



Alaska Department of Environmental Conservation State Revolving Fund Program

ADEC awards \$17,620,000 low-interest water system construction loan to the City and Borough of Sitka for the secondary critical water source project

SITKA - The Alaska Department of Environmental Conservation (ADEC) announces the award of a \$17,620,000 low-interest construction loan to the City and Borough of Sitka to finance improvements to the drinking water system.

Sitka relies on surface water from Blue Lake as its drinking water source. The public water system needs a reliable, safe source of drinking water to serve when the Blue Lake penstock system (the infrastructure that delivers water from Blue Lake to the hydroelectric plant, the water treatment plant, and other users) is closed for planned maintenance or repair. A safe drinking water supply is also needed when conditions create high turbidity levels in Blue Lake. With funding provided by the Alaska Drinking Water Fund, Sitka plans to design and construct a water intake in Sawmill Creek that will deliver raw water to a filtration plant when needed. This project will help to ensure a safe drinking water supply to the public during penstock system outages and during high turbidity events in Blue Lake. This will also allow the system to maintain compliance with state and federal drinking water regulations.

ADEC is authorized by state law to issue loans to borrowers for eligible water system infrastructure projects. Administration of the loan is through the ADEC State Revolving Fund program under the authority of the Alaska Drinking Water Fund.

The loan from the Alaska Drinking Water Fund for this project carries a finance rate of 1.556% payable over 20 years. The Alaska Drinking Water Fund is capitalized annually by a grant from the Environmental Protection Agency. The Drinking Water State Revolving Fund programs operate around the country to provide states and communities the resources necessary to maintain and improve the infrastructure that protects our valuable water resources nationwide.

If you would like more information about this project, please contact Susan Start at (907) 269-7437 or susan.start@alaska.gov.

Project #783531, Critical Secondary Water Supply