



Eligible Borrowers

- Municipally owned public water systems serving more than 3,300 people*
- Privately-owned for-profit borrowers operating a community water system that is rate-regulated by the Regulatory Commission of Alaska

*For those water systems that service less than 3,300 people, grant opportunity is available through the Alaska State Revolving Fund (SRF) Program. Please visit the following website for more information: <https://dec.alaska.gov/water/technical-assistance-and-financing/state-revolving-fund/lead-service-line-inventory-grant-funding/>

Eligible Projects

Lead Service Line Inventory

Eligible activities include locating and mapping publicly and privately owned lead service lines to create a comprehensive lead service line inventory. Methods of investigation to develop inventories could include inspecting physical service lines, compiling paper records, water quality sampling, initiating a consumer lead service line identification program, statistical analysis, and other emerging technologies. Both contracted and in-house work may be eligible.

Lead Service Line Replacement

Complete removal and replacement of lead service lines, service lines made of galvanized iron or galvanized steel, or service lines of unknown material that are currently or have previously been downstream of lead service lines and/or components.

Associated Activities Related to Lead Service Line Replacement

Planning, design, permitting, restoration, and non-routine sampling.

Loan Terms

- **Repayment Term:** 5 years
- **Finance Rate:** The finance rate will be determined at the time of loan offering in conformance with State regulations, Alaska Administrative Code Title 18, Chapter 76 (18 AAC 76).
- **Loan Forgiveness:** 58.3% of loan funds disbursed for an eligible LSL project will be forgiven.

Loan Process Basic Steps

Borrower submits a loan application that describes the project to be completed and identifies the amount of loan funds requested.

SRF Program reviews the loan application and borrower's technical, managerial, and financial capacity.

After all application requirements have been met, the SRF Program may offer the loan agreement.

Borrower completes the proposed LSL project and submits invoices for eligible expenses to the SRF Program.

Disbursement requests are reviewed by SRF Program staff and eligible costs are reimbursed. As noted under loan terms, 58.3% of loan funds will be forgiven.

After the project has been completed and the final disbursement has been processed, the SRF Program will close out the loan and initiate repayment.

Repayments of the loan principal and applicable finance rate will be collected annually over a 5-year repayment term.

Federal Requirements

The federal requirements listed below apply to all LSL funding recipients. Some of the requirements may not be applicable for projects that focus solely on LSL inventories. If you have questions about the applicability of the requirements, please contact the SRF Program or RCAC.

Build America, Buy America Act

The Build America Buy America (BABA) provision that was included in the Bipartisan Infrastructure Law (BIL) requires domestic preference procurement for iron and steel products, manufactured products, and construction materials.

American Iron and Steel

The American Iron and Steel (AIS) provision requires SRF assistance recipients to use iron and steel products that are produced in the United States. This requirement for the Alaska Drinking Water SRF applies to projects for the construction, alteration, maintenance, or repair of a public water system. Compliance with AIS requirements will satisfy the BABA iron and steel requirements.

Davis-Bacon Act Wage Requirements

The SRF Program requires the inclusion of specific Davis-Bacon contract language in bid specifications and/or contracts and confirmation that the correct wage determinations are being utilized. In addition, the SRF Program collects certifications of Davis-Bacon compliance from online project quarterly report statements.

Environmental Review

All proposed construction activities funded by the SRF Program undergo an environmental review in conformance with the EPA-approved State Environmental Review Process. If an LSL inventory project will involve potholing or other ground disturbing activities to determine the service line material, please contact the SRF Program at least 30 days prior to any ground disturbance.

Disadvantaged Business Enterprise

Borrowers and their contractors must comply with the federal Disadvantaged Business Enterprise requirements.

Signage to Enhance Public Awareness

The BIL signage term and condition requires a physical sign displaying the official Building a Better America emblem and EPA logo be placed at construction sites for BIL-funded projects. The EPA Office of Grants and Debarment recently released "Guidelines for Implementing the Bipartisan Infrastructure Law (BIL) Signage Term and Condition for the State Revolving Fund Program."

Single Audit

Borrowers who have received federal funds through the SRF Program may be subject to the requirements of the Single Audit Act and Title 2 of the Code of Federal Regulation part 200 (2 CFR 200).



The Rural Community Assistance Corporation (RCAC) can provide technical assistance to borrowers to complete project questionnaires and loan applications.

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Questions can also be directed to the SRF Program.

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