ALASKA CLEAN WATER FUND

STATE WASTEWATER LOAN PROGRAM

INTENDED USE PLAN
DRAFT

FFY14 Grant Allotment

State Fiscal Year 2015

Submitted to the U.S. Environmental Protection Agency
By
Alaska Department of Environmental Conservation
Division of Water
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Table of Contents

PROGRAM OVERVIEW 2
PROGRAM UPDATES 2
PROGRAM GOALS 3
Long Term 3
Short Term 3-4
LOAN FUND PROCESS
Funding Sources 4-5
SELECTION OF PROJECTS
1. Identification of Priority Projects 6
2. Project Incentives 6-7
3. Public Review and Comments 7
DISTRIBUTION OF FUNDING
1. Projects to be Funded 7
2. Project Information 7
3. Disbursements 7
4. Federal Payments 7-8
5. Bypass of Projects 8
6. Fund Transfer 9
ADDITIONAL LOAN FUND POLICIES - ASSURANCES
1. Binding Commitments 9
2. Expeditious and Timely Expenditure 9
3. First Use Requirement 9
4. Title II Equivalency Compliance 9
5. Environmental Review 10
6. Reporting 10
7. Additional Subsidization – Disadvantage Community Assistance 10-11
8. Green Project Reserve 11-12
9. Sustainability Policy 12
10. Davis-Bacon 12
ADMINISTRATIVE USES 12-13
Loan Terms 13
Capitalization Requirements 13
CONTENT OF APPENDICES

ALASKA CLEAN WATER FUND

State Wastewater Loan Program

Intended Use Plan (IUP)

DRAFT – April 2014

PROGRAM OVERVIEW

The purpose of the Alaska Clean Water Fund (ACWF) is to make low interest loans available to Alaskan municipalities and other qualified entities for financing wastewater and water quality related projects.

Loans can finance up to 100 percent of a project's eligible costs for planning, design and construction of publicly owned facilities. In addition, loans can serve as local match for the Alaska Department of Environmental Conservation (ADEC) Municipal Water, Sewer and Solid Waste Matching Grants Program or most other federal or state funding sources.

A range of projects and associated costs are eligible for funding under the ADEC loan programs, as described in Title 18, Chapter 76 of the Alaska Administrative Code.

Examples of Improvements Fundable Under ACWF

- Wastewater Treatment Facilities
- Sewer Interceptor and Collection Systems
- Storm Water Collection and Treatment
- Nonpoint Source Prevention and Restoration Projects
- Enhancement Projects

The ADEC Municipal Grants and Loans Section (MG&L), in the Division of Water, is responsible for administering this loan program. The loan program is regulated by the code mentioned above and is audited under the State of Alaska's Single Audit Act. An independent audit of the program is also conducted each year.

The purpose of this IUP is to describe how ADEC plans to spend the monies of the ACWF and how the expenditures meet the goals of the overall program.

PROGRAM UPDATES

As initiated last year, DEC continues to put forth an effort to increase the programs pace which includes executing loans sooner, having project funds disbursed earlier, and having projects go into repayment sooner after close out. New for this year's IUP is the inclusion of American Iron & Steel (AIS) requirements, which DEC has made every effort to ensure borrowers are made aware of this newly enacted requirement under the Clean Water State Revolving Fund (CWSRF) program. Additionally, commitment of additional funds is being made available to borrowers based on estimated repayment schedules of future years. This calculation is based on the the demand for loan disbursement of funds that has historically been spread over at least four years after loan execution. Additionally, the inclusion of two and a half years' loan repayments better matches the supply of funds to the demand for funds. Failure to provide loans at a level that can be supported by the program means fewer projects completed and higher balances of CWSRF cash remaining unused. Furture calculations of funds available may be adjusted up or down as conditions warrant. Starting in FY 15 DEC will supplement the 4 percent administrative set aside currently used to pay for administrative

expenses for program opperations with the annual loan fee account. DEC charges an annual loan fee in the amount of 0.5 percent of the unpaid loan balance. DEC anticipates running the program completely with the loan fee account in future years and will bank the 4 percent allowed under the capitalization grant for administrative use.

PROGRAM GOALS

The ADEC administers the Alaska Clean Water Fund, guided by the following long and short term goals:

Long Term

1. Protect public health and the waters of the State by offering financial assistance for the planning, design and construction of eligible projects.
2. Assist local communities as they strive to achieve and maintain statewide compliance with federal and state water quality standards.
3. Facilitate the construction of projects by providing a long term source of financing to assist communities in attaining and maintaining compliance with the Clean Water Act as amended by the Water Quality Act Amendments of 1987, PL 100-4.
4. Promote coordinated efforts by the State and eligible entities to expedite funding of eligible projects.
5. Increase the pace at which available funds are loaned by marketing to existing and potential new eligible entities by expanding the overall funds usage. Continue to improve program guidelines and policies to encourage funding on those projects which offer earlier construction starts, earlier loan disbursements, and earlier project close outs and start of repayment.
6. Potential new entities may include lending to non-profit organizations for water quality type of projects, and to homeowners through a link-deposit program for on-site septic system improvements.
7. With implementation of new loan program management software, DEC will continue to use a more aggressive lending policy based on the needs of the communities. Key factors include but are not limited to implementation of a required quarterly financial reporting system starting in State Fiscal Year (SFY) 2015, and offering “ready to proceed projects” incentives which should result in a faster turnaround time in the disbursements and repayment process. These changes are anticipated to result in better cash flow management of the program.
8. New for this year is the commitment of additional funds made available to borrowers. Commitment of additional funds is being made available to borrowers based on estimated repayment schedules of future years. This calculation is based on the demand for loan disbursement of funds that has historically been spread over at least four years after loan execution. Additionally, the inclusion of two and a half years’ loan repayments better matches the supply of funds to the demand for funds. Failure to provide loans at a level that can be supported by the program means fewer projects completed and higher balances of CWSRF cash remaining unused. Furture calculations of funds available may be adjusted up or down as conditions warrant
9. Starting in FY 15 DEC will supplement the 4 percent administrative set aside currently used to pay for administrative expenses for program operations with the annual loan fee account. DEC charges an annual loan fee in the amount of 0.5 percent of the unpaid loan balance. DEC anticipates running the program completely with the loan fee account in future years and will bank the 4 percent allowed under the capitalization grant for administrative use

Short Term

1. Under this IUP, provide low interest loans of $25.6 million dollars to communities for eligible wastewater treatment or nonpoint source pollution projects.
2. Provide not less than 10% of the anticipated capitalization grant amount awarded to the State and to the extent there are sufficient eligible project applications, funds for projects to be used for green infrastructure, water or energy efficiency improvements, and environmental innovative activities.
3. Provide at least 20% ($455,802) and no more than 30% (683,703) of the applicable portion of the anticipated capitalization grant amount as a form of funding subsidy.*
4. Complete the anticipated capitalization grant Agreement with the U.S. Environmental Protection Agency (EPA) for Alaska's FFY14 Title VI allocation.
5. When interim requests are received from communities to add new projects to the IUP, DEC will as needed, amend the IUP to accommodate communities' needs.
6. To show commitment in promoting sustainability of wastewater facilities, DEC in direction provided under EPA's Sustainability Policy has added sustainable criteria to project scoring and ranking.
7. For SFY 2015, DEC plans to initiate a new on-line disbursement request/financial reporting system for loan recipients, which minimally must be submitted by recipients every quarter. The on-line financial report will also be included as part of the current on-line quarterly project status reporting system which was initiated in SFY13. On-line payment reporting is expected to begin at the beginning of the first quarter of SFY 2015 (July 1 – September 30, 2014). Note, this was anticipated to be done in the previous fiscal but due to needed software upgrades a one year delay was necessary.
8. DEC will continue to develop and implement a web based access system for incorporating a new financial and project management software package system for better program administration and forecasting. The primary objective for SFY 2015 will be to complete data flow between on-line reports (OASys – Online Application System) and the financial management software (LGTS – Loan Grant Tracking System).

* The amount of subsidization available only applies to the State's capitalization grant portion of the total available federal CWSRF FFY13 allotment amount that is greater than $1 Billion.

LOAN FUND PROCESS

Annually, ADEC identifies funding sources, selects projects and distributes the funds to projects according to approved criteria and federal and state regulations.

Funding Sources (as of February 28, 2014)

ADEC has several sources of funds available to support the proposed project financing and program administrative costs for this IUP. The following table summarizes the monies contributed and the commitments and expenditures made since the inception of the program. The difference between the funds available and program commitments is the amount of funds available to use during this funding cycle. The following describes more fully each item in the table:

- The total amount of federal monies granted to the program up until this application cycle is $201,107,962.
- The federal grant request to EPA this year will be for $8,376,000 matched by state funds of $1,675,200.
- State appropriations of $19,807,300 and bond receipts of $20,414,285 were secured earlier.
- Other significant funding sources include investment interest earnings of $44,594,924, principal repayments on loans of $149,120,465 and interest repayments of $28,186,971.

- Investment earnings and principal and interest payments of $4,527,348 are expected to be paid into the Fund thru the end of SFY14.

- Projected repayments of principal and interest for FY 15 and 16 is expected to total $19,188,060.

- Fee account usage to supplement the 4 percent administrative set aside will be $448,000.

- The total amount of loan commitments made to date is $389,906,139. This amount accounts for both increases and deobligated funds from projects that have completed construction.

- The total amount of loan commitments pending to be executed in the SFY14 third quarter amounts to $21,977,696.

- The $29,000,000 transfer from the Clean Water Fund to the Drinking Water Fund was completed August, 2007.

- The program has set aside a total of $8,379,835 to pay for the costs of administering the program.

- The program will use an additional $448,000 from the fee account to supplement the administrative set aside.

- Previous bonding and transactions costs totaling $20,480,563 include administrative, bond sale and interest costs resulting from the sale of bonds that were incurred in previous years.

- Bonding and transaction costs to be paid are $1,680,200.

A total of $25.6 million dollars will be available upon issuance of this amended IUP. The $25.6 million will be used to fund projects listed on the ACWF Funding Priority List for Point Source projects (Appendix Ia) and NonPoint Source projects (Appendix Ib).

ADEC draws administrative and subsidy (as principle forgiveness) funding at 100% federal. Draws for loan funding are split between state match and federal funding at a ratio that ensures the full state match requirement is met for the overall award, despite the 100% federal treatment of administrative funds. As of October 31, 2014, all ADEC draws are split between state match and federal funding at a ratio that ensures the full state match requirement is met for the overall award. This loan funding ratio is currently 16.6667% state match, 83.3333% federal.

ALASKA CLEAN WATER FUND

As of February 28, 2014

Funding Sources:				
Federal Grants				$ 201,107,962
FFY 14 Federal Allocation Capitalization Grant Request				8,376,000
FFY 14 State Match Appropriation				1,675,200
Bond Proceeds				
State Match, prior years				
State Match - General Funds		$ 19,807,300		
State Match - Bond Proceeds		20,480,563		
Total State Match				40,287,863
Investment Interest				44,594,924
Repayment				
Loan Principal		149,120,465		
Loan Interest (net of fees)		28,186,971		
Total Repayments				177,307,437
Projected 2014 Repayments and Investment Earnings				4,527,348
Projected 2015 Repayments				9,758,908
Projected 2016 Repayments				9,429,160
Funds Available				**$ 497,064,800**
Program Commitments:				
Loan Commitments			389,906,139	
Applications Received:				
ACWF#130681	Anchorage Wonder Park Sewer (inc.)	1,300,000		
ACWF#131411	Anchorage Girdwod WWTF, Ph. II	5,000,000		
ACWF#131401	Anchorage Fish Creek Int.	2,000,000		
ACWF#283091	Dillingham Municipal Landfill	243,000		
ACWF#481161	Ketchikan Schoenbar	2,468,868		
ACWF#503211	KIB Landfill	3,000,000		
ACWF#685281	Petersburg Pumpstation 1 Force Main	2,093,315		
ACWF#685271	Petersburg Scow Bay 1 Pump Station	400,000		
ACWF#561121	Mat-Su Central Landfill Cell 2A	3,060,343		
ACWF#783361	Sitka Channel, Lake & Monastery	1,379,170		
ACWF#783321	Sitka Monastery & Baranof	533,000		
ACWF#783511	Sitka Hollywood Way Sewer	500,000		
	Total Loan Commitments Pending		21,977,696	
Total Loan Commitments				411,883,835
Transfer from ACWF to ADWF				29,000,000
Administrative Set-Aside				8,379,358
Previous Bonding and Transaction Costs				20,480,563
Bonding and Transaction Costs to Be Paid				1,680,200
Total Program Commitments				**$471,423,956**
		Net Amount Available for Loans		**$ 25,640,844**

SELECTION OF PROJECTS

1. Identification of Priority Projects

An electronic mailing was done on December 30, 2013 informing all interested recipients that the questionnaire was available on-line for the IUP. Eligible recipients were invited to complete and submit their questionnaires electronically. Information and details on Green Project Reserve and funding subsidies under the program were included in this initial notification.

Using information from the questionnaires, several groups within ADEC worked together to evaluate the projects. Appendix IIa and IIb document the criteria used to assess the projects. Those criteria addressed these topics:

Point Source Priority Criteria Summary

- Public Health
- Water Quality
- Receiving Water Usage
- Project Continuity
- Readiness to Proceed
- Ability to Repay
- Sustainability

NonPoint Source Priority Criteria Summary

- Prevention
- Restoration
- Stewardship
- Project Continuity
- Funding Coordination

These assessments integrate the various water quality demands and needs of the State, assigning the highest priority to those projects that addressed the greatest public health and/or water quality threats.

After all projects were evaluated, they were ranked according to their scores. Using the project scores from the list, priority lists were prepared which included those projects with the highest rank, limited by the amount of funding expected to be available. With this year's funding, a funding subsidy as principle forgiveness will be offered to eligible projects. Further information on qualifying for a subsidy can be referenced under the section titled "Additional Subsidization – Disadvantage Community Assistance", page 10.

Under this IUP, approximately $5,128,169 is earmarked for projects that address nonpoint source water pollution. During this year's solicitation, two proposals were received for nonpoint source projects totaling $2,730,000 and since the total project amount is less than funds available, any excess available funds will be made available to any underfunded point source Priority listed project. Subtracting the amount needed to fund nonpoint source projects from the total available amount of $25,640,844 leaves $22,910,844 to fund point source projects. Funding down the Point Source priority list to the Anchorage – Girdwood Wastewater Treatment Facility – Ph. II project will require $40,119,066 which exceeds the available amount by $17,208,222. We will fund this project to the level that there are funds available.

2. Project Incentives

New for this year is the addition of extra incentives to encourage projects to be under construction shortly after finalizing the IUP. The following incentives include but are not limited to the following actions.

- If a project questionnaire shows that construction will begin by no later than September 15, 2014, an extra 50 points will be added to the project's overall questionnaire score. However, if during the application process construction start does not begin by this time or can at least be substantiated by a

bid award or notice to proceed documentation; the application processing may be suspended to let other "ready to go" projects proceed with funding.

- Any project on the project priority planning list which can demonstrate having either a bid award made or have a signed construction contract in place at the time of issuance of the final IUP, and notice to proceed issued for construction by September 15, 2014, will be allowed to submit a loan application at any time after issuance of the final IUP.

3. Public Review and Comments

The IUP, including the ranked priority lists, will be made available to all eligible recipients and other interested parties. The IUP will be placed on the State of Alaska, Division of Water website. A thirty day public comment period will be followed with a notice published in a newspaper of statewide circulation. The notice will announce the availability of the ACWF priority list, criteria system and priority list funding procedures. Comments will be solicited during this public notice period. Appendix III is reserved for those comments and responses.

DISTRIBUTION OF FUNDING

1. Projects to be Funded

When all public comments are received, ADEC will then evaluate project ranking and prepare a list of projects. The funding portion of the list (Appendix Ia and Ib) represents those projects, ranked by score, for which funding is expected to be available. The planning portion of the list (Appendix Ib) represents those projects whose rank falls below the funding portion of the list, and for which funding is not expected to be available.

When found necessary, ADEC will contact communities if project loan requests are determined to be excessive and could limit other project funding. Through negotiations, a revised lower amount through either project phasing or the community seeking other funding sources will be sought.

If a project is listed on a Project Funding Priority List with a subsidy or has demonstrated to be "ready to go" and received an additional 50 ranking points (as described under "Project Incentives" section on page 6 and 7), a project application may be submitted at completion of the IUP public notice period. The application does not need to be complete, but sufficient information should be provided to help initiate a community financial assessment for incurring the debt, and begin the environmental review process.

2. Project Information

Appendices Ia and Ib contain estimated dates for binding loan commitments and construction start, loan terms, disadvantage assistance, Green Project Reserve, subsidies, sustainability type, and project descriptions.

3. Disbursements

The estimated disbursement schedule for Point Source loan projects is presented in Appendix IVa. The estimated disbursement schedule for NonPoint Source loan projects is presented in Appendix IVb. These schedules are based upon target dates contained in Appendices Ia and Ib.

4. Federal Payments

Alaska's proposed payment schedule for the FFY14 grant allotment is shown below. This schedule was developed based on projected needs for project construction and execution of loan agreements

Proposed Federal Payment Schedule FFY13 Grant

FFY14 1st Quarter	FFY14 2nd Quarter	FFY14 3rd Quarter	FFY14 4th Quarter
$3,350,400	$2,512,800	$1,256,400	$1,256,400

NOTE: The federal payment schedule above was determined as follows:

The binding commitment schedule was reviewed. Estimated binding commitment amounts and estimated state administrative payment requests were added together for each federal fiscal year quarter in which they are scheduled to be paid, resulting in a total quarterly cash requirement.

5. Bypass of Projects

If a project on the fundable portion of the list has not turned in a completed loan application package or has not completed the state environmental review process in a timely manner (as described in the following paragraphs), it may be bypassed for another project on the priority list that is ready to proceed down to and including planning list projects and this includes projects with listed subsidized amounts. Specific rules on project by-passing are as follows:

a. If a loan application is not submitted for a project on the fundable portion of the list within two (2) months after first being placed on the priority list, the project will without justification be automatically by-passed by a lower scoring project ready to proceed. This action includes any project ready to proceed regardless if it is on either the Point Source or NonPoint Source funding list, as long as funding is available.

b. In this year's federal funding of the ACWF is the requirement to meet minimal funding needs for offering loans with subsidies, soliciting projects with Green eligible components, and identify projects that meet equivalency. To meet these mandated minimal funding needs, the Department will if necessary bypass a priority listed project with the next highest scored eligible project off the planning list which meets these requirements. This bypassing will be done until funding requirements are minimally met.

c. If any projects are equal in scoring, the following sequence will be used to differentiate between them:

    1. If a project is already under construction or is out to bid, the environmental review has been completed, and the application has been completed, that project will be moved ahead.
    2. If a project requires an earlier construction date, as a result of a compliance agreement or other legal order from EPA or DEC, that project will be placed ahead of the others.
    3. The project has been identified as having Green project components, or identified to meet equivalency.
    4. A project with an earlier anticipated date for submitting a completed application will be moved forward.
    5. If the projects are from the same community, the community may request that one be placed ahead of the other.
    6. The individual scores from each criteria category will be compared until a difference is found. The project with the highest score in the individual category will be placed first.

6. Fund Transfer

Federal regulations allow a transfer of up to an amount equal to 33% of the Drinking Water Capitalization Grants. DEC reserves the authority to transfer additional funds as appropriate at some time in the future, between the ACWF and ADWF programs.

ADDITIONAL LOAN FUND POLICIES - ASSURANCES

1. Binding Commitments

ADEC will enter into loan agreements for 120 percent of the federal anticipated capitalization grant within one year of receipt of each payment from the federal government, as required by federal law.

2. Expeditious and Timely Expenditure

All funds will be expended or obligated in a timely and expeditious manner. First priority for all loans will be to assure compliance with the Clean Water Act as amended by the Water Quality Act of 1987. The following table documents the ACWF loan program compliance with that requirement. This calculation is accurate as of February 28, 2014:

FUNDS AVAILABLE AS OF JUNE, 2014

Total Federal Cap Grants Awarded	Total State Match	Total Principal Repayments	Total Interest Repayments	Total Investment Interest	Total Transfers	Total Administrative Set-Aside	Total Bonding Costs	TOTAL FUNDS AVAILABLE
201,107,962	40,287,863	149,120,465	28,186,971	44,594,924	(29,000,000)	(8,379,358)	(20,480,563)	405,438,264
TOTAL BINDING COMMITMENTS AS OF JUNE 15, 2014:								411,833,835
BINDING COMMITMENTS AS A PERCENTAGE OF FUNDS AVAILABLE:								1.02%

Additionally, to assure expeditious and timely expenditure of funds, a requirement that the first disbursement for a loan be made within two years after signing of the loan agreement has been implemented. If no disbursement is made within the two year period, the Department may take action to recall the loan; however, an extension may be granted upon a community's request, if there is reasonable justification.

3. First Use Requirement

Alaska communities do not appear on the National Municipality Policy Non-Compliance List. Therefore, the "first-use" requirement of 40 CFR 35.3135(e) has been satisfied.

4. Title II Equivalency Compliance

The Clean Water Act and subsequent EPA regulations instituted the Clean Water State Revolving Fund loan program with numerous federal laws and authorities (Appendix V). ADEC requires compliance with these federal laws and authorities on selected ACWF loan projects. Projects that are chosen to be an equivalent project are noted only on the Point Source Priority and Planning Lists.

The selection process of an equivalent project will be based on the following criteria:

- Any project receiving a subsidy.
- Any project that comes from a non-disadvantage community and is over 10,000 in population.

The number of equivalent projects selected will be based on the cumulative funding amount of these projects and be shown that the amount equals or exceeds the annual federal anticipated capitalization grant amount.

5. Environmental Review

All projects receiving ACWF financial assistance will be subject to the EPA approved Environmental Review Procedures of the ACWF.

6. Reporting

a) FFATA (Federal Funding Accountability Transparency Act)

DEC is committed to transparency and accountability under FFATA (reporting requirements may be obtained at their website https://fsrs.gov/). Program information, Intended Use Plans, Annual Reports, and other program materials are either posted on the DEC/MGL website: http://www.dec.state.ak.us/water/MuniGrantsLoans/index.htm, or may obtain through the program office in Juneau at 410 Willoughby Street, Juneau, AK 999801. Dec has chosen to use the equivalency method to meet FFATA reporting requirement. The project below was selected:

Anchorage Girdwood Wastwater Treatment Facility – Ph II.

b) CBR (Clean Water Benefits) Reporting

Project milestones and information are reported through EPA's Clean Water Benefits Reporting database. DEC commits to entering benefits information on all projects into CBR by the end of the quarter in which the assistance agreement is signed.

c) Quarterly Project Status Reporting

Quarterly project status reports for all borrowers are required to be filed with the Department once a funding agreement is in place. After an agreement is fully signed, a report must be submitted at the end of every State fiscal quarter thereafter and continue until final disbursement is made. The Department will provide necessary forms for this reporting and the report will be used to provide a project status update and current financial utilization information on the loan.

d) Quarterly Financial Reporting

Anticipated for this year's quarterly status reporting is the inclusion of a quarterly financial report, which is anticipated to be implemented on the quarter ending September 30, 2014 (financial reporting was delayed one year due to software update needs). The financial report is essentially a disbursement request for the loan which will report quarterly financial information on the project. If the financial report documents expenditures, sufficient supporting documentation will be required so that a disbursement review can be made on determining and making payment on eligible expenses. A borrower may choose to make more frequent reimbursement requests (once a month maximum), but at a minimum they will be required to make minimal quarterly requests to meet this new reporting requirement. If no costs are incurred for the reporting quarter, acknowledgement of a simple statement of this fact within the online report will be all that is needed.

e) Miscellaneous Reporting

Additionally, the Department will provide information to EPA as needed for national reports, public inquiries, or Congressional inquiries. DEC will continue to meet the federal Environmental Results Initiative reporting requirements by inputting environmental summaries, referred to as "one-pagers" on ACWF projects, on an on-going basis and not less than quarterly. A summary will be presented in the ACWF annual report.

7. Additional Subsidization – Disadvantage Community Assistance

Under the FFY14 anticipated federal capitalization grant, at least 20% and no more than 30% of the applicable portion (approximately $455,802 and $683,703, respectively) of the grant must be offered in the form of additional subsidies. The Department has chosen to offer a total approximate amount of $455,802

as additional subsidization, with $364,642 (80%) for Point Source and $91,160 (20%) for Non-Point Source as principal forgiveness.

For disadvantage communities, an amount of 10% or up to a maximum amount of $250,000 (cumulative per community) will be made with funds available if a project meets the follow criteria.

- The project must be listed on the project priority list and highest ranked projects will be considered first.
- The project must be ready to start construction no later than one year after issuance of the final IUP.
- The community must submit a loan application within two months upon issuance of the final IUP.
- The community must agree to within one year of the date of the signed loan agreement to submit total payment request at least equal to 25% of the total loan amount.

Disadvantaged communities are provided a subsidy as part of their project assistance to help alleviate economic hardships for constructing a capital project. A community is considered disadvantaged if its:

- MHI (Median Household Income) is less than the state average MHI that is currently published by the Alaska Department of Commerce, Community and Economic Development or by the U.S Census Bureau, whichever is greater

  OR,

- Rate of unemployment is above the state average unemployment rate that is currently published by the Alaska Department of Commerce, Community and Economic Development or by the U.S Census Bureau, whichever is greater.

For a community to qualify for disadvantaged assistance, they need to meet either one of the above criteria. For Boroughs of the State, the above criteria can be used for a specific community within the Borough if the project is solely benefitting just that community.

If after one year of IUP publication any uncommitted subsidies exist, these funds will be distributed into projects with existing subsidies, or to those projects which are the furthest along in completion of construction. Additionally, the priority lists on Appendix Ia and Ib demonstrate~~s~~ that at least 20% of the anticipated capitalization grant amount will be provided via principal forgiveness. Any subsequent revision to this Fundable Project Priority list will likewise demonstrate that at least 20% of the grant will be provided via principal forgiveness.

8. Green Project Reserve (GPR)

Under the total FFY 14, the anticipated capitalization grant amount awarded to the State, and to the extent there are sufficient eligible project applications, not less than 10% ($837,600) of funding provided for projects must be used for following category types: green infrastructure, water or energy efficiency improvements, and environmental innovative activities. GPR projects are listed under Appendix Ia and Ib by indication of green project category type and whether project justification is either categorical, or requires a business case demonstration.

Under this IUP, six projects listed on the Project Priority lists have been identified as being a GPR project based on EPA current guidance. The cumulative amount of these projects is $10,617,870, which exceeds the 10% minimal required amount by $9,780,270. The Department will make its best effort to assure adequate participation is made for meeting the minimal reserve amount of $837,600.

Upon issuance of a loan commitment and to meet federal rules for providing an initial “business case” intent for adequately demonstrating GPR requirements, all eligible GPR projects are required to have their

Department provided Green Project Assessment form with applicable backup documentation posted on the program's web site by no later than the next reporting quarter; the web address is as follows:

http://www.dec.state.ak.us/water/MuniGrantsLoans/greenproj.htm

When a project is designed/bid ready, a complete Business Case will be required and posted on the basis that all equipment/material, performance specifications, and associated costs will be available. Additionally, once a project is complete and prior to completion of the project performance period, the borrower will be required to submit a follow up report demonstrating the effectiveness of the GPR project. This report will also be put on the program's GPR posting web site.

9. Sustainability Policy

DEC is committed to promoting sustainable design and management of wastewater utilities, and clean water resources. Projects that meet DEC's sustainability criteria are eligible for up to 50 bonus points in the priority ranking system. Further details on sustainability criteria may be referenced under Appendix III.

10. Davis-Bacon

EPA's FFY2012 appropriations bill permanently required the application of Davis-Bacon prevailing wage rates to all treatment works projects funded in whole or in part by the CWSRF. Davis-Bacon applies to construction contracts over $2,000 and their subcontractors (regardless of the subcontract amount).

To ensure compliance with these requirements, DEC will confirm that the correct wage determinations are being included in the bid specifications and/or construction contracts. DEC will also provide assistance recipients with the specific EPA Davis-Bacon contract language that is to be included in bid specifications and/or contracts. In addition, DEC will collect Certifications of Davis-Bacon compliance from assistance recipients with disbursement requests.

11. American Iron and Steel

None of the funds made available to the borrower shall be used for a project for the construction, alteration, maintenance, or repair of a public water system unless all of the iron and steel products used in the project are produced in the United States. This requirement applies to the entire project receiving a loan agreement that is fully signed on and thereafter the effective date of January 17, 2014 through October 1, 2014.

If approved engineering plans and specifications by a State agency are completed prior to the enactment date, this requirement will not apply. Consideration for exclusions to this requirement are as follows: being inconsistent with the public interest; iron and steel products that are not produced in the United States in sufficient and reasonably available quantities and of a satisfactory quality; or inclusion of iron and steel products produced in the United States that will increase the cost of the overall project by more than 25 percent.

For these exclusions to apply, a request for a waiver must be submitted to the Environmental Protection Agency (EPA) for consideration of approval. Borrowers have the option of sending a waiver request directly to EPA with a copy to the Department, or they can submit the waiver to the Department who will then forward it on to the EPA. EPA will then make available to the public on an informal basis (EPA's public internet web site) a copy of the request and information available to the Administrator concerning the request, and shall allow for informal public input on the request for at least 15 days prior to making a finding based on the request.

ADMINISTRATIVE USES

ADEC is allowed to use up to four percent of the federal grant amount for administrative purposes (40 CFR 35.3120(g)). In SFY 15, ADEC is requesting $335,040 to be used in administering the program. This request combined with administrative funds used totals $8,379,359. As the table below shows, ADEC has not yet requested the allowable amount of $8,379,359 for administering the program. A total of $1,087,558 is being reserved for future administrative costs.

Calculation of Administrative Reserves

FFY 14 Grant

Federal grants prior to FFY 13		$201,107,962
FFY 14 Capitalization Grant		8,376,000
	Total federal grant requested	$209,483,962
Allowable administrative funds (4% of $209,483,962)		$8,379,359
Administrative funds requested prior to FY14		$6,953,761
SFY 14 administrative amount requested		335,040
	Total administrative funds requested	$7,288,801
Allowable administrative funds		$8,379,359
- Total Administrative funds requested		7,288,801
	Amount to be reserved	$1,087,558

SRF regulations were amended to initiate a fee structure that will eventually supplant the use of the 4 percent administrative set-aside. Under EPA guidance, the fee we collect can only be used for administrative purposes to help manage the program. Effective December 29, 2000, the program has been collecting loan administration fees equal to one-half percent (0.5%) of the principal loan balance on scheduled repayments. As of February 28, 2014, the program has collected $6,022,814*. For SFY 2015, the program anticipates collecting $526,624 in program fees.
*subject to reconciliation

LOAN TERMS

Effective April 28, 2005, loans with a contract term of five to 20 years can be assessed an effective finance charge rate of one and one-half (1.5%) percent or 18.75 percent of the current bond rate as defined by the Municipal Bond Index. Loans with a contract term of one to five years can be assessed an effective interest rate of one (1) percent or 12 ½ percent of the current bond rate as defined by the Municipal Bond Index. Any loan term less than one year is assessed a one-half (0.5) percent finance charge. In addition, with the exception of loans that are paid off in less than one year, all other loan terms include a one-half (0.5) percent administrative fee as part of the overall finance charge.

Capitalization Requirements

In accordance with Title VI, Section 602(b) of the Clean Water Act as amended by the Water Quality Act of 1987, PL 100-4, Alaska will accept capitalization grants in accordance with a schedule jointly agreed upon by ADEC and EPA.

A required state match equaling 20 percent of the federal anticipated capitalization grant $1,675,200 will be deposited into the fund. Each loan payment made from the fund will follow the EPA rules of proportionality.

ADEC will provide the required state match from short term bonding this year. By using a short term bonding technique, ADEC uses, as collateral, the interest income of the Fund to acquire bond receipts and avoids use of any general funds from the State budget. This process effectively substitutes bond receipts for interest income. ADEC is required to document that sufficient interest income exists in an amount equal to or greater than the proposed bonding amount and that this process will still allow the Fund to grow in perpetuity. ADEC's program audits have documented the availability of the required amount of interest.

CONTENT OF APPENDICES

Appendix Ia. Point Source Planning Priority & Planning Lists
Ib. Non-Point Source Funding Priority & Planning Lists

Appendix IIa. Point Source Priority Criteria
IIb. Non-Point Source Priority Criteria

Appendix III. Public Comments

Appendix IV. Estimated Disbursement Schedule for Point Source and Non-Point Source Projects

Appendix V. Federal "Cross-Cutter" Authorities

APPENDIX Ia

ALASKA CLEAN WATER FUND

Point Source Funding Priority & Planning Lists

ALASKA CLEAN WATER FUND
Draft - Point Source Funding Priority List
Fiscal Year 2015

Rank	Score	APDES Permit Number	Category	Community	Project Title	Project Description	Requested Assistance Amount	Finance Charge Rate	Term (Yrs)	Subsidy[3,4]	Green Project Amount[5]	Green Project Type[5]	Estimated Binding Commitment	Estimated Construction Start	Sustainability Policy[6]
1	655	AK-0021458	I	Seward◆	Lowell Point Lagoon Sludge Removal & Renovation■	Remove accumulated sludge and inspect aeration system, assess pond liner integrity, and make improvements to yard valving. The work will address DEC Notice of Violation on permit conditions.	$1,200,000	1.50%	20	$120,000			7/1/2014	9/1/2014●	Improve TFM
2	620	AK-0021431	III(b)	Anchorage	Fish Creek Interceptor Rehab■	Design and construct improvements to the Fish Creek Interceptor that were previously identified through AWWU's Sewer Interceptor Condition Assessment Project.	$3,000,000	1.50%	20				7/1/2014	4/21/2015	Fix it First
3	615	AKG-572019	IV(a)	Ketchikan Gateway Borough◆[1]	South Tongass Wastewater Main - Shoup to Forest Park■	Extend the South Tongass Wastewater main from Shoup Street to Forest Park which eliminates ocean outfalls, primary wastewater treatment facilities, and minimize I & I issues removing older systems.	$2,858,053	1.50%	20	$244,642	$1,690,770	EIN-BC	11/1/2014	3/15/2016	Improve TFM
4	595	AK-0021393	I	North Pole◆	Development of Alternative Sewer Outfalls	Conduct an engineering analysis of the Utility's options to develop an alternative sewer outfall or modified treatment technologies. The Utility has lost its mixing zone and is in violation of its discharge permit.	$500,000	1.50%	20				11/3/2014	N/A	Planning
5	585	2007DB0003	III(b)	Nome◆	Nome Sclaircore Replacement - Ph III	Replace dilapidated wastewater piping along East N Street and areas along East 3rd and 4th Avenue with direct buried arctic piping. Elimination of pipe failure I&I will provide energy savings.	$3,249,100	1.50%	20		$324,910	ENG-BC	6/15/2014	5/15/2014●	Fix it First
6	575	AK-G570021	III(b)	Bristol Bay Borough◆	Sewer System Capacity Improvements	Replace/relocate Peter Pan lift station, replace/reroute existing 8-inch force main, SCADA upgrades, capacity upgrades to lift stations 2 and 3 with energy savings equipment, and lagoon cleaning and desludging.	$2,791,200	1.50%	20		$279,120	ENG-BC	6/28/2014	9/1/2014●	Fix it First
7	545	AK-0023213	III(b)	Sitka	DeGroff Street Sewer Improvements	Replacement of the existing aging/failing sewer and storm drain systems within DeGroff Street between Sawmill Creek Road and Lake Street. Energy savings in pumping costs with less I&I impact.	$1,463,700	1.50%	20		$156,800	ENG-BC	8/30/2014	5/15/2016	Fix it First
8	540	AK-0021440	III(b)	Ketchikan◆	Chatham Avenue Sewer Main Replacement	Install 488-lineal feet of 8" C900 PVC sewer mains, (2) sewer manholes, and (16) services installed to the edge of the right-of-way, in approximately 540 feet of roadway.	$1,057,013	1.50%	20				7/1/2014	1/1/2015	Fix it First
9	540	AK-0021474	I	Anchorage	Girdwood Wastewater Treatment Facility - Ph II■[2]	This project will include various upgrades to the Girdwood Wastewater Treatment Facility and the expansion of the Girdwood Wastewater Treatment Facility.	$24,000,000	1.50%	20				7/1/2014	7/25/2016	Fix it First

◆ Disadvantaged Community (criteria may be referenced on page 10)

■ Equivalency Project (criteria may be referenced on page 9)

● Extra 50 points for "ready to go projects" or construction by September 15, 2014

Total Requested Amount: **$ 40,119,066**

Total Subsidized Amount[3]: **$ 364,642**

Total Equivalency Amount: **$ 31,058,053**

Total Green Amount[5]: **$2,451,600**

[1] Subsidy funding for the Ketchikan Gateway Borough - S. Tongass Wastewater Main - Shoup to Forest Park project is limited to available subsidy funds.

[2] Full funding of the Anchorage - Girdwood Wastewater Treatment Facility - Ph II project for $24,000,000 will be dependent upon remaining available loan funds. The Department will negotiate with Anchorage to provide additional funds as they become available later in the year. Additionally, the project was by-passed to the priority list to meet minimal equivalency requirements.

[3] Total available loan and subsidy funding amounts under this amended IUP are $25,640,844 and $455,802, respectively and are split on a ratio of 80/20 between Point Source Priority List ($20,512,675 & $364,642 of subsidy) and Non-Point Source Priority List ($5,128,169 & $91,160 of subsidy) projects. Note, any additional subsidy that is not awarded to Non-Point Source projects will be awarded to Point Source projects or vice-versa if necessary.

[4] Criteria for being eligible for a loan subsidy may be referenced on page 10 under the narrative section of the IUP.

[5] Green Project Reserve Category Type: GIF - Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical. Funding for Green projects is based on meeting a minimal required amount of $837,600 under the State's capitalization grant for the program. Note, an extra 25 scoring points are awarded to Green projects.

[6] Sustainability Policy - "Fix it First" - fix existing critical infrastructure; "Improve TFM" - improve technical, financial and managerial capacity of the system; and, "Planning" - planning and development of alternative projects that reflect the full life cycle cost of infrastructure.

ALASKA CLEAN WATER FUND
Draft - Point Source Funding Priority Planning List
Fiscal Year 2015

Rank	Score	APDES Permit Number	Category	Community	Project Title	Project Description	Requested Assistance Amount	Finance Charge Rate	Term (Yrs)	Subsidy[1]	Green Project Amount[2]	Green Project Type[2]	Estimated Binding Commitment	Estimated Construction Start	Sustainability Policy[3]
10	475	AK-0023213	III(b)	Sitka	Cathodic Protection for Six Major Lift Stations	Install impressed current cathodic protection systems on the six (6) largest and most important mainline steel lift station dry wells in the Sitka wastewater collection system.	$397,000	1.50%	20				9/30/2014	6/1/2014●	Fix it First
11	445	AK-0021431	VII(j)	Anchorage	Landfill Leachate Hauling Equipment	Purchase three(3) tractors for hauling leachate from the landfill collection lagoon to the AWWU Turpin Street Septic Hauler Station. Energy savings with purchase of new higher efficiency equipment.	$401,100	1.50%	20		$401,100	ENG-BC	9/30/2014	1/1/2015	Fix it First
12	445	AK-0022951	III(b)	Juneau	Glacier Hwy Sewer Improvements	Replacement of 2,500 ft. of force main along Glacier Highway from Anka St. to Davis Ave. and Gruening Park lift station replacement. Energy savings with installation of high efficiency pumps and controls.	$1,000,000	1.50%	20		$100,000	ENG-BC	6/18/2014	10/1/2014	Fix it First
13	415	AK-0021431	I	Anchorage	AWWTF Screen Auto, Headworks HWS, Code Analysis Up■	Rehabilitate the existing influent screens and upgrade the screen automation system and perform a facility code analysis.	$1,300,000	1.50%	20				7/1/2014	5/1/2015	Fix it First
14	400	AK-0021431	III(b)	Anchorage	Downtown Pipe Replacement■	Rehabilitate or replace existing vitrified clay sewer mains within downtown Anchorage that have been identified as being damaged, loosing serviceability, and in some cases on the verge of collapse.	$850,000	1.50%	20				1/1/2015	6/1/2015	Fix it First
15	370	AK-0021431	III(b)	Anchorage	Interceptor Rehabilitation■	Rehabilitation and cleaning of the 78/84-inch RCP Interceptor A2 and structural rehabilitation and cleaning of the 36/48-inch Interceptor D/Pine Trunk Component.	$2,500,000	1.50%	20				7/1/2014	9/1/2014●	Fix it First
16	345	AK-0021431	III(b)	Anchorage	Pump Stations 30 & 31 Rehab■	Decommission Pump Station 30, install additional force main, and upgrade Pump Station 31 to allow for better operation of the collection system including high energy efficient pumps and control systems.	$470,000	1.50%	20		$175,000	ENG-BC	7/1/2014	5/1/2015	Fix it First
17	345	AK-0022543	I	Anchorage	ERWWTF Rehab■	Upgrade: headworks area, return activated sludge piping, emergency backup generator; windows and doors; and segmented and outdated fire alarm. High energy efficient windows and doors will be installed.	$11,500,000	1.50%	20		$225,000	ENG-BC	7/1/2014	6/1/2015	Fix it First
18	315	AK-0021431	I	Anchorage	AWWTF Gravity Thickener and Clarifiers Rehab■	Design and rehabilitation of aging, corroded elements within the gravity thickeners 2, 3 and 4 and upgrade of four primary clarifiers at the AWWTF.	$1,500,000	1.50%	20				7/1/2014	5/1/2016	Fix it First
19	305	N/A	I	Mat-Su Borough◆	Septage Treatment Facility	Design & construct a new septage treatment and disposal facility in the palmer-Wasilla area. The design will incorporate an energy budget and LEED certified components.	$18,165,300	1.50%	20		$1,108,900	ENG-BC	1/1/2015	1/1/2016	Improve TFM
20	295	AK-0021474	I	Anchorage	GWWTF Outfall■	Evaluate the GWWTF outfall for the effects of mixing and spawning in response to preliminary draft APDES Permit provisions that may result in the loss of a mixing zone.	$4,000,000	1.50%	20				7/1/2014	6/1/2016	Planning
21	295	AK-0021431	I	Anchorage	Anchorage Regional Landfill Expansion 8B■	Procurement, construction and construction oversight of Cell 8B to provide air space for management of asbestos and inert wastes.	$4,474,800	1.50%	20				9/30/2014	6/15/2015	Improve TFM

◆ Disadvantaged Community (criteria may be referenced on page 10)

■ Equivalency Project (criteria may be referenced on page 9)

● Extra 50 points for "ready to go projects" or construction by September 15, 2014

Total Requested Amount: **$ 46,558,200**

Total Subsidized Amount[3]: **$ -**

Total Priority & Planning Amount: **$ 86,677,266**

Total Green Amount[5]: **$ 2,010,000**

Total Point & Planning Source Green Amount[5]: **$ 4,461,600**

[1] Criteria for being eligible for a loan subsidy may be referenced on page 9 under the narrative section of the IUP.

[2] Green Project Reserve Category Type: GIF- Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical. Funding for Green projects is based on meeting a minimal required amount of $837,600 under the State's capitalization grant for the program. Note, an extra 25 scoring points are awarded to Green projects.

[3] Sustainability Policy - "Fix it First" - fix existing critical infrastructure; "Improve TFM" - improve technical, financial and managerial capacity of the system; and, "Planning" - planning and development of alternative projects that reflect the full life cycle cost of infrastructure.

ALASKA CLEAN WATER FUND
Draft - Point Source Funding Priority Planning List (Continued)
Fiscal Year 2015

Rank	Score	APDES Permit Number	Category	Community	Project Title	Project Description	Requested Assistance Amount	Finance Charge Rate	Term (Yrs)	Subsidy[1]	Green Project Amount[2]	Green Project Type[2]	Estimated Binding Commitment	Estimated Construction Start	Sustainability Policy[3]
22	280	AK-0021385	IV(a)	Haines◆	Moose Lane Sewer Main Extension	Extend approximately 1,050 feet of 6" PVC pipe on Moose Lane and North Sawmill Road in Haines in order to bring service to approximately eight properties currently not served by the utility.	$158,000	1.50%	20				9/1/2014	6/1/2015	Improve TFM
23	215	AK-0021431	I	Anchorage	AWWTF Improvements■	Remove obsolete sludge incinerator one, construct improvements to stabilize the slopes and foundation of the effluent outfall structure and upgrade the HVAC in the Old Raw Sludge Pump Station.	$1,100,000	1.50%	20				1/1/2015	5/1/2016	Fix it First
24	210	AK-0021431	I	Anchorage	Asplund WWTF Sludge Dewatering Replacement■	Replace two of the three belt filter presses at the AWWTF with new sludge dewatering equipment and upgrade the thickened sludge piping in the vicinity of the belt filter presses at the AWWTF.	$4,250,000	1.50%	20				7/1/2014	7/8/2015	Fix it First
25	170	AK-0021431	I	Anchorage	King St Warm Storage Roof■	Remove and replace roofing material from the original construction of the warm storage building due to the deteriorated condition.	$575,000	1.50%	20				7/1/2014	7/15/2014●	Fix it First

◆ Disadvantaged Community (criteria may be referenced on page 10)

■ Equivalency Project (criteria may be referenced on page 9)

● Extra 50 points for "ready to go projects" or construction by September 15, 2014

Total Requested Amount: **$ 6,083,000**

Total Subsidized Amount[3]: **$ -**

Total Priority & Planning Amount: **$ 92,760,266**

Total Green Amount[5]: **$ -**

Total Point & Planning Source Green Amount[5]: **$ 4,461,600**

[1] Criteria for being eligible for a loan subsidy may be referenced on page 9 under the narrative section of the IUP.

[2] Green Project Reserve Category Type: GIF- Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical. Funding for Green projects is based on meeting a minimal required amount of $797,100 under the State's capitalization grant for the program. Note, an extra 25 scoring points are awarded to Green projects.

[3] Sustainability Policy - "Fix it First" - fix existing critical infrastructure; "Improve TFM" - improve technical, financial and managerial capacity of the system; and, "Planning" - planning and development of alternative projects that reflect the full life cycle cost of infrastructure.

APPENDIX Ib

ALASKA CLEAN WATER FUND

Non-Point Source Funding Priority & Planning Lists

ALASKA CLEAN WATER FUND

Draft - Non-Point Source Funding Priority List
Fiscal Year 2015

Rank	Score	Community	Project Title	Project Description	How this project implements Alaska's Nonpoint Source Strategy:	Requested Assistance Amount[2]	Finance Charge Rate	Term (Yrs)	Subsidy[2,3]	Green Project Amount[4]	Green Project Type[4]	Estimated Binding Commitment
1	150	Anchorage	ARL Cell 7 / 8 Stormwater Management	Collection and management of storm water from Cell 7 and 8 in the southwestern quadrant of the landfill. Green infrastructure practices will be used to keep wet weather discharges out of the leachate collection system.	Alaska's Strategy identifies support for local watershed protection efforts as an objective (page 29). This project addresses components of local watershed protection including control of stormwater runoff, and restoration of a sediment impaired creek (page 83).	$730,000	1.50%	20		$730,000	GIF-BC	10/31/2014
2	105	Dillingham◆	Landfill Waste Processing System	Purchase and install a thermal conversion system or other equipment for processing municipal solid waste; determine new landfill layout; and provide design as needed for construction of new waste processing and recycling facilities. Heat from the system will be used to heat buildings and potentially provide power to the WWTP.	The EPA approved Alaska's Strategy identifies as a priority under Urban and Community Action Plan (UR-B, pg. 31), "Provide education, technical and financial assistance to communities to ensure good drinking water and basic sanitation and sewage disposal needs are met,." Additionally, on pages 82 - 83 of the strategy, this type of project is identified as providing water quality benefits which is an eligible nonpoint source pollution control project under the ACWF program, and comes under a listed grouping of nonpoint projects in this section as "Capping and closing out existing landfills and the water quality related portions of new landfills."	$2,000,000	1.50%	20	$91,160	$200,000	EIN-BC	6/30/2014

◆ Disadvantaged Community (criteria may be referenced on page 10)

Total Requested Amount: **$ 2,730,000**

Total Subsidized Amount[3]: **$ 91,160**

Total Green Amount[5]: **$ 930,000**

[1] Full funding of the Dillingham - Landfill Waste Processing System project for $2,000,000 will be dependent upon remaining available loan funds. The Department will negotiate with the Dillingham to provide additional funds as they become available later in the year.

[2] Total available loan and subsidy funding amounts under this amended IUP are $25,640,844 and $455,802, respectively and are split on a ratio of 80/20 between Point Source Priority List ($20,512,675 & $364,642 of subsidy) and Non-Point Source Priority List ($5,128,169 & $91,160 of subsidy) projects. Note, any additional subsidy that is not awarded to Non-Point Source projects will be awarded to Point Source projects or vice-versa if necessary.

[3] Criteria for being eligible for a loan subsidy may be referenced on page 10 under the narrative section of the IUP.

[4] Green Project Reserve Category Type: GIF - Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally Innovative. Green Project Justification Type: BC - Business Case / CAT - Categorical. Funding for Green projects is based on meeting a minimal required amount of $797,100 under the State's capitalization grant for the program. Note, an extra 25 scoring points are awarded to Green projects.

APPENDIX IIa

ALASKA CLEAN WATER FUND

Point Source Priority Criteria

ALASKA CLEAN WATER FUND STATE REVOLVING FUND (SRF) PRIORITY CRITERIA FOR SFY15 POINT SOURCE PROJECTS

Alaska has established the following criteria to prioritize point source wastewater projects seeking funding from the Alaska Clean Water Fund, the Clean Water Act State Revolving Loan Fund. These criteria rank point source projects (CWA Sec.212) by their relative threats to public health and the environment. The results of the most recent 303(d) list priorities will be utilized for identifying important water quality issues.

PUBLIC HEALTH CONSIDERATIONS (only one)		Assigned Points
1.	A human disease event exists, documented by a recognized public health authority. Construction of this project will correct the problem. *Examples include providing public health alert/notice(s) documentation from a recognized public health authority. Also, documentation that either requires construction of the project through a regulatory compliance order or by action from the community issuing an ordinance/resolution for proceeding with the project.*	350
2.	Current conditions are severe enough that a disease event can occur, but has not been reported. This project will resolve the problem. *Examples include providing documentation such as multiple maintenance crew reports or study(s) that demonstrate current conditions are severe enough that a disease event can occur.*	300
3.	Conditions indicate that there is a high potential that a disease event could occur. This project will minimize potential future public health problems. *Examples include providing documentation such as a maintenance crew report(s), study(s), or documented photographs that can demonstrate a need that current conditions indicate that there is a high potential that a disease event could occur.*	200
4	Conditions are not probable that a disease event will occur. This project will minimize potential future public health problems.	100
5	This project has no significant health related issues	0

WATER QUALITY CONSIDERATIONS (only one)

1. This project will correct a documented pollution event in a:

303(d) Category 5 Listed Water Body	250
303(d) Category 4b Listed Water Body	240
303(d) Category 4a Listed Water Body	230
Non-303 d listed Water	220

		Assigned Points
2.	Current conditions are severe enough that a pollution event can occur, but has not been reported yet. This project will correct the problem in a:	
	303(d) Category 5 Listed Water Body	230
	303(d) Category 4b Listed Water Body	220
	303(d) Category 4a Listed Water Body	210
	Non-303 d listed Water	200
3.	This project will minimize the potential for future pollution events	100
4.	This project has minimal impact on future pollution events	0

RECEIVING WATER USE (only one)

This project addresses adverse impacts to:

1.	Freshwater/groundwater	
	drinking or food processing	10
	propagation of fish, shellfish, etc., as a food source	5
	water contract recreation	2
2.	Marine waters/estuaries	
	propagation of fish, shellfish, etc., as a food source	5
	water contract recreation	2
3.	This project will not significantly address any adverse water quality impact	0

LOCAL INITIATIVE (only one)

1.	This project will complete a project that has already begun construction and has completed an environmental review.	50
2.	This project has DEC approved engineered plans and has a prepared or completed environmental review.	40
3.	At least 65% engineered plans have been prepared.	30
4.	A feasibility study for this project has been prepared.	20
5.	No planning or study document has been completed.	0

FUNDING COORDINATION (only one)

1.	This project will use other state, federal or local funds.	15
2.	Not yet determined.	0

ABILITY TO REPAY (only one)		Assigned Points
1.	A viable repayment source has been identified.	10
2.	Not yet determined.	0

SUSTAINABILITY PROJECTS (only one)		
1.	Fix It First Projects	50
2.	Effective Utility Management	25
3.	Planning	25
4.	Not Applicable	0

AFFORDABILITY CRITERIA (only one)

1. Loan cost to population benefiting ratio

Cost/population ratio	$0 - 400/person	15
Cost/population ratio	$401 - 4,000/person	10
Cost/population ratio	> $4,000/person	5

GREEN PROJECT (determined by ADEC)

The applicant has sufficiently demonstrated Green eligible components under the project.	25

APPENDIX IIb

ALASKA CLEAN WATER FUND

Non-Point Source Priority Criteria

ALASKA CLEAN WATER FUND STATE REVOLVING FUND (SRF) PRIORITY CRITERIA FOR SFY15 NON-POINT SOURCE PROJECTS

Alaska has established the following criteria to prioritize non-point source projects seeking funding from the Alaska Clean Water Fund, the Clean Water Act State Revolving Loan Fund. These criteria allow traditional and nontraditional non-point water quality projects (CWA Sec. 319) to be considered for funding. These criteria address and rank projects by their relative threats to water quality and local initiative. The results of the most recent 303(d) list priorities will be utilized for identifying water quality issues considered for the non-point source SRF ranking process.

WATER QUALITY CONSIDERATIONS (only one)	Assigned Points
1) **PREVENTION***	
This project's main emphasis is prevention of non-point source pollution in a:	
303(d) Category 5 Listed Water Body	100
303(d) Category 4b Listed Water Body	90
303(d) Category 4a Listed Water Body	80
Non-303 d listed Water	60
2) **RESTORATION****	
The proposed project's goal is to restore water quality in a water body identified as impaired or polluted in the most recent 303d list. This project implements a TMDL or load allocation or otherwise addresses a water quality problem that has resulted in a water body designed as impaired in a:	
303(d) Category 5 Listed Water Body	70
303(d) Category 4b Listed Water Body	60
303(d) Category 4a Listed Water Body	50
3) **STEWARDSHIP*****	
The proposed project will improve or maintain water quality in a:	
303(d) Category 5 Listed Water Body	50
303(d) Category 4b Listed Water Body	40
303(d) Category 4a Listed Water Body	30
Non-303 d listed Water	20

* **PREVENTION** - *This project's main emphasis is prevention of non-point source pollution.*

** **RESTORATION** - *The proposed project's goal is to restore water quality in a water body identified as impaired or polluted in the most recent 303(d) list. This project implements a TMDL or load allocation or otherwise addresses a water quality problem that has resulted in a water body designated as impaired.*

*** **STEWARDSHIP** - *The proposed project will improve or maintain water quality*

LOCAL INITIATIVE CONSIDERATIONS (only one)	Assigned Points
1) A TMDL, a corrective plan, or a 319 grant application has been approved.	25
2) A draft TMDL or corrective action plan has been developed, or a draft 319 grant application has been prepared.	20
3) An environmental review has been performed for the proposed project.	15
4) A feasibility study that demonstrates the need and costs for the project has been completed.	10
5) A draft feasibility study has been completed or monitoring for the project has begun	5
6) A feasibility study is proposed, or no action has been taken	0
FUNDING COORDINATION (one only)	
1) This project will utilize other federal or state funds.	10
2) Not yet determined	0
ABILITY TO REPAY (one only)	
1) A viable repayment source has been identified.	10
2) Not yet determined	0
NPS STRATEGY IDENTIFIED PRIORITIES (determined by ADEC)	
1) Any storm water project.	40
2) Any petroleum contamination/restoration	30
3) Any community landfills	20
4) All other identified in NPSS	10
GREEN PROJECT (determined by ADEC)	
The applicant has sufficiently demonstrated Green eligible components under the project.	25

APPENDIX III

ALASKA CLEAN WATER FUND

Public Comments

APPENDIX IV

ALASKA CLEAN WATER FUND

Estimated Disbursement Schedule for Point Source and Non-Point Source Projects

ALASKA CLEAN WATER FUND
Estimated Disbursement Schedule
FFY14 Capitalization Grant Funded & Other Program Funded Projects

Entity	Project/Set-Aside	Amount	FFY14 4th Qtr.	FFY15 1st Qtr.	FFY15 2nd Qtr.	FFY15 3rd Qtr.	FFY15 4th Qtr.	FFY15 1st Qtr.	FFY15 2nd Qtr.	FFY15 3rd Qtr.
ADEC	Administrative Costs	$335,040	$33,504	$50,256	$67,008	$16,752	$33,504	$50,256	$67,008	$16,342
Anchorage	Fish Creek Interceptor Rehab	$3,000,000	$300,000	$450,000	$600,000	$150,000	$300,000	$450,000	$600,000	$150,000
Anchorage	Girdwood Wastewater Treatment Facility - Ph II	$24,000,000	$2,400,000	$3,600,000	$4,800,000	$1,200,000	$2,400,000	$3,600,000	$4,800,000	$1,200,000
Anchorage	Landfill Leachate Hauling Equipment	$401,100	$40,110	$60,165	$80,220	$20,055	$40,110	$60,165	$80,220	$20,055
Anchorage	AWWTF Screen Auto, Headworks HWS, Code Analysis Uprade	$1,300,000	$130,000	$195,000	$260,000	$65,000	$130,000	$195,000	$260,000	$65,000
Anchorage	Downtown Pipe Replacement	$850,000	$85,000	$127,500	$170,000	$42,500	$85,000	$127,500	$170,000	$42,500
Anchorage	Interceptor Rehabilitation	$2,500,000	$250,000	$375,000	$500,000	$125,000	$250,000	$375,000	$500,000	$125,000
Anchorage	Pump Stations 30 & 31 Rehab	$470,000	$47,000	$70,500	$94,000	$23,500	$47,000	$70,500	$94,000	$23,500
Anchorage	ERWWTF Rehab	$11,500,000	$1,150,000	$1,725,000	$2,300,000	$575,000	$1,150,000	$1,725,000	$2,300,000	$575,000
Anchorage	AWWTF Gravity Thickener and Clarifiers Rehab	$1,500,000	$150,000	$225,000	$300,000	$75,000	$150,000	$225,000	$300,000	$75,000
Anchorage	GWWTF Outfall	$4,000,000	$400,000	$600,000	$800,000	$200,000	$400,000	$600,000	$800,000	$200,000
Anchorage	Anchorage Regional Landfill Expansion 8B	$4,474,800	$447,480	$671,220	$894,960	$223,740	$447,480	$671,220	$894,960	$223,740
Anchorage	AWWTF Improvements	$1,100,000	$110,000	$165,000	$220,000	$55,000	$110,000	$165,000	$220,000	$55,000
Anchorage	Asplund WWTF Sludge Dewatering Replacement	$4,250,000	$425,000	$637,500	$850,000	$212,500	$425,000	$637,500	$850,000	$212,500
Anchorage	King St Warm Storage Roof	$575,000	$57,500	$86,250	$115,000	$28,750	$57,500	$86,250	$115,000	$28,750
Bristol Bay Borough	Sewer System Capacity Improvements	$2,791,200	$279,120	$418,680	$558,240	$139,560	$279,120	$418,680	$558,240	$139,560
Haines	Moose Lane Sewer Main Extension	$158,000	$15,800	$23,700	$31,600	$7,900	$15,800	$23,700	$31,600	$7,900
Juneau	Glacier Hwy Sewer Improvements	$1,000,000	$100,000	$150,000	$200,000	$50,000	$100,000	$150,000	$200,000	$50,000
Ketchikan	Chatham Avenue Sewer Main Replacement	$1,057,013	$105,701	$158,552	$211,403	$52,851	$105,701	$158,552	$211,403	$52,851
Ketchikan Gateway Borough	South Tongass Wastewater Main - Shoup to Forest Park	$2,858,053	$285,805	$428,708	$571,611	$142,903	$285,805	$428,708	$571,611	$142,903
Mat-Su Borough	Septage Treatment Facility	$18,165,300	$1,816,530	$2,724,795	$3,633,060	$908,265	$1,816,530	$2,724,795	$3,633,060	$908,265
Nome	Nome Sclaircore Replacement - Ph III	$3,249,100	$324,910	$487,365	$649,820	$162,455	$324,910	$487,365	$649,820	$162,455
North Pole	Development of Alternative Sewer Outfall	$500,000	$50,000	$75,000	$100,000	$25,000	$50,000	$75,000	$100,000	$25,000
Seward	Lowell Point Lagoon Sludge Removal & Renovation	$1,200,000	$120,000	$180,000	$240,000	$60,000	$120,000	$180,000	$240,000	$60,000
Sitka	DeGroff Street Sewer Improvements	$1,463,700	$146,370	$219,555	$292,740	$73,185	$146,370	$219,555	$292,740	$73,185
Sitka	Cathodic Protection for Six Major Lift Stations	$397,000	$39,700	$59,550	$79,400	$19,850	$39,700	$59,550	$79,400	$19,850

ALASKA CLEAN WATER FUND
Estimated Disbursement Schedule for NonPoint Projects
FFY14 Capitalization Grant Funded & Other Program Funded Projects

Entity	Project/Set-Aside	Amount	FFY14 4th Qtr.	FFY15 1st Qtr.	FFY15 2nd Qtr.	FFY15 3rd Qtr.	FFY15 4th Qtr.	FFY15 1st Qtr.	FFY15 2nd Qtr.	FFY15 3rd Qtr.
Anchorage	ARL Cell 7 / 8 Stormwater Management	$730,000	$73,000	$109,500	$146,000	$36,500	$73,000	$109,500	$146,000	$36,500
Dillingham	Landfill Waste Processing System	$2,000,000	$200,000	$300,000	$400,000	$100,000	$200,000	$300,000	$400,000	$100,000

APPENDIX V

ALASKA CLEAN WATER FUND

Federal "Cross-Cutter" Authorities

ALASKA CLEAN WATER FUND

List of Federal "Cross-Cutting" Authorities

Archeological and Historic Preservation Act of 1974, PL 93-291
Clean Air Act, 42 U.S.C. 7506(c)
Clean Water Act, PL 92-500, as amended
Coastal Barrier Resource Act, 16 USC. 3501 et seq.
Coastal Zone Management Act, of 1972, PL 92-583, as amended
Endangered Species Act, 16 U.S.C 1531 et seq.
Protection and Enhancement of the Cultural Environment Executive Order 11593
Floodplain Management, Executive Order 11988
Farmland Protection Policy Act, 7 U.S.C 4201 et seq.
Fish and Wildlife Preservation Act, of 1966, PL 890665, as amended
Wild and Scenic Rivers Act, PL 90-542, as amended
Historic Sites Act 1935,16 U.S.C. 461-467
Demonstration Cities and Metropolitan Development Act of 1966, PL 89-754, as amended Executive Order 11738
Age Discrimination Act, PL 94-135
Civil Rights Act of 1964, PL 88-352
Prohibition Against Sex Discrimination Under the Federal Water
Pollution Control Act, Section 13 of PL 92-500
Equal Employment Opportunity, Executive Order 11246
Women's and Minority Business Enterprise, Executive Order 11625
Women's and Minority Business Enterprise, Executive Order 12138
Women's and Minority Business Enterprise, Executive Order 12432
Rehabilitation Act of 1973, Executive Order 11914
Rehabilitation Act of 1973, Executive Order 11240
Uniform Relocation and Real Property Acquisition Policies Act of 1970, PL 91-646
Debartment and Suspension, Executive Order 12549
Safe Drinking Water Act, Section 1424(e), PL 92-523, as amended
Wetlands, Executive Order 11990
Environmental Justice, Executive Order 12898
Small Businesses in Rural Areas, PL 100-590
Drug Free Workplace, PL 100-690
Anti-lobbying, PL 101-121