

ALASKA CLEAN WATER FUND
STATE WASTEWATER LOAN PROGRAM

INTENDED USE PLAN
FINAL

FFY11 Grant Allotment

State Fiscal Year 2012

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

INTRODUCTION	2
PROGRAM OVERVIEW	2
 PROGRAM GOALS.....	3
Long Term	3
Short Term.....	3
 LOAN FUND PROCESS	4
Funding Sources	4-5
Selection of Projects	6
Identification of Priority Projects	6
Public Review and Comment	6
Distribution of Funding	
Projects to be Funded	7
Project Information.....	7
Disbursements	7
Federal Payments.....	7
Bypass of Projects	7-8
Fund Transfer	8
 ADDITIONAL LOAN FUND POLICIES - ASSURANCES	
1. Binding Commitments	8
2. Expeditious and Timely Expenditure.....	8
3. First Use Requirement.....	9
4. Title II Equivalency Compliance	9
5. Environmental Reporting	9
6. Reporting.....	9
7. Additional Subsidization – Disadvantage Community Assistance.....	9-10
8. Green Infrastructure	10
Administrative Uses	10
Loan Terms.....	11
Capitalization Requirements	11
 CONTENT OF APPENDICES	

ALASKA CLEAN WATER FUND

State Wastewater Loan Program

Intended Use Plan

FINAL – July, 2011

INTRODUCTION

New to this year's IUP is the requirement for quarterly reporting, a limit on time for making funds available under a loan, and providing additional subsidy for Green eligible projects. Additionally, continued from last year's IUP is the inclusion of a Green Project Reserve (GPR) and funding subsidy component under the program. Further discussion of quarterly reporting, first fund draw, GPR, and funding subsidy can be referenced under the "ADDITIONAL LOAN FUND POLICIES – ASSURANCES" section of the IUP.

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 Intended Use Plan (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 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. 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.

Short Term

1. Provide low interest loans of \$40.4 million dollars to communities for eligible wastewater treatment or nonpoint source pollution projects.
2. Implement a new quarterly project status reporting requirement for all loans issued under the SFY12 IUP.
3. Implement a time limit for borrowers to initially utilize funds under a loan issued under the SFY12 IUP.
4. Provide not less than 20% of the 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.
5. Provide at least 30% of the applicable portion of the capitalization grant amount as a form of funding subsidy.
6. Complete the Capitalization Grant Agreement with the U.S. Environmental Protection Agency (EPA) for Alaska's FFY11 Title VI allocation.
7. Continue to develop and implement a web based access system for handling project questionnaires and applications, and incorporate a new financial and project management software package system for better program administration.
8. 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.

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 May 6, 2011)

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 \$175,865,962.
- The federal grant request to EPA this year will be for \$8,827,000 matched by state funds of \$1,765,400.
- State appropriations of \$19,807,300 and bond receipts of \$15,833,704 were secured earlier.
- Other significant funding sources include investment interest earnings of \$41,435,508, principal repayments on loans of \$116,704,425 and interest repayments of \$23,121,146.
- Investment earnings and principal and interest payments of \$16,406,864 are expected to be paid into the Fund during SFY12.
- The total amount of loan commitments made to date is \$320,965,143. This amount accounts for both increases and deobligated funds from projects that have completed construction.
- 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 \$7,387,718 to pay for the costs of administering the program.
- Previous bonding and transactions costs totaling \$15,893,250 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 \$1,770,400.

A total of \$40.4 million dollars will be available upon award of the FFY 2011 grant. The \$40.4 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 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. This loan funding ratio is currently 17.2563% state match, 82.7437% federal.

ALASKA CLEAN WATER FUND

Funding Sources:

Federal Grants		\$ 175,865,962
FFY 11 Federal Allocation Capitalization Grant Request		8,827,000
FFY 11 State Match Appropriation		
Bond Proceeds		1,765,400
State Match, prior years		
State Match - General Funds	\$ 19,807,300	
State Match - Bond Proceeds	15,833,704	
Total State Match		35,641,004
Investment Interest		41,435,508
Repayment		
Loan Principal	116,704,425	
Loan Interest (net of fees)	23,121,146	
Total Repayments		140,825,571
Projected 2012 Repayments and Investment Earnings		16,406,864
Funds Available		\$ 420,767,309

Program Commitments:

Loan Commitments	320,965,143	
Loan Applications Pending (Potential)	5,382,145	
Total Loan Commitments		326,347,288
Transfer from ACWF to ADWF		29,000,000
Administrative Set-Aside		7,387,718
Previous Bonding and Transaction Costs		15,893,250
Bonding and Transaction Costs to Be Paid		1,770,400
Total Program Commitments		\$380,398,656

Net Amount Available for Loans

\$ 40,368,653

Selection of Projects

1. Identification of Priority Projects

A mailing was done December 30, 2010 informing all interested recipients that the questionnaire was available on-line. 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

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. Appendix III contains a detailed listing of ACWF project descriptions and 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 all eligible projects. Further information on qualifying for a subsidy can be referenced under the section titled "Additional Subsidization – Disadvantage Community Assistance", page 9.

Under this IUP, approximately \$8,073,731 is earmarked for projects that address nonpoint source water pollution. During this year's solicitation, we received six proposals for nonpoint source projects totaling \$14,016,000. Subtracting the amount allocated to nonpoint source projects from the total available amount of \$40,368,653 leaves \$32,294,922 to fund point source projects. Funding down the Point Source priority list to the Fairbanks – Sludge Dewatering Facility project will require \$4,625,600 which exceeds the available amount by \$2,842,142. We will fund this project to the level that there are funds available.

2. 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 follow 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 V is reserved for those comments and responses.

Distribution of Funding

1. Projects to be Funded

Following consideration of all public comments received, ADEC evaluated the project ranking and prepared 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. Project descriptions for all projects are presented in Appendix III.

2. Project Information

Appendices IVa and IVb contain estimated dates for binding loan commitments, construction starts and the initiation of operation for projects anticipated to be funded by this IUP and associated loan amounts.

3. Disbursements

The estimated disbursement schedule for Point Source loan projects is presented in Appendix VIa. The estimated disbursement schedule for NonPoint Source loan projects is presented in Appendix VIb. These schedules are based upon target dates for binding commitments, beginning construction and initiating operations contained in Appendices IVa and IVb.

4. Federal Payments

Alaska's proposed payment schedule for the FFY11 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 FFY11 Grant

FFY11 4 th Quarter	FFY12 1 st Quarter	FFY12 2 nd Quarter	FFY12 3 rd Quarter
\$2,206,750	\$3,530,800	\$1,765,400	\$1,324,050

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

The federal government provides funding for the ACWF. As one of the conditions of state acceptance of the federal funds, we must agree to execute loan agreements within a certain time. Failure to execute these agreements on time will cause the state to lose some of the funding. If the ACWF would potentially lose federal monies due to an inability to enter into a timely loan, funding will be made available for the next project on the list which is ready to proceed.

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, it may be bypassed for another project on the priority list that is ready to proceed, down to and including planning list projects. If a loan application is not submitted for a project on the fundable portion of the list within four (4) 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. Exception to this rule is discussed in the following paragraph.

This year's federal funding of the ACWF is the requirement to meet minimal funding needs for offering loans with subsidies and projects with Green eligible components. 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 for funding subsidy and Green projects. Further information on these funding requirements may be referenced on page 9 and 10.

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

1. The project has been identified as having Green project components.
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. A project with an earlier anticipated date for submitting a completed application will be moved forward.
4. If a project is already under construction and the environmental review has been completed, that project will be moved ahead.
5. If the projects are from the same city, the city 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.

ADDITIONAL LOAN FUND POLICIES

Assurances

1. Binding Commitments

ADEC will enter into loan agreements for 120 percent of the federal 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 March 31, 2010:

FUNDS AVAILABLE AS OF JUNE, 2010:

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
163,671,962	32,594,352	104,461,565	22,900,260	38,365,887	(29,000,000)	(7,034,638)	(15,285,337)	310,674,051

TOTAL BINDING COMMITMENTS AS OF MAY 6, 2011:

320,965,143

BINDING COMMITMENTS AS A PERCENTAGE OF FUNDS AVAILABLE:

103%

Additionally, to assure expeditious and timely expenditure of funds, new for this year is the requirement that a first disbursement for a loan must be made within two years after signing of the loan agreement. 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 VII). ADEC requires compliance with these federal laws and authorities on selected ACWF loan projects.

5. Environmental Review

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

6. Reporting

New under this year’s IUP will be the requirement for submission of quarterly project status reports for all communities with funding agreements in place. Reporting will commence after an agreement is fully signed and 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.

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 of all “one-pager” will be presented in the ACWF annual report.

7. Additional Subsidization – Disadvantage Community Assistance

Under the FFY11 federal capitalization grant, at least 30% of the applicable portion (\$2,726,540) of the grant must be offered in the form of additional subsidies. The Department has chosen to offer a total amount of \$817,962 as additional subsidization, \$654,370 (80%) for Point Source and \$163,592 (20%) for Non-Point Source as principal forgiveness in an amount up to 10% of the value of a loan made by the State’s CWSRF Program. However, only a \$150,000 cumulative maximum subsidy amount per community is allowed for all projects in receipt of funding to the community. Additionally, for projects with qualifying Green Project Reserve components, a 12% subsidy or an \$180,000 cumulative maximum subsidy amount per community will be made available.

For project eligibility, the Department has chosen to give loan subsidies as disadvantaged community assistance. 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 one of the above criteria. For Borough's 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 a community meets their maximum cap on one or more of higher ranking project(s), and has additional projects listed on either list, those projects will only be funded with no subsidy. Additionally, the priority lists on Appendix Ia and Ib demonstrates that at least 30% of the capitalization grant amount will be provided via principal forgiveness. Any subsequent revision to this Fundable Project Priority list will likewise demonstrate that at least 30% of the grant will be provided via principal forgiveness.

8. Green Infrastructure

Under the total FFY 11, the capitalization grant amount awarded to the State, and to the extent there are sufficient eligible project applications, not less than 20% (\$1,765,400) of funding provided for projects must be used for following category types: green infrastructure, water or energy efficiency improvements, and environmental innovative activities. Green 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, four projects listed on the Project Priority lists have been identified as being a Green project based on USEPA current guidance. The cumulative amount of these projects is \$7,683,000, which exceeds the 20% minimal required amount by \$5,917,600. If insufficient green eligible components are determined for meeting the Green Project Reserve, the Department will withhold any deficient green project fund amount which may be needed for meeting the minimal reserve amount of \$1,765,400.

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 12, ADEC is requesting \$353,080 to be used in administering the program. This request will bring the total administrative funds requested to \$6,128,962. As the table below shows, ADEC has not yet requested the allowable amount of \$7,387,718 for administering the program. A total of \$1,258,756 is being reserved for future administrative costs.

Calculation of Administrative Reserves

FFY 11 Grant

Federal grants prior to FFY 11	\$175,865,962
FFY 11 Capitalization Grant	<u>8,827,000</u>
Total federal grant requested	\$184,692,962
Allowable administrative funds (4% of \$184,692,962)	\$7,387,718
Administrative funds used prior to SFY 12	\$5,775.882
SFY 12 administrative amount requested	<u>353,080</u>
Total administrative funds requested	\$6,128,962
Allowable administrative funds	\$7,387,718
- Total Administrative funds requested	<u>6,128,962</u>
Final – July 2011	10 Page

SRF regulations were amended to initiate a fee structure that will eventually supplant the use of the four 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 April 30, 2011, the program has collected \$4,501,563*.

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 capitalization grant \$1,765,400 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.

*subject to reconciliation

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. Scoring Distribution of ACWF Projects
Appendix	IVa. Point Source Project Detail IVb. Non-Point Source Project Detail
Appendix	V. Public Comments
Appendix	VIa. Estimate Disbursement Schedule for Point Source Projects VIb. Estimated Disbursement Schedule Non-Point Source Project
Appendix	VII. Federal “Cross-Cutter” Authorities

APPENDIX Ia

ALASKA CLEAN WATER FUND

Point Source Funding Priority & Planning List

ALASKA CLEAN WATER FUND Point Source Funding Priority List

Fiscal Year 2012

System Owner	Project Title	Project Number	Score	Amount Requested	Cumulative Amount Requested	Total Funding Available	Total Subsidy Available Amount ³	Actual Project Available Amount	Financed Funding Amount	Subsidized Funding Amount ⁴	GREEN Program Amount ⁵	GREEN Project Type ⁶
Unalaska	Wastewater Treatment Plant Upgrade	879031	580	\$8,566,600	\$8,566,600	\$32,294,922	\$717,962	\$8,566,600	\$8,416,600	\$150,000		
Palmer	WWTP Low Temperature Distribution System	671081	570	\$3,203,000	\$11,769,600	\$23,728,322	\$567,962	\$3,203,000	\$3,023,000	\$180,000	\$3,203,000	ENG-BC ⁷
Anchorage	Girdwood Wastewater Treatment Facility - Ph II	127701	490	\$3,000,000	\$14,769,600	\$20,525,322	\$387,962	\$3,000,000	\$3,000,000			
Homer	Kachemak Drive Sewer Improvements	409261	395	\$2,100,000	\$16,869,600	\$17,525,322	\$387,962	\$2,100,000	\$1,950,000	\$150,000		
Nome	East Nome Sewer Replacement	627141	370	\$1,740,000	\$18,609,600	\$15,425,322	\$237,962	\$1,740,000	\$1,560,000	\$180,000	\$1,740,000	EIN-BC ⁷
Palmer	Wastewater Treatment Plant Improvements Phase II	671091	355	\$2,000,000	\$20,609,600	\$13,685,322	\$57,962	\$2,000,000	\$2,000,000		\$2,000,000	ENG-BC ⁷
Sitka	Baranof Street Sewer Replacement ¹	783091	350	\$740,000	\$21,349,600	\$11,685,322	\$57,962	\$740,000	\$682,038	\$57,962	\$740,000	ENG-BC ⁷
Juneau	CBJ Lawson Creek Lift Station Reconstruction	445081	345	\$450,000	\$21,799,600	\$10,945,322		\$450,000	\$450,000			
Soldotna	Harbor Terrace Lane Sewer Mainline Installation	791021	335	\$185,000	\$21,984,600	\$10,495,322		\$185,000	\$185,000			
Anchorage	Wonder Park Sewer Upgrade	130681	170	\$1,100,000	\$23,084,600	\$10,310,322		\$1,100,000	\$1,100,000			
Anchorage	Asplund Wastewater Treatment Facility Utilidor	127611	160	\$2,100,000	\$25,184,600	\$9,210,322		\$2,100,000	\$2,100,000			
Homer	Bio-Solids Treatment Improvements	409061	145	\$5,326,864	\$30,511,464	\$7,110,322		\$5,326,864	\$5,326,864			
Fairbanks	Sludge Dewatering Facility ²	339091	135	\$4,625,600	\$35,137,064	\$1,783,458		\$1,783,458	\$1,783,458			
				Total Funded Amount:		\$32,294,922	Total Green Amount:		\$7,683,000			
							Total Subsidized Amount:		\$ 717,962			

¹ Subsidy funding of the Sitka - Baranof Street Sewer Replacement project will be limited to remaining available Point Source subsidy funds.

² Funding of the Fairbanks - Sludge Dewatering Facility project will be dependent upon remaining available loan funds. The Department will negotiate with Fairbanks to provide additional funds as they become available later in the year.

³ The subsidy funding amount of \$717,962 is based on an 80/20 split of total available subsidy funding (\$817,962) between Point Source Priority List and Non-Point Source Priority List projects. Additionally, some unused subsidy funding was carried over from the Non-Point Source Priority List.

⁴ Criteria for being eligible for a loan subsidy may be referenced on page 9 under the narrative section of the IUP.

⁵ Funding for Green projects is based on meeting a minimal required amount of \$1,765,400 under the State's capitalization grant for the program.

⁶ 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.

⁷ Prior to funding the Palmer - WWTP Low Temperature Distribution System, the Palmer - Wastewater Treatment Plant Improvements Phase II, and the Sitka - Wastewater Treatment Plant Improvements Phase II projects, a Business Case for project Green eligibility must be found justified.

ALASKA CLEAN WATER FUND

Point Source Funding Priority Planning List

Fiscal Year 2012

System Owner	Project Title	Project Number	Score	Amount Requested	Cumulative Amount Requested	GREEN * Project Type
Fairbanks	Wastewater Treatment Plant Clarifier Rehab	339051	135	\$650,623	\$35,787,687	ENG-BC
Palmer	Wastewater Scada Control & Surveillance ²	671311	125	\$1,100,000	\$36,887,687	
Seward	Maple Street Sewer Main Extension	769071	50	\$400,000	\$37,287,687	
Soldotna	Centennial Park Sewer Mainline Installation	791031	35	\$895,000	\$38,182,687	

* Green Project Reserve Category Type: G/F - Green Infrastructure, WTR - Water Efficiency, ENG - Energy Efficiency & EIN - Environmentally
 Green Project Justification Type: BC - Business Case / CAT - Categorical.

APPENDIX Ib

ALASKA CLEAN WATER FUND

Non-Point Source Funding Priority List

ALASKA CLEAN WATER FUND Non-Point Source Funding Priority List

Fiscal Year 2012

System Owner	Project Title	Project Number	Score	Amount Requested	Cumulative Requested	Total Funding Available Amount	Total Subsidy Available Amount ³	Actual Project Available Amount	Financed Funding Amount	Subsidized Funding Amount ⁴	GREEN Program Amount ⁵	GREEN Project Type ⁶
Ketchikan	Solid Waste Recycling Facility (SWRHF) Expansion ¹	481151	80	\$1,000,000	\$1,000,000	\$8,073,731	\$163,592	\$1,000,000	\$900,000	\$100,000		
Anchorage	Regional Landfill Expansion Cell ⁹	127621	120	\$9,480,000	\$10,480,000	\$7,073,731	\$63,592	\$7,073,731	\$7,073,731			

Total Funded Amount: **\$8,073,731** Total Green Amount:

Total Green Amount - Point Source & Non-Point Source: **\$7,683,000**

Total Subsidized Amount: **\$100,000**

Excess Subsidy (Non-Point Source): **\$63,592** (Excess Applied to Point Source)

Total Subsidized Amount - Point Source & Non-Point Source: **\$817,962**

Non-Point Source Funding Priority Planning List

Fiscal Year 2012

System Owner	Project Title	Project Number	Score	Amount Requested	Cumulative Amount Requested	GREEN Project Type ⁶
Anchorage	Solid Waste Transfer Equipment	127681	95	\$946,000	\$11,426,000	ENG-BC
Homer	Storm Water Master Plan ⁷	409201	85	\$340,000	\$11,766,000	
Palmer	Sherrod Storm Water Improvements ⁷	671321	85	\$350,000	\$12,116,000	GIF-BC
Nome	Drainage Improvements ⁷	627151	75	\$1,900,000	\$14,016,000	

¹ The Ketchikan - Solid Waste Recycling Facility (SWRHF) Expansion project was by-passed to meet minimum subsidy funding requirements.

² Funding of the Anchorage - Regional Landfill Cell 9 project 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.

³ The subsidy funding amount of \$163,592 is based on an 80/20 split of the total available subsidy funding amount (\$817,962) between Point Source Priority List and Non-Point Source Priority List projects.

⁴ Criteria for being eligible for a loan subsidy may be referenced on page 9 under the narrative section of the IUP.

⁵ Funding for Green projects is based on meeting a minimal required amount of \$1,765,400 under the State's capitalization grant for the program.

⁶ 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.

⁷ Homer - Storm Water Master Plan, Palmer - Sherrod Storm Water Improvements, and Nome - Drainage Improvements projects were not offered subsidies since all projects had projects on the Point Source Priority list reaching the maximum allowable amount.

APPENDIX IIa

ALASKA CLEAN WATER FUND

Point Source Priority Criteria



ALASKA CLEAN WATER FUND STATE REVOLVING FUND (SRF) PRIORITY CRITERIA FOR SFY12 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.

<u>PUBLIC HEALTH CONSIDERATIONS (only one)</u>		Assigned Points
1.	A human disease event exists, documented by a recognized public health authority. Construction of this project will correct the problem.	350
2.	Current conditions are severe enough that a disease event can occur, but has not been reported. This project will resolve the problem.	300
3.	Conditions are not probable that a disease event will occur. This project will minimize potential future public health problems.	200
4.	This project has no significant health related issues	0
<u>WATER QUALITY CONSIDERATIONS (only one)</u>		
1.	This project will correct a documented pollution event in a:	
	303 d listed High Priority Water	250
	303 d listed Medium Priority Water	240
	303 d listed Low Priority Water	230
	Non-303 d listed Water	220
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 listed High Priority Water	230
	303 d listed Medium Priority Water	220
	303 d listed Low Priority Water	210
	Non-303 d listed Water	200
3.	This project will minimize the potential for future pollution events	100
4.	This project will 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 contact recreation | 2 |
| 2. | Marine waters/estuaries | |
| | propagation of fish, shellfish, etc., as a food source | 5 |
| | water contact 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 approved engineered plans and has a prepared or completed environmental review. | 40 |
| 3. | Engineering 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 (both possible)

- | | | |
|----|---|----|
| 1. | A viable repayment source has been identified. | 10 |
| 2. | Financial instruments, ordinances, agreement, etc., are in place to assure repayment. | 10 |
| 3. | Not yet determined. | 0 |

AFFORDABILITY CRITERIA (only one)

- | | | |
|----|--|-------------|
| 1. | Loan cost to population benefiting ratio | |
| | Cost/population ratio | 0 - 400 |
| | Cost/population ratio | 401 - 4,000 |
| | Cost/population ratio | > 4,000 |
| | | 15 |
| | | 10 |
| | | 5 |

APPENDIX IIb

ALASKA CLEAN WATER FUND

Non-Point Source Priority Criteria



ALASKA CLEAN WATER FUND STATE REVOLVING FUND (SRF) PRIORITY CRITERIA FOR SFY12 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

PREVENTION

This project's main emphasis is prevention of non-point source pollution in a:

303 d listed High Priority Water	100
303 d listed Medium Priority Water	90
303 d listed Low Priority Water	80
Non-303 d listed Water	60

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 listed High Priority Water	70
303 d listed Medium Priority Water	60
303 d listed Low Priority Water	50

STEWARDSHIP

The proposed project will improve or maintain water quality in a:

303 d listed High Priority Water	50
303 d listed Medium Priority Water	40
303 d listed Low Priority Water	30
Non-303 d listed Water	20

Assigned
Points

LOCAL INITIATIVE CONSIDERATIONS (only one)

A TMDL, a corrective plan, or a 319 grant application has been approved.	25
A draft TMDL or corrective action plan has been developed, or a draft 319 grant application has been prepared.	20
An environmental review has been performed for the proposed project.	15
A feasibility study that demonstrates the need and costs for the project has been completed.	10
A draft feasibility study has been completed or monitoring for the project has begun	5
A feasibility study is proposed, or no action has been taken	0

FUNDING COORDINATION (both possible)

This project will utilize other federal or state funds.	10
This project will utilize local funds or local in-kind contributions.	5
Not yet determined	0

ABILITY TO REPAY (both possible)

A viable repayment source has been identified.	10
Financial instruments, ordinances, agreement, etc., are in place to assure repayment.	10
Not yet determined	0

NPS STRATEGY IDENTIFIED PRIORITIES (determined by ADEC)

Any storm water project.	40
Any petroleum contamination/restoration	30
Any community landfills	20
All other identified in NPSS	10

APPENDIX III

ALASKA CLEAN WATER FUND

Scoring Distribution of ACWF Projects

Alaska Clean Water Fund

Project Descriptions

Fiscal Year 2012

Anchorage

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Girdwood Wastewater Treatment Facility Ph II	127701	No	212	200	220	10	20	15	10	490

Continuation of GWWTF Upgrade Phase II - This project will include various upgrades to the Girdwood Wastewater treatment Facility and the expansion of the Girdwood Wastewater Treatment Facility.

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Wonder Park Sewer Upgrade	130681	No	212	0	100	10	20	15	10	170

Increase to existing loan - Originally this project was intended to upgrade approximately 620 feet of 8-inch pipe that has insufficient capacity to 10-inch pipe and address corrosion issues. Approximately 15,000 linear feet of sewer mains are in the project area. A Design Study Report has been commissioned and will identify and prioritize AWWU's infrastructure to be upgraded along with recommendations for method of upgrade for Wonder Park Sewer Upgrade Phase II. Design and construction of prioritized upgrades will then be performed. The project area is located in the Anchorage Bowl, Grid Number SW1237. The project area is bordered on the north by the Glenn Highway, on the east by Boniface Parkway, on the south by 4th Avenue and the west by Pine Street.

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Asplund Wastewater Treatment Facility Utilidor	127611	No	212	0	100	0	20	15	10	160

The Asplund Wastewater Treatment Facility Utilidor Improvement will place a new waterproofing membrane on the utilidor roof. Additionally, the improvements will include: New insulation over the new water proofing, new greenscape on top of the new insulation, waterproofing at the East/West Utilidor expansion joints, new aluminum cover plates, and an additional flexible sealing system at each joint.

Anchorage (Continued)

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria					TOTAL
				Water Quality	Local Initiative	Funding	Repay	NPS Strategy	
Anchorage Regional Landfill Expansion 9	127621	No	319	60	15	5	20	20	120
This project covers the design, oversight, procurement, management and construction of the 9th expansion of the Anchorage Regional landfill (Cells 11 & 12 of the ARL Master Plan) including liner systems, leachate management landfill gas control, interim cover and stormwater management systems.									
<i>How this project implements Alaska's Nonpoint Source Strategy: 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."</i>									
Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria					TOTAL
				Water Quality	Local Initiative	Funding	Repay	NPS Strategy	
Solid Waste Transfer Equipment	127681	Yes	319	60	0	5	10	20	95
This project is for the purchase of two over-the-road tractor vehicles and one 6,000 gallon stainless steel leachate haul tanker.									
<i>How this project implements Alaska's Nonpoint Source Strategy: 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."</i>									

Fairbanks

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Sludge Dewatering Facility	339091	No	212	0	100	10	0	0	10	135

This project consists of the demolition of a current garage/sludge storage facility and replacement of end of life sludge dewatering equipment for the Golden Heart Utilities operated and municipal owned Fairbanks Wastewater Treatment Plant. Replacement construction work will include a new dewatering facility that will house the new dewatering equipment and utility service trucks. This project will allow a new structure to be built that will isolate the compost mixing process in its own building, simplify the process by purchasing mixing trucks that will automatically mix the sludge and wood chips for composting. By isolating the dewatering equipment, the HVAC requirements on the main plant will be reduced, the new process will increase the amount of water removed from the sludge and reduce the total sludge volume.

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Wastewater Treatment Plant Clarifier Rehab	339051	No	212	0	100	10	0	0	10	135

This project will rehabilitate 8 clarifiers at the wastewater treatment plant. The final clarifiers are only operating at approximately 50% capacity because of mixed liquor retention time is minimized by short-circuiting flows while moving through the clarifier. The project will enhance performance of the clarifiers and prevent permit discharge violations.

Homer

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Bio-Solids Treatment Improvements	409061	No	212	0	100	5	20	0	10	145

This project will expand the current sewer treatment plant building to accommodate new mechanical sludge dewatering equipment, providing adequate capacity to treat and dispose of bio-solids. The existing sludge treatment lagoon will be transformed into a flow equalization basin to allow peak wastewater flows to be stored and released to the plant during low flow periods (elimination AKDPES violations). An anaerobic digester would be installed to abandon an existing sludge lagoon and create a new wastewater stabilization basin.

Homer (Continued)

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria					TOTAL
				Water Quality	Local Initiative	Funding	Repay	NPS Strategy	
Storm Water Master Plan	409201	Yes	319	20	0	5	20	40	85

The City of Homer has an outdated master plan. The current plan was prepared in the 80's, and only projected basin runoff flows. The existing storm drainage system is expanding and an updated comprehensive storm water plan is needed to more effectively plan and construct storm water infrastructure, including sedimentation/detention facilities, snow storage and water quality improvements. This master plan will mitigate storm water runoff through the use of a wide variety of gray and green infrastructure practices and technologies that improve the quality and reduce the quantity of runoff discharging directly to receiving waters; develop public education programs targeting specific storm water causing receiving stream degradation; provide storm water management systems and practices, including collection, storage, conveyance and treatment structures that are components of a comprehensive plan to preserve or restore natural/stable in-stream hydrology; and, identify projects that incorporate green infrastructure to manage, treat or reduce storm water discharges and urban non-point source runoff to the critical wildlife habitat of Kachemak Bay.

How this project implements Alaska's Nonpoint Source Strategy: 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).

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria							TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	Afford.	
Kachemak Drive Sewer Improvements	409261	No	212	200	100	10	40	15	20	10	395

This project will extend 8,300 LF of gravity and small diameter pressure sewer main to serve 88 residential/commercial lots. Installation will include a new sewer lift station, force main line and sewer services. The expansion is being done to replace failing on-site sewer systems in the area.

Juneau

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria							TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	Afford.	
CBJ Lawson Creek Lift Station Reconstruction	445081	No	212	200	100	5	0	15	10	15	345

The existing City & Borough of Juneau (CBJ) Lawson Creek sewage lift station was constructed in the early 1970s and is nearing the end of its useful life. Design of the improvements is underway and will address replacement of the existing undersized wet well, corroded steel utility vault, electrical system, site improvements, a segment of replacement pressure main, and related work. The rehabilitated facility will utilize submersible chopper pumps to reduce the need for confined space entries, and to reduce clogging maintenance associated with the addition of synthetic wipes into the local wastewater stream.

Ketchikan

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria					TOTAL
				Water Quality	Local Initiative	Funding	Repay	NPS Strategy	
Solid Waste Recycling Facility Expansion	481151	No	319	20	10	0	10	40	80

The City of Ketchikan is proposing to construct a 4,800 s.f. expansion of the existing Solid Waste Recycling & Handling Facility (SWRHF) located at the Deer Mountain Landfill. ACWFF funds are requested for water quality associated components on the exterior enclosure, concrete footings, slab-on-grade, steel structural members, wall construction with metal siding, and roof construction with metal roofing, and any other associated eligible items. The existing facility is currently undersized to allow for the expansion of a locally requested recycling program. The expanded area of the facility will house a maintenance area and recyclables processing area. This is a portion of a \$1.9 million project to include finishes, sprinklers, and associated mechanical and electrical systems, to be funded through separate measures. Heating for the expansion will be accomplished through the use of a recycled waste oil heating system.

How this project implements Alaska's Nonpoint Source Strategy: *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).*

Nome

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
East Nome Sewer Replacement	627141	Yes	212	200	100	0	40	0	20	370

This project includes replacement of approximately 2,311 LF of sewer main and 40 sewer service lines in East N Street between Front Street and East 5th Avenue as identified in the approved Nome 2010 Water and Sewer Master Plan. Shifting of buried piping has occurred with the melting of underlying permafrost and has resulted in collapse of non-rigid piping creating constriction in the flow and leakage.

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Water Quality	Local Initiative	Funding	Repay	NPS Strategy		
Drainage Improvements	627151	No	319	20	10	5	0	40		75

The project will develop and install drainage paths in various locations within the community where spring runoff and storm water runoff are causing erosion of public streets and private properties. Some of the drainage control can be completed simultaneously with water-sewer replacement. The project will include detailed engineering and systematic construction.

How this project implements Alaska's Nonpoint Source Strategy: 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).

Palmer

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
WWTP Low Temperature Distribution System	671081	Yes	212	300	220	10	20	0	10	570

This project will purchase and install three miles of supply and return insulated high density polyethylene (HDPE) heating mains from the new Power Plant located at the Palmer State Fairgrounds to the Palmer Wastewater Treatment Plant. This project will provide low cost, low temperature heat needed to reduce operational costs and increase pond production at the wastewater treatment facility.

Palmer (Continued)

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
WWTP Improvements Phase II	671091	Yes	212	200	100	10	20	0	10	355

This project will provide the design fees for the eight million gallon per day (MGD) facility with renewable energy biogas digester system, including a new head works facility, primary and secondary clarifiers, and additional air system modifications.

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Wastewater Scada Control & Surveillance	671311	Yes	212	0	100	0	0	0	10	125

The project consists of the design and installation of new SCADA controls for the wastewater system within Palmer. The controls will provide new capabilities such as remote control of equipment, remote monitoring of systems, alarm forwarding, water flow metering, and other necessary control features needed. The new control system will also provide security surveillance cameras at each site which will feed back to the Police dispatch headquarters. The main control computer will be located at public works and will provide a system wide monitoring and alarm notification system. The rehabilitation of lift station #3 also needs to be upgraded with these new controls to work in more efficiently within the system and to provide critical information to Public Works Department on operation parameters within the sewer system.

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria					TOTAL
				Water Quality	Local Initiative	Funding	Repay	NPS Strategy	
Sherrod Storm Water Improvements	671321	Yes	319	20	10	5	10	40	85

This project will be engineered and constructed with the Sherrod Area Water and Street Improvements project. This area of town currently has only 400 linear feet of substandard storm drainage for handling flooding and storm water runoff within the Sherrod Area. Therefore the city is proposing to incorporate storm water improvement work with the steel water main replacement work into one project.

How this project implements Alaska's Nonpoint Source Strategy: 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).

Seward

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Maple Street Sewer Main Expansion	769071	No	212	0	0	10	0	15	10	50

This project will construct a new sewer main in order to serve lots that are to be developed in the near future. The project consists of approximately 850 linear feet of gravity sewer main, installation of two manholes & one cleanout, sewer service stub-outs to property lines, and connection to the existing sewer system.

Sitka

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Baranof Street Sewer Replacement	783091	Yes	212	200	100	10	0	15	10	350

The Baranof Street Sewer Replacement project will consist of the replacement of the existing 24 year old, 6" PVC sewer main with a new larger diameter and deeper placed HDPE or PVC sewer main between Sawmill Creek Road and Lincoln Street. The project will also include the replacement of services within the Right-of-Way. TV inspections performed in 2001 indicated misaligned joins, cracked sections of pipe and numerous bellies in the main. This project should be performed in conjunction with the ADWF project for Baranof Street for optimal cost effectiveness. This project will also provide ADEC required separation distances between water, sewer and storm systems. The new sewer main will connect to the Sawmill Creek Road Improvements scheduled for construction in Summer 2012 to coincide with the Alaska DOT SMC Road Improvements.

Soldotna

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Harbor Terrace Lane Sewer Mainline Installation	791021	No	212	200	100	10	0	0	10	335

This project would extend the sewer mainline from the Funny River Road/Harbor Terrace Lane intersection to the cul-de-sac at its northerly end, a distance of approximately 1030 linear feet. The main intent of this project is to eliminate on-site septic systems on properties directly adjacent to the Kenai River. Additionally, the City is applying for a water mainline load as a companion project.

Soldotna (Continued)

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Centennial Park Sewer Mainline Installation	791031	No	212	0	0	10	0	0	10	35

This project would extend the City sewer mainline system into a portion of Centennial Park. The scope of the work is anticipated to include providing City wastewater service to the easterly side of the park (that part of the park along and east of the main entry road). Currently, park outhouses or RV tanks are the only options for wastewater; when the tank gets full, the vehicle has to leave the park site to dump. There is no collection system that serves individual users of the park. Many of the camp sites are directly adjacent to the Kenai River; approximately 80% of the sites are within 100 yards of the Kenai River. This situation makes this a high priority due to the potential for river contamination coupled with the fact that this is a very high use park. This project also includes an evaluation of the sewer collection system and other sewer system improvements.

Unalaska

Project Name	Project Number	Green Project (Yes/No)	Project Type	Project Scoring Criteria						TOTAL
				Public Health	Water Quality	Receiving Water	Local Initiative	Funding	Repay	
Wastewater Treatment Plant Upgrade	879031	No	212	300	220	5	20	15	10	580

The City of Unalaska's Wastewater Utility provides domestic wastewater collection and treatment for residences, businesses, and industries. The influx of transient employees during the busiest processing seasons coinciding with the rainy seasons results in high peak flows. The City's wastewater system must be upgraded to effectively handling extreme changes in domestic wastewater flow. Additionally, the City of Unalaska's Wastewater Treatment Plant does not meet current discharge limitations for BOD concentration and removal, TSS concentration and removal in accordance with the Nation Pollution Discharge Elimination System (NDPES) permit and the Clean Water Act. Recent communications have indicated that EPA expects the City to eventually develop secondary treatment, but may settle for chemically enhanced primary treatment due to the potential economic impact on the community. This project will be for constructing one of these treatment options.

APPENDIX IVa.

ALASKA CLEAN WATER FUND

Point Source Project Detail

ALASKA CLEAN WATER FUND

POINT SOURCE PROJECT DETAILED LIST

FISCAL YEAR 2012

Community	Ranking	Points	Project Name	Project Number	Amount Requested	NPDES or State Permit Number	EPA Project Scope	Needs	Binding Commitment	Construction Start	Initiation of Operation
Unalaska	1	580	Wastewater Treatment Plant Upgrade	879031	\$8,586,600	AK-0022551	Construction	I	11/1/11	7/1/12	11/15/13
Palmer	2	570	WWTP Low Temperature Distribution System	671081	\$3,203,000	AK0021547	Design & Construction	I	12/15/11	5/21/12	10/15/12
Anchorage	3	490	Girdwood WWTF Ph II	127701	\$3,000,000	AK-0021474	Design & Construction	I	1/24/12	1/2/12	10/15/14
Homer	4	395	Kachemak Drive Sewer Improvements	409261	\$2,100,000	AK-0021458	Design & Construction	III(b)	8/1/11	7/15/11	7/15/12
Nome	5	370	East Nome Sewer Replacement	627141	\$1,740,000	AK-0026275	Design & Construction	III(b)	9/15/11	6/1/12	10/15/12
Palmer	6	355	WWTP Improvements Ph II	671091	\$2,000,000	AK-002155-5	Design & Construction	I	12/15/11	2/21/12	10/15/12
Sitka	7	350	Baranof Street Sewer Replacement	783091	\$740,000	AK-0023213	Design & Construction	III(b)	7/5/11	4/16/12	9/15/12
Juneau	8	345	CBJ Lawson Creek Lift Station Reconstruction	445081	\$450,000	AK-G570018	Construction	III(b)	3/15/12	2/15/12	10/14/07
Soldotna	9	335	Harbor Terrace Land Sewer Mainline Installation	791021	\$185,000	AK-0020036	Design & Construction	IV(a)	7/15/11	8/1/11	10/1/11
Anchorage	10	170	Wonder Park Sewer Upgrade	130681	\$1,100,000	AK-0021474	Design & Construction	III(b)	1/24/12	6/1/12	10/15/12
Anchorage	11	160	Asplund WWTF Utilidor	127611	\$2,100,000	AK-0021431	Construction	I	1/24/12	1/2/12	11/15/12
Homer	12	145	Homer Bio-Solids Treatment Improvements	409061	\$5,326,864	AK-0021458	Design & Construction	I	6/9/12	7/8/13	7/15/14
Fairbanks	13	135	Sludge Dewatering Facility	339091	\$4,625,600	AK-0021458	Design & Construction	I	10/14/11	3/15/12	10/15/12
Fairbanks	14	135	Wastewater Treatment Plant Clarifier Rehab	339051	\$650,623	AK-0021393	Design	I	10/14/11	5/15/12	11/15/12
Palmer	15	125	Wastewater Scada Control & Surveillance	671311	\$1,100,000	AK-002155-5	Design & Construction	IV(a)	3/24/12	4/15/12	9/15/12
Seward	16	50	Maple Street Sewer Main Extension	769071	\$400,000	AK-0022551	Design & Construction	IV(a)	9/1/11	3/1/12	9/15/11
Soldotna	17	35	Centennial Park Sewer Mainline Installation	791031	\$895,000	AK-0023213	Design & Construction	IV(a)	7/15/11	8/1/11	10/30/11

APPENDIX IVb

ALASKA CLEAN WATER FUND

Non-Point Source Project Detail

Alaska Clean Water Fund
NONPOINT SOURCE DETAILED LIST
Fiscal Year 2012

Community	Ranking	Points	Project Name	Project Number	Amount Requested	Binding Commitment	Construction Start	Initiation of Operation
Anchorage	1	120	Regional Landfill Expansion 9	127621	\$9,480,000	11/30/11	4/15/12	9/30/12
Anchorage	2	95	Solid Waste Transfer Equipment	127681	\$946,000	9/1/11	10/1/11	11/15/11
Homer	3	85	Storm Water Master Plan	409201	\$340,000	7/15/11	N/A	N/A
Palmer	4	85	Sherrod Storm Water Improvements	671321	\$350,000	12/15/11	4/15/12	9/30/12
Ketchikan	5	80	Solid Waste Recycling Facility Expansion	481151	\$1,000,000	12/1/11	4/1/12	10/15/12
Nome	6	75	Drainage Improvements	627151	\$1,900,000	10/15/11	6/1/12	9/15/12

APPENDIX V

ALASKA CLEAN WATER FUND

Public Comments

During the 30 day June 11th – July 11th, 2011 public comment period, only EPA provided comments on the draft intended use plan; their comments are summarized as follows:

- On page 5 of the narrative section of the IUP, EPA addressed concern with the summary line item titled “Loan Applications Pending (Potential),” which a project must be listed in the new SFY 2012 IUP to receive funding or that at least a binding commitment is made with the community prior to finalizing the new IUP.

In response, DEC confirmed with EPA that all pending loan applications for projects that were not relisted on the new IUP have been given letters of binding commitment from the Department.

- On page 9 of the narrative section of the IUP, EPA requested the follow addition be made to the second to last sentence in Section 6 – Reporting: “DEC will continue to meet the federal...ACWF project, on an on-going basis and not less than quarterly.”

In response, DEC concurred with the new verbiage and sentence was updated.

- Also, on page 9 of the narrative section of the IUP, EPA provided a reminder that under the Section 7 – Additional Subsidization – Disadvantage Community Assistance, that although DEC is providing assistance to disadvantaged communities it is based on the highest ranked project per community, regardless of whether or not the project fits "sustainability" goals.
- Under Appendix Ia, EPA noted a typo in the title of the Point Source Priority Planning Project List which incorrectly stated Fiscal Year 2011 instead of correctly stating Fiscal Year 2012.

In response, DEC concurs with the typo and the error has been corrected.

- Under Appendix III, page 2 of 9, Anchorage Regional Landfill Expansion Cell 9 project – EPA noted the project to be identified as a 319 project and the eligibility reference given is "the need to upgrade failed community landfills to ensure leachate control and water quality concerns are met."; however, the project is not a failed landfill it is construction of a new landfill cell. EPA suggested the project be funded as a 212 project or either further explanation is needed as to how this is eligible given the 319 citation, or a new section of the statewide Nonpoint Source Strategy plan needs to be used.

In response, DEC has updated the eligibility reference from the statewide Nonpoint Source Strategy plan that is more applicable the project scope of work.

- Additionally under Appendix III, page 2 of 9, Solid Waste Transfer Equipment project – EPA noted concerns with Green Project Reserve (GPR) eligibility and the overall general eligibility of the project with listed equipment items being questionably eligible under the loan program.

In response, DEC will confirm a well documented business case for justification of GPR eligibility, and DEC has ensured EPA that equipment items listed are necessary for eligible water quality operations of the landfill site.

- Appendix III, page 8 of 9, Baranof Street Sewer Replacement and Harbor Terrace Lane Sewer Mainline Installation projects – EPA made GPR related suggestions for both projects in which either one was very marginal in being justified and the other more justified but not listed as being a GPR eligible project.

In response, DEC will as noted before confirm a well documented business case for justification of GPR eligibility.

APPENDIX VIa

ALASKA CLEAN WATER FUND

Estimated Disbursement Schedule for Point Source Projects

ALASKA CLEAN WATER FUND
Estimated Disbursement Schedule
FFY11 Capitalization Grant Funded & Other Program Funded Projects

Entity	Project/Set-Aside	Amount	FFY11 3rd Qtr.	FFY11 4th Qtr.	FFY12 1st Qtr.	FFY12 2nd Qtr.	FFY12 3rd Qtr.	FFY12 4th Qtr.	FFY13 1st Qtr.	FFY13 2nd Qtr.
ADEC	Administrative Costs	\$ 487,760			\$ 73,164	\$ 97,552	\$ 24,388	\$ 48,776	\$ 73,164	\$ 97,552
Anchorage	Girdwood WWTF Phase II	\$ 3,000,000				\$ 600,000	\$ 150,000	\$ 300,000	\$ 450,000	\$ 600,000
Anchorage	Wonder Park Sewer Upgrade	\$ 1,100,000					\$ 55,000	\$ 110,000	\$ 165,000	\$ 220,000
Anchorage	Asplund WTF Utilidor	\$ 2,100,000				\$ 420,000	\$ 105,000	\$ 210,000	\$ 315,000	\$ 420,000
Fairbanks	Sludge Dewatering Facility	\$ 4,625,600				\$ 925,120	\$ 231,280	\$ 462,560	\$ 693,840	\$ 925,120
Fairbanks	Wastewater Treatment Plant Clarifier Rehab	\$ 650,623					\$ 32,531	\$ 65,062	\$ 97,593	\$ 130,125
Homer	Kachemak Drive Sewer Improvements	\$ 2,100,000					\$ 105,000	\$ 210,000	\$ 315,000	\$ 420,000
Homer	Bio-Solids Treatment Improvements	\$ 5,326,864						\$ 532,686	\$ 799,030	\$ 1,065,373
Juneau	CBJ Lawson Creek Lift Station Reconstruction	\$ 450,000				\$ 90,000	\$ 22,500	\$ 45,000	\$ 67,500	\$ 90,000
Nome	East Nome Sewer Replacement	\$ 1,740,000					\$ 348,000	\$ 87,000	\$ 261,000	\$ 348,000
Palmer	WWTP Low Temperature Distribution System	\$ 3,203,000					\$ 640,600	\$ 160,150	\$ 480,450	\$ 640,600
Palmer	WWTP Improvements Phase II	\$ 2,000,000				\$ 400,000	\$ 100,000	\$ 200,000	\$ 300,000	\$ 400,000
Palmer	Wastewater Scada Control & Surveillance	\$ 1,100,000					\$ 55,000	\$ 110,000	\$ 165,000	\$ 220,000
Seward	Maple Street Sewer Main Extension	\$ 400,000				\$ 80,000	\$ 20,000	\$ 40,000	\$ 60,000	\$ 80,000
Sitka	Baranof Street Sewer Replacement	\$ 740,000					\$ 37,000	\$ 74,000	\$ 111,000	\$ 148,000
Soldotna	Harbor Terrace Lande Sewer Mainline Installation	\$ 185,000			\$ 27,750	\$ 37,000	\$ 9,250	\$ 18,500	\$ 27,750	\$ 37,000
Soldotna	Centennial Park Sewer Mainline Installation	\$ 135,960			\$ 20,394	\$ 27,192	\$ 6,798	\$ 13,596	\$ 20,394	\$ 27,192
Unalaska	Wastewater Treatment Plant Upgrade	\$ 8,566,600						\$ 856,660	\$ 1,284,990	\$ 1,713,320

APPENDIX VIb

ALASKA CLEAN WATER FUND

Estimated Disbursement Schedule for Non-Point Source Projects

ALASKA CLEAN WATER FUND
Estimated Disbursement Schedule
FFY11 Capitalization Grant Funded & Other Program Funded Projects

Entity	Project/Set-Aside	Amount	FFY11 3rd Qtr.	FFY11 4th Qtr.	FFY12 1st Qtr.	FFY12 2nd Qtr.	FFY12 3rd Qtr.	FFY12 4th Qtr.	FFY13 1st Qtr.	FFY13 2nd Qtr.
Anchorage	Regional Landfill Expansion 9	\$ 9,480,000				\$ 1,896,000	\$ 474,000	\$ 948,000	\$ 1,422,000	\$ 1,896,000
Anchorage	Solid Waste Transfer Equipment	\$ 946,000		\$ 94,600	\$ 141,900	\$ 189,200	\$ 47,300	\$ 94,600	\$ 141,900	\$ 189,200
Homer	Storm Water Master Plan	\$ 340,000			\$ 51,000	\$ 68,000	\$ 17,000	\$ 34,000	\$ 51,000	\$ 68,000
Ketchikan	Solid Waste Recycling Facility Expansion	\$ 1,000,000		\$ 100,000	\$ 150,000	\$ 200,000	\$ 50,000	\$ 100,000	\$ 150,000	\$ 200,000
Nome	Drainage Improvements	\$ 1,900,000				\$ 380,000	\$ 95,000	\$ 190,000	\$ 285,000	\$ 380,000
Palmer	Sherrod Storm Water Improvements	\$ 350,000				\$ 70,000	\$ 17,500	\$ 35,000	\$ 52,500	\$ 70,000

APPENDIX VII

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
Department 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