data.

(3) Provide public service, information, and educational programs.

(4) Engage in research.

(5) Participate in cooperative studies and contractual projects with the department of natural resources and other agencies of state and federal government.

(6) Participate in cooperative studies and contractual projects with state educational institutions and private educational institutions.

(7) Disseminate published maps and reports **and digital data**.

(b) The survey may also do the following through contractual agreements:

(1) Provide the department of natural resources with information on the ~~geologic~~ **geological** occurrence of ground water and the vulnerability of this resource to contamination.

(2) Provide to the department of natural resources and other state agencies ~~geologic~~ **geological** information needed for the effective regulation of the mineral, water, and energy resources of Indiana.

(3) At the request of the department of natural resources, perform geotechnical investigations for a variety of mine reclamation programs.

(4) Provide general geotechnical consultation and assistance as may be needed from time to time.

(5) Provide technical assistance including, but not limited to, mapping and data collection as requested by the Indiana finance authority established by IC 4-4-11.

SECTION 26. IC 21-47-2-4, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 4. (a) The president of Indiana University may appoint a geological **and water** survey advisory council.

(b) The council, if appointed, consists of nine (9) or more members who shall be selected with regard to their experience and knowledge concerning the public needs or enterprises served by the geological **and water** survey.

(c) The president of Indiana University shall specify the length of the term for which members of the council are appointed.

(d) Each member of the council who is not a state employee is entitled to the minimum salary per diem provided by IC 4-10-11-2.1(b). A member is also entitled to reimbursement for traveling expenses actually incurred in connection with the member's duties as provided



in the state policies and procedures established by the Indiana department of administration and approved by the budget agency.

(e) The council shall meet with the state geologist from time to time, at the call of the state geologist, to make recommendations concerning:

- (1) the functions and performance of the survey; and
- (2) appropriations and funding for the survey.

(f) The council may make recommendations concerning the effectiveness and efficiency of the survey and other matters.

(g) Recommendations and reports of the council shall be directed to the following:

- (1) The governor.
- (2) The budget agency.
- (3) The president of Indiana University.
- (4) The director of the department of natural resources.

SECTION 27. IC 21-47-4-3, AS ADDED BY P.L.2-2007, SECTION 288, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 3. The center must be located at Purdue University at West Lafayette. In carrying out its duties under this chapter, the center must cooperate with and may use the resources of the following:

- (1) Indiana geological **and water** survey and other state educational institutions.
- (2) A state or federal department or agency.
- (3) A political subdivision.
- (4) Interest groups representing business, environment, industry, science, and technology.

SECTION 28. IC 25-17.6-1-8, AS AMENDED BY P.L.2-2007, SECTION 323, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 8. "State geologist" means the person in charge of the Indiana geological **and water** survey established by IC 21-47-2.

SECTION 29. IC 25-17.6-1-9, AS AMENDED BY P.L.2-2007, SECTION 324, IS AMENDED TO READ AS FOLLOWS [EFFECTIVE JULY 1, 2018]: Sec. 9. "Survey" refers to the Indiana



geological **and water** survey established by IC 21-47-2.".

Delete page 23.

Renumber all SECTIONS consecutively.

and when so amended that said bill do pass.

(Reference is to SB 416 as printed February 17, 2017.)

OBER

Committee Vote: yeas 13, nays 0.

COMMITTEE REPORT

Mr. Speaker: Your Committee on Ways and Means, to which was referred Senate Bill 416, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Replace the effective dates in SECTIONS 1 through 33 with "[EFFECTIVE JULY 1, 2017]".

and when so amended that said bill do pass.

(Reference is to ESB 416 as printed March 24, 2017.)

BROWN T

Committee Vote: yeas 22, nays 0.

