1. INTRODUCTION

The Flood Control Revolving Fund established under I.C. 14-28-5 is a fund from which a loan may be made to a municipality, city, town, county or special taxing district for the purpose of instituting, accomplishing and administering any approved flood control program as defined in the Act. The administrative control of the fund, the responsibility for the administration of the fund, and the responsibility for the administration of the provisions of the Act is vested in the Natural Resources Commission.

These instructions have been prepared as a guide to the governing board of a municipality interested in making an application for a loan from the Flood Control Revolving Fund. It outlines in sequence the necessary steps to be taken in making an application, and it describes the processing of the application.

2. RESOLUTION BY GOVERNING BOARD

Prior to making an application, the governing board of the municipality must adopt a resolution or ordinance authorizing and approving the proposed flood control program and authorizing the preparation of an application for a loan. An authenticated copy of the resolution or ordinance should be attached to the loan application.

3. APPLICATION FOR LOAN

The application for a loan from the Flood Control Revolving Fund shall be prepared as a verified petition in the form shown in Appendix 1 of these instructions.

The application shall set forth the following information regarding the proposed flood control program:

a. **The need for the proposed program**. Information should be presented to define the areas affected by floods; the amount and extent of damages caused by floods; the frequency at which flooding occurs; and the necessity for and desirability of providing protection against flooding.

b. **The need for funds for instituting, accomplishing, and administering the proposed program**. This statement should indicate why the municipality must borrow funds to carry out the program; and what normally available funds can be used on this program.

c. **A detailed description of the proposed program.** This section should consist of a description of the plan of improvement including maps, drawings, pictures or other illustrative material to show the location of works of improvement and the areas to be protected. If the proposed improvements are to be accomplished as a federal project, the responsibilities and obligations of the municipality in the project should be clearly shown.

d. **An engineering estimate of cost of the proposed program**. The estimate of cost must be prepared by a competent engineer and should be based upon current prices and in enough detail to give sufficient breakdown to permit identification of the cost for principal features of the work to be done. Allowances for contingencies, overhead, etc. should be shown. If the project involves cooperation or cost sharing with a Federal or State agency, the costs should be divided between agencies and itemized so that the cost to the municipality can be determined.

e. **The amount of money that is deemed to be needed**. The maximum amount of the loan that may be made to a municipality is the cost of the proposed project to the municipality or $300,000, whichever is less. The amount of money to be requested must be determined by subtracting from the cost of the project the sum of the funds available to the municipality for use on the project and the value of services and other non-monetary contributions to the project by the municipality. The contributions to be made by the municipality must be itemized and tabulated in the application to show the portion of the cost to be credited to the municipality. The non-monetary items must be identifiable also in the engineering cost estimate of the project.

f. **Assurance that the project will be maintained and operated in a satisfactory manner**. The governing board of municipality should adopt a resolution or ordinance stating that the municipality accepts responsibility for the proposed work and agrees to operate and maintain the program in a manner satisfactory to the Natural Resources Commission. An authenticated copy of this resolution should be attached to the application.

g. **Plan for repayment of loan**. It should be shown in this statement whether funds for repayment of the loan will be raised by a tax levy as provided in the Act, from revenue from the sale of bonds, or from other sources. A statement indicating the proposed method of repayment should be included.

If funds are to be raised by the sale of bonds, the loan must be repaid as soon as the bonds are sold. In other cases the loan must be repaid as quickly as the municipality's ability to pay will permit but in no case over a period longer than ten years.

Prompt repayment of loans will restore a municipality's eligibility for new loans at an early date and will also keep the Revolving Fund active and able to meet requests for loans.

The application should be signed and subscribed and sworn to before a notary public. **Three (3) original copies of the application must be submitted to:**

Indiana Department of Natural Resources
Division of Water, Project Development Section
402 W. Washington Street, Rm. W264
Indianapolis, IN 46204

4. REVIEW BY DEPARTMENT OF NATURAL RESOURCES

The staff of the Department of Natural Resources, upon receipt of an application for a loan from the Flood Control Revolving Fund, will examine it to determine:

a. That there is a need for the proposed flood control program for the purpose of protecting the health, safety and general welfare of the inhabitants of the municipality.

b. That the proposed flood control program is based upon sound engineering principles.

c. That the proposed flood control program is in the interest of flood control and will accomplish the objectives of flood control.

If the proposed flood control program is for reconstruction or repair of existing flood control works which constitute an unreasonable obstruction or impediment to the proper discharge of flood flows, or which by virtue of their nature, location, or design, are subject to frequent damage or destruction, approval shall be limited to that work which is necessary to afford emergency protection against actual or threatened damage to life and property.

d. That the engineering cost estimate of the proposed flood control works is reasonable and prepared by a competent engineering authority.

e. That the application has met all of the requirements of the Act creating the Flood Control Revolving Fund.

A report of the findings of the staff will be prepared and transmitted to the Natural Resources Commission with a recommendation for Commission action.

The Commission will consider the application for approval at a regular scheduled meeting.

5. PROCESSING OF APPROVED LOANS

Following approval of an application for a loan, the Department of Natural Resources will prepare an Evidence of Indebtedness and a claim voucher and mail them to the governing board of the municipality receiving the loan. When these documents are signed by the governing board and returned to the Department, the Evidence of Indebtedness will be forwarded to the Treasurer of State and the claim voucher processed for payment.

APPENDIX I

SUGGESTED FORM OF PETITION FOR APPLYING FOR A LOAN FROM THE FLOOD CONTROL REVOLVING FUND IC 14-28-5

STATE OF INDIANA)
) SS:
COUNTY OF _____)

VERIFIED PETITION FOR A LOAN

FROM THE FLOOD CONTROL REVOLVING FUND

The _____, by its _____,
(name of municipality) *(mayor, president or chairman)*

petitioner herein, pursuant to _____, dated _____,
(ordinance or resolution)

duly enacted by its _____, (an authenticated copy of said ordinance or resolution attached hereto, made a part hereof, and marked Exhibit "A"), herewith petitions and makes applications to the Natural Resources Commission for a loan in the amount of _____ dollars ($ _____)

from the Flood Control Revolving Fund, IC 14-28-5.

In support of this application, petitioner herein submits the following statements or pertinent facts, more fully set forth in supporting documents attached hereto, made a part hereof and collectively marked Exhibit "B".

1. Statement of the need for the proposed flood control program.
2. Statement of the need for funds for institution, accomplishing and administering such flood control program.
3. Statement setting forth a detailed description of the proposed flood control program.
4. Statement of the engineering estimate of cost of the proposed flood control program.
5. Statement of the amount of money deemed to be needed.
6. Statement giving assurance that the proposed flood control program will be maintained and operated in a satisfactory manner after completion of work.
7. Statement of proposed plan for repayment of loan.

This program is for the purpose of protecting the health, safety and general Welfare of the inhabitants of _____

(name of municipality)

By:

Mayor, President or Chairman

VERIFICATION STATEMENT

I hereby verify, under the penalties for perjury, that I have read the foregoing petition and application, together with the Exhibits attached thereto; and that the statements contained herein are true.

(Signed)

STATE OF)
) SS:
COUNTY OF)

_____ personally appeared before me, a Notary Public, in and for said County and State, this _____ day of _____, 20 __, after being duly sworn upon his oath, says that the facts alleged in the foregoing affidavit are true.

My Commission Expires:

NOTARY PUBLIC - SIGNATURE

(SEAL)

NOTARY PUBLIC - PRINTED NAME