



December 30, 2015

Re: SFY17 - Alaska Drinking Water Fund Loan Questionnaire Solicitation

Dear Utility:

The Alaska Department of Environmental Conservation's (ADEC) Alaska Drinking Water Fund (ADWF) loan fund program is requesting questionnaires for projects to be placed on the State's Fiscal Year 2017 Intended Use Plan (IUP). The ADWF program provides loans up to 100% of project costs to finance planning, design, and construction for the following water type projects:

Project Types

- Reservoirs – Storage
- Transmission/Distribution
- Treatment Plants
- Well Rehabilitation
- Renewable Energy
- Compliance
- Equipment
- Public Health
- Security
- Water & Energy Efficiency

Current program terms and interest rates for 5 to 20 year term loans and 1 to 5 year term loans are 1.5% and 1%, respectively; however, an upcoming change is anticipated soon which allow up to 30 year term financing. Regulation changes for revised program finance rates are expected to be finalized in Spring of 2016. Once these changes are finalized, the SFY17 ADWF IUP will be updated accordingly to reflect these new finance term conditions and what projects may be eligible for 30 year financing.

Other changes to this year's ADWF IUP are primarily related to subsidy (provided as principle forgiveness) requirements. To ensure faster utilization of subsidy funding, ADEC will again require documentation of 65% completed drawings at the time of project questionnaire submission. Also, when a loan application is submitted, final drawings must be shown to have been submitted for agency review and approval. In addition, a loan application with a funding subsidy must be submitted no later than two months after the final IUP is issued.

Further, as required in previous years, projects that are ready to proceed will be credited with extra ranking points (and/or by-pass preference), and potentially be given a higher funding subsidy. The details on this will be provided later when the draft IUP is released for public notice around mid-March. The subsidies for Green Project Reserve (GPR) projects have been eliminated; however, to encourage implementation of GPR eligible components in a project, ADEC will offer extra ranking points if sufficient documentation is provided in the project questionnaire submission.

Project questionnaires are to be filled out and submitted electronically. Enclosed is a guidance document that will help you navigate through the necessary steps to complete the on-line questionnaire. Access to the on-line questionnaires can be found at the following link:

<http://dec.alaska.gov/water/oasys/index.html>

Please complete and submit a questionnaire for each project you wish considered for funding assistance under the ADWF loan program. If you encounter difficulties accessing or completing the on-line questionnaire, please contact John Randolph at (907) 465-5307 for assistance.

Completed questionnaires must be received no later than **5:00 p.m. February 15, 2016** to be considered for funding in 2016. Questionnaires received early place higher in the ranking order than questionnaires with the same score that are received later.

We encourage any input or suggestions for improving the solicitation process. If you have questions about the program or need technical assistance in filling out the questionnaire, feel free to contact me in Anchorage at (907) 269-7616.

We look forward to hearing from you.

Sincerely,

A handwritten signature in black ink, appearing to read "Mike Lewis". The signature is written in a cursive, flowing style.

Mike Lewis

Program Manager

Enclosures: SFY17 On-Line Questionnaire Guidance Document