

ALASKA CLEAN WATER FUND

Intended Use Plan

State Fiscal Year 2026

July 1, 2025 – June 30, 2026

**For the Base Capitalization Grant
appropriated in Federal Fiscal Year 2025
and the General Supplemental Capitalization Grant
appropriated in Federal Fiscal Year 2024**



**Submitted to the U.S. Environmental Protection Agency
By
Alaska Department of Environmental Conservation
Division of Water – State Revolving Fund Program
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Acronyms

AAC	Alaska Administrative Code
ACWF	Alaska Clean Water Fund
ADEC	Alaska Department of Environmental Conservation
ADWF	Alaska Drinking Water Fund
AIS	American Iron and Steel
AWIA	America’s Water Infrastructure Act
AWWU	Anchorage Water and Wastewater Utility
BABA	Build America, Buy America Act
BIL	Bipartisan Infrastructure Law
CBR	Clean Water Benefits Reporting
CE	Categorical Exclusion
CWA	Clean Water Act
CWSRF	Clean Water State Revolving Fund
DBE	Disadvantaged Business Enterprise
DWSRF	Drinking Water State Revolving Fund
EPA	U.S. Environmental Protection Agency
FFATA	Federal Funding Accountability Transparency Act
FFY	Federal Fiscal Year
FOCUS	Financial Operations and Cash Flow Utilization System
GPR	Green Project Reserve
IIJA	Infrastructure Investment and Jobs Act
IUP	Intended Use Plan
MHI	Median Household Income
OASys	Online Application System
PPL	Project Priority List
SERP	State Environmental Review Process
SFY	State Fiscal Year
SRF	State Revolving Fund

EXECUTIVE SUMMARY

The Alaska State Revolving Fund (SRF) Program has been financing projects that help protect and improve water quality since 1989. This Intended Use Plan (IUP) describes the Alaska Department of Environmental Conservation (ADEC) plan for implementing the Clean Water State Revolving Fund (CWSRF) during State Fiscal Year 2026 (SFY26). This Executive Summary provides a condensed overview of notable program changes and highlights for SFY26.

Notable Changes

The SFY26 CWSRF IUP is substantially similar to last year's CWSRF IUP. Impacts from the Infrastructure Investment and Jobs Act (IIJA), also known as the Bipartisan Infrastructure Law (BIL), remain similar, and SRF Program staff continue to coordinate with the US Environmental Protection Agency (EPA) on program and project requirements. Notable changes include:

- Disadvantaged Community Criteria revision to provide priority points to eligible projects related to a federal disaster declaration (see Appendix 3 for more information).
- Disadvantaged Community Criteria revision to increase the points assigned to rural communities from two points to four points (see Appendix 3 for more information).
- Clarification of the Micro Loan opportunity for rural communities.

Recent Financing Activities

Recent financing for CWSRF projects is shown below:

	SFY21	SFY22	SFY23	SFY24	SFY25
Number of agreements	8	8	7	11	12
New loan commitments (millions)	\$22.6	\$11.6	\$14.7	\$7.6	\$35.4

Funding Program Outlook

Fifteen new project questionnaires were submitted by February 28, 2025. A total of 42 projects are included on the Project Priority List with a total funding request of \$187.1million. The net amount available for CWSRF loans at this time is approximately \$192.3 million.

INTRODUCTION

The 1987 amendments to the Clean Water Act (CWA) authorized the CWSRF, a low-interest loan program, to assist public entities with the financing of publicly owned treatment facilities (Section 212) and nonpoint source management activities (Section 319). The 1987 CWA Amendments authorized the EPA to award capitalization grants to states to provide seed money for the low-interest loan program. While the 1987 Amendments only authorized funding for the first several years of the loan program, Congress has continued to provide funding as part of its annual appropriations. The ADEC SRF Program administers this ongoing funding source through the Alaska Clean Water Fund (ACWF) on behalf of the State of Alaska.

Two additional appropriations for the CWSRF were made available through IIJA from Federal Fiscal Year 2022 (FFY22) to FFY26: the General Supplemental grant and the Emerging Contaminants grant. There is a two-year window of opportunity to apply for the General Supplemental and the Emerging Contaminant grants. Alaska applied for and received both the FFY22 and the FFY23 General Supplemental grants in the second year of opportunity, as noted in the IUPs prepared for SFY24 and SFY25.

This Intended Use Plan (IUP), required under the CWA, describes how Alaska proposes to use available funds in SFY26 from July 1, 2025 through June 30, 2026 provided by the CWSRF FFY25 base capitalization grant as well as the FFY24 General Supplemental grant. A separate IUP has been prepared to address the use of Emerging Contaminants funding.

The IUP is the central component of the capitalization grant application and describes how the State will use the CWSRF to meet CWA objectives and further the protection of public health and water quality. This IUP contains the following elements pertaining to both the base and supplemental grants:

- Short and long-term goals of the program.
- Project priority list, including description and size of community.
- Criteria and method used for the distribution of funds.
- Description of the financial status of the CWSRF program.
- Description of other activities and percentage of funds that will be used from the CWSRF capitalization grant, including CWSRF administrative expenses allowance and technical assistance.
- Description of how the program defines a disadvantaged system and the amount of CWSRF funds that will be used for this type of loan assistance.

The notice of availability of the draft IUP was posted on the DEC Public Notice website on June 9, 2025. Subsequent to that notice of availability, the SRF Program presented an overview of the IUP at an infrastructure office hour hosted by the Alaska Municipal League and provided an opportunity to provide input and ask questions about the IUP.

The public comment period for the SFY26 IUP ran from June 10, 2025 through July 10, 2025. Appendix 5 includes the comments received.

PROGRAM GOALS

ADEC has identified several long- and short-term goals intended to promote sustainable improvements to the state's infrastructure and help ensure maximum environmental and public health benefits.

Long-Term Goals

1. Foster coordination with other programs and agencies to improve assistance to wastewater systems in their efforts to achieve compliance and improve capacity.
2. Maintain a working relationship with other infrastructure funding authorities, including but not limited to U.S. Department of Agriculture (USDA) Rural Development, Indian Health Service, and EPA to coordinate financial assistance for eligible projects.
3. Develop program guidelines to improve the pace of loan projects.
4. Establish a marketing and outreach plan to expand program awareness, inform current and potential borrowers of the SRF's wide variety of funding options and benefits, and thereby, expand the borrower pool.
5. Pursue methods for encouraging borrowers to pursue innovative and non-traditional projects that enhance resilient infrastructure and safeguard wastewater treatment.
6. Fully implement the Financial Operations and Cash Flow Utilization System (FOCUS), a cash flow model for forecasting fund usage to allow for improved planning and funding allocation decisions and implementation of a long-term lending strategy.
7. Utilize a portion of the capitalization grant technical assistance (TA) funding to provide eligible borrowers with guidance and technical assistance.
8. Pursue revisions to Alaska Statute AS 46.03. This goal aligns with a fundamental principle of the CWSRF to provide flexibility to states and borrowers to address a wide variety of local water quality and public health challenges.
9. Building on the technical assistance provided through an EPA pilot program, continue efforts to identify potential partners for conduit lending to provide financing to private homeowners for onsite decentralized wastewater treatment system and underground fuel storage repairs or replacement.

Short-Term Goals

1. Enhance program marketing to reach new potential borrowers through various mechanisms including but not limited to:
 - a. Coordinating with EPA and EPA funded Technical Assistance (TA) providers
 - b. Attending infrastructure office hours held monthly by the Alaska Municipal League (AML) to present information to attendees around the state;
 - c. Participating and presenting at conferences or symposiums hosted by AML and the Alaska Water Wastewater Management Association (AWWMA) on funding opportunities and advantages of borrowing from the SRF Program;

- d. Collaborating with TA provider to develop an infrastructure assessment survey to assess a community's wastewater infrastructure needs.
 - e. Collaborating with TA provider to develop and refine an Alaska Drinking Water and Wastewater Funding Guide that provides comprehensive information on types of funding that are available to communities.
 - f. Revising the SRF Program website structure and format to manage the site information more efficiently and enhance the user experience.
2. Continue to monitor additional subsidy in terms of the allocation of loan forgiveness to new loan agreements and ongoing disbursements to active projects to ensure the SRF Program is meeting the General Supplemental capitalization grant requirements for the allocation of exactly 49% of the grant amount as additional subsidy.
3. Review current subsidy allocation methods by evaluating Disadvantaged Community Criteria to strategically use the CWSRF additional subsidy to achieve affordable compliance, especially for small, disadvantaged communities, in accordance with a key priority of the BIL implementation memorandum¹¹.
4. Work collaboratively with federal funding sources to help Alaska communities with 301(h) waivers who face challenges in upgrading their wastewater systems to meet state water quality standards.
5. Pursue revisions to the regulations at 18 AAC 76 to increase the SRF Program's ability to address borrowers' needs, as well as federal grant conditions.
6. Review and update guidance materials developed for distribution to current and potential borrowers available on the SRF Program's website.
7. Develop topic-specific webinar content to provide SRF related training to existing and potential borrowers. The initial topic may provide a summary of the loan process from pre-application through project completion.

¹ https://www.epa.gov/system/files/documents/2022-03/combined_srf-implementation-memo_final_03.2022.pdf

CRITERIA AND METHOD FOR FUND DISTRIBUTION

The following principles and procedures will be the basis for the administration, funding, allocation, and distribution of the CWSRF funding. The principles and procedures are designed to provide maximum flexibility for assistance and ensure the long-term viability of the revolving program.

Project Priority List

For a project to be considered for funding from the ACWF, it must be included in the Project Priority List (PPL). The process is initiated when an eligible applicant completes a project questionnaire through the ADEC Online Application System (OASys).

Questionnaires are accepted year-round through OASys and are reviewed by a scoring committee on a triannual basis. The submittal deadlines for questionnaire reviews are February 29, June 30, and October 31. An email was sent to eligible borrowers in January 2025 providing information about the schedule and inviting submittal of project questionnaires to be considered for SFY26 funding assistance.

The project scoring committee, made up of representatives from the SRF Program, as well as the ADEC Drinking Water, Wastewater, Source Water Protection, and Nonpoint Source Programs, evaluates the project questionnaires based on the CWSRF criteria and assigns a numeric score to each project. Projects are added to the PPL in rank order. The rating criteria are provided in Appendix 1.

Appendix 2 includes the PPL, the list of public water systems in Alaska that have submitted a questionnaire to express interest in financing a capital improvement project through the SRF Program.

Amendments to the Project Priority List

ADEC amends the PPL to include additional projects after each review and scoring of new project questionnaires. In updates to the PPL, any projects reviewed and scored are added to the PPL in ranked order. The amended funding list is publicly noticed for 10 days.

Project Readiness Bypass Procedures

When available funding exceeds demand, ADEC awards funding to ready-to-proceed projects without regard to project score or ranking because the SRF Program has sufficient funds to finance all projects. This ensures the timely utilization of federal funds.

In the event the SRF Program does not have sufficient funds available to offer loans to all projects that are ready to proceed, ADEC works with potential borrowers with the highest-ranked projects on the PPL to ensure that those projects are given a chance to be funded first. However, the final funding selection of projects from the PPL is based primarily on the projects' readiness to proceed.

Projects are considered ready to proceed if the applicant is prepared to begin design and/or construction and is immediately ready, or poised to be ready, to execute a loan agreement with ADEC. If, for whatever reason, an applicant is not ready to proceed with completing a loan application and initiating a project, ADEC may select a lower-ranking project for funding based

on its ability to proceed in a timely manner. This bypass procedure is necessary to ensure that the available funds will be disbursed in a timely manner.

ADEC reserves the right to fund lower priority projects over higher priority projects if, in the opinion of ADEC, a higher priority project has not taken the steps necessary to expeditiously prepare for funding and project initiation (e.g., ADEC has not received the required documents to execute a loan agreement, the project is not ready to proceed with construction, or the applicant withdraws the project for consideration).

In addition, a project may be bypassed as necessary for the State to meet federal grant requirements for equivalency and additional subsidy. In the event that two or more projects have the same ranking, preference will be given to projects with the following criteria and in this order: ready to proceed; response to a compliance or legal order with a specific deadline; and inclusion of a green component.

SRF Program staff regularly evaluates the status of available principal forgiveness funds and the outstanding projects list on the PPL. The intent of this evaluation is to determine if the projects currently identified as receiving principal forgiveness actually are capable of applying for and entering into a loan agreement within the current program year. During this evaluation, if a project is determined to be incapable of meeting the requirements of the program, that project may be bypassed, and the corresponding principal forgiveness may be awarded to other eligible projects on the PPL. In addition to readiness-to-proceed, a project may be bypassed due to an applicant's inability to meet all other program requirements, failure to develop an approvable, implementable project, or for other reasons applicable under state or federal law. Any projects bypassed during the program year may be reconsidered for principal forgiveness funds in a future year.

Removing Projects from the Project Priority List

Projects on the PPL are monitored to ensure that applicants are proceeding with their projects in a timely fashion. A project may remain on the PPL for a maximum of two years. Projects retain the same score originally assigned unless a revised questionnaire is submitted and reviewed by the project scoring committee or the scoring criteria is modified. If an application has not been submitted for a project within two years, the project is removed from the list, and a new questionnaire will be required to relist the project.

Amendments to Existing Loans

A borrower may request an amendment to an existing loan agreement to modify the project scope, increase the loan amount, or both. Amendments that solely increase the loan amount by no more than 10% of the original loan amount, up to \$100,000, may be completed through an informal request for a loan amendment with the SRF Program Manager's approval. Similarly, minor scope changes that do not affect the location or purpose of the originally proposed project may also proceed with an informal request for a loan amendment with the SRF Program Manager's approval. Amendments that will increase the loan amount by more than 10% of the original loan, up to \$100,000, and/or include scope modifications that affect the footprint or

purpose of the project, are required to be public noticed in a PPL update before the loan amendment is issued.

Phasing of a CWSRF Project

To make construction and/or funding more manageable, a project may be divided into separate funded phases or segments, at the option of the borrower. However, to be CWSRF-eligible, any such phase or segment must be of reasonable scope, and when constructed, must have the capability of being placed into immediate full operation, without its full operation being dependent on a subsequent project phase or segment or another outside operation yet to be completed. After a given project phase is funded, subsequent phases must stand separately in competing with other projects for priority list ranking in later fiscal years.

Refinancing Existing Debt

Under the CWA, and in accordance with the Code of Federal Regulations (CFR) §35.3120(b), CWSRF funds may be used by a publicly owned system to refinance existing local debt obligations for a project that would otherwise be eligible for SRF funding. Cross-cutter requirements, including environmental review requirements, American Iron and Steel, and Davis-Bacon wage rate requirements, apply to these projects. Documentation of an approved environmental determination at the time the project was initially financed must be provided. American Iron and Steel requirements apply to projects with construction after June 10, 2014. Davis-Bacon wage rate requirements apply to projects with construction after October 30, 2009. Refinancing requests will not be eligible to receive principal forgiveness.

Emergency Procedures

Upon issuance of an emergency declaration by a federal or state emergency response official, or upon a finding by ADEC, SRF funds may be made available for projects not currently included on the PPL if sufficient funds are available. For purposes of the SRF Program, an emergency refers to a natural disaster or manmade disaster that damages or disrupts normal public water system operations and requires immediate action to protect public health and safety. Bypass procedures may be waived under direct threat of severe public or environmental harm. Reasonable efforts to fund projects in priority order will still be followed under emergency situations.

In a federally declared disaster, a community may receive additional subsidy under the Disadvantaged Community Criteria's Project Priority Type described in Appendix 3. This allows impacted communities with a federal disaster declaration to apply for a low-interest loan and also qualify for loan forgiveness, if funding is available to provide that additional subsidy.

FUNDS AVAILABLE

Capitalization Grants and State Match Requirement

The appropriation for the FFY25 base grant is \$9,495,000. The appropriation for the FFY24 General Supplemental grant for Alaska is \$13,611,000

For the base grant, Alaska will provide the required 20% state match (\$1,899,000) from short-term bonding by November 2025. In a process that effectively substitutes bond receipts for interest income, the interest income of the Fund is used as collateral to acquire bond receipts and avoids the use of any general funds from the State budget. 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 ACWF to grow in perpetuity. ADEC's program audits have documented the availability of the required amount of interest.

For the General Supplemental grant, Alaska must deposit an amount equal to at least 20% of the federal capitalization grant (\$2,722,200) into the ACWF. State general funds were appropriated by the Alaska Legislature in the SFY26 capital budget and will be available after July 1, 2025.

Cash Draw

Draws for loan funding come from federal funding and the state match. Previously, the cash draw was split between federal funding and state match, following the grant-specific proportionality rate method, 83.33% federal and 16.67% state match. However, EPA permanently ended the requirement for proportionality on November 30, 2022. Alaska's estimated payment schedule is presented below. To maximize flexibility, Alaska will request access to the full grant amount in the first quarter.

Estimated Quarterly Schedule of Payments during SFY26

Grant Type	FFY	Amount	Payment Schedule by Quarter			
			Q1	Q2	Q3	Q4
Base	25	\$9,495,000	\$9,495,000	---	---	---
General Supplemental	24	\$13,611,000	\$13,611,000	---	---	---

Finance Rates and Loan Terms for Eligible Projects

The finance rates, defined in Title 18, Chapter 76 of Alaska Administrative Code (18 AAC 76), are calculated to reflect current market trends based on the Bond Buyer's Municipal Bond Index when the index exceeds 4%. The finance rate includes the interest rate and a 0.5% administrative fee. The state regulations also allow for a maximum loan repayment term of 30 years.

Table 2. Finance Rates (effective September 10, 2017)

Loan Term	Finance Rate for any Bond Rate*	Finance Rate for Bond Rate*
	Less than 4 %	Greater than 4 %
20-30 Years	2	$2 + (0.75 \times [\text{Bond Rate}^* - 4])$
5-20 Years	1.5	$1.5 + (0.625 \times [\text{Bond Rate}^* - 4])$
0-5 Years	1	$1 + (0.5 \times [\text{Bond Rate}^* - 4])$
<1 Year	0.5	0.5

**Bond Buyer's Municipal Bond Index Current Day – Yield to Maturity*

Administrative Fees

Since December 29, 2000, assistance recipients have been assessed an administrative fee in the amount of 0.5% of the total dollars disbursed as prescribed in 18 AAC 76. Fee revenue is kept in

the ACWF Fee Account, separate from the regular loan fund, and is used exclusively to pay program administrative costs. The balance in the ACWF Fee Account is \$7,923,496 as of June 9, 2025.

As noted in 18 AAC 76.086, ADEC will use administrative fees for direct costs, including salaries, supplies, travel, and professional service contracts. In SFY26, the SRF Program intends to use the 4% administrative base and general supplemental allowances for \$924,240 in administrative expenses. SRF Program administrative costs in excess of \$924,240 will be drawn from the ACWF fee account.

Program income is defined at 40 CFR 31.25(b) as “gross income received by the grantee or subgrantee directly generated by a grant-supported activity or earned only as a result of the grant agreement during the grant period.” In SFY26, program income will total \$115,530 (0.5% of the base and General Supplemental grants).

Non-program income is estimated based on the difference between total anticipated deposits to the ACWF Fee Account, less the program income. Based on all pending SFY26 repayments, fees collected will total \$899,125 in SFY26. Non-program income is estimated at \$890,436.

Table 3. Non-program Income Calculation

SFY26 ACWF Fees		Program Income		Non-program Income
\$ 899,125	-	\$ 115,530	=	\$ 783,595

Sources and Uses of Funds

In SFY26, the available funding for CWSRF-eligible projects is defined as the difference between the sources (past funds received and upcoming capitalization grants the State is applying to receive) and the fund uses (total program commitments).

The sources include past capitalization grants and state matches, the FFY25 base capitalization grant and state match, the FFY24 General Supplemental capitalization grant and state match, investment income for the ACWF, and loan repayments received. In addition, the SRF Program also includes projected loan repayments anticipated over the next two years as a source of funds. The projected loan repayments serve as a conservative means of predicting future cash flow.

The fund uses include total loan commitments, bonding, and transaction costs associated with the state match, and set-asides to fund the following state activities: administration of the SRF Program and technical assistance activities. The uses also include a past transfer of funds from the ACWF to the ADWF in SFY08.

Fund Transfer

Under the SDWA and IIJA, the State is allowed to transfer fund assets between the DWSRF base and the CWSRF base funds; DWSRF General Supplemental and CW General Supplemental funds; and DWSRF Emerging Contaminant and CWSRF Emerging Contaminant funds. ADEC may take advantage of this flexibility between the DWSRF and CWSRF programs in order to assure adequate capacity to meet all funding demands. In accordance with the SDWA Section

302 fund transfer provisions and the EPA implementation memo dated March 8, 2022, ADEC hereby reserves the authority to transfer an amount up to 33% of each DWSRF capitalization grant to the CWSRF or an equivalent amount from the CWSRF to the DWSRF. Appendix 4 includes a list of Alaska's DWSRF capitalization grant awards as a reference for potential transfers between the DWSRF and CWSRF.

The SRF Program has no current plans to transfer funds between the DWSRF and CWSRF but reserves the right to do so if needed to meet funding demands in either program during SFY26. If a transfer is required, the EPA will receive written notification prior to any transfers.

Table 4. Estimated Available Funding as of March 2025

Sources of CWSRF Funds		
Federal Grants Received (cumulative through SFY25)		\$334,813,962
FFY25 Base Capitalization Grant		\$9,495,000
FFY25 Base Capitalization Grant State Match		\$1,899,000
FFY24 General Supplemental Capitalization Grant		\$13,611,000
FFY24 General Supplemental Capitalization Grant State Match		\$2,722,200
State Match (cumulative through SFY25)		\$58,691,589
Investment Income (cumulative through SFY24)		\$67,507,081
Repayments through March 2025 (principal + interest collected)		\$343,212,888
Projected Repayments through SFY27		\$40,449,209
	Total Sources	\$872,401,929
Uses of CWSRF Base Funds		
Existing Loan Commitments		\$595,084,843
Transfer from ACWF to ADWF (SFY08)		\$29,000,000
Administrative and Technical Assistance Set-Asides		\$12,286,834
Previous Bonding and Transaction Costs		\$39,915,861
SFY26 Bonding and Transaction Costs		\$1,904,200
	Total Uses	\$678,191,738
Net Resources Available to Provide Assistance		\$192,311,191

Technical Assistance Allowance (2%)

Alaska plans to spend funds from the ACWF loan fund in an amount equal to 2% of both the FFY25 base grant (\$189,900) and the FFY24 General Supplemental grant (\$272,220). In total, \$462,120 will be used for technical assistance to communities to address wastewater and water quality issues.

Administration Allowance (4%)

The CWA places a ceiling on the amount that may be used for administration at no more than 4% of the amount of all capitalization grants received minus any capacity used in prior years.

Administration Allowance Calculation

Capitalization grants received since 1988 through SFY25	\$330,596,531
FFY25 Base Capitalization Grant	\$9,495,000
FFY24 General Supplemental Grant	\$13,611,000
FFY25 Emerging Contaminants Grant	\$1,273,000
Total	\$354,975,531
4% of capitalization grants received	\$14,199,021
CWSRF Administrative Allowance Used (through SFY25)	(\$12,361,157)
Maximum 4% administration funds	\$1,837,864

Based on this calculation, Alaska may use \$1,837,864 in total for CWSRF administration or reserve (bank) that amount, or a portion thereof, for future use.

The SRF Program plans to use \$924,240 from the ACWF loan fund for general administrative work, including but not limited to preparation of PPL updates; application reviews; project monitoring, tracking, and reporting; environmental document review; and disbursement of loan funds.

GREEN PROJECT RESERVE

As a condition to receive federal funds for infrastructure improvement projects, the use of not less than 10% of the base grant and the General Supplemental grant is required for green infrastructure, water or energy efficiency improvements, or other environmentally innovative activities to the extent that there are eligible projects. Alaska's Green Project Reserve (GPR) requirement for the base grant is \$949,500. For the supplemental grant, the GPR requirement is \$1,361,100.

To incentivize borrowers to include water and energy conservation or other green aspects in their projects, ADEC awards 25 additional points in the project questionnaire scoring process for eligible GPR work. GPR projects are listed on the PPL by green project type: green infrastructure; water or energy efficiency improvements; or other environmentally innovative activities. Projects initially not listed as GPR qualified may be considered GPR qualified after the loan application is evaluated.

Projects initially identified to satisfy the federal grant GPR requirement have been identified in the PPL. These projects will be further reviewed during the loan application process to ensure that each project, in whole or in part, qualifies for the GPR. Applicants will be required to provide a Green Project Assessment form with applicable backup documentation. Several additional projects also will potentially qualify as GPR projects, and as more cost information becomes available, the GPR applicability will be defined for those projects moving forward with applications.

As necessary, ADEC will seek out other potential GPR eligible projects not initially listed in the IUP, which meet GPR project eligibility, to make up any shortfall in meeting current or past GPR requirements.

ADDITIONAL SUBSIDY

Under the base grant, a minimum of 20% to a maximum of 40% of the grant will be offered in the form of additional subsidy. Exactly 49% of the General Supplemental grant must be awarded as additional subsidy. State regulations specify that the SRF Program may only provide additional subsidy to disadvantaged communities. Alaska provides additional subsidy in the form of loan forgiveness.

The amount of principal forgiveness ADEC allocates each year is dependent on the federal capitalization grant requirements and what ADEC forecasts the ACWF can afford while maintaining the Fund's perpetuity.

All projects that are identified for subsidy allocation on the PPL must meet the following milestones in order to retain eligibility for subsidy:

- Submit a complete loan application within six months of the project being listed on the PPL; otherwise, subsidy funds may be made available to the next highest ranked eligible project.
- Initiate design and/or construction of the project within one year of signing a loan agreement; otherwise, the loan agreement may be amended to remove principal forgiveness.

Any uncommitted subsidies that exist after one year of publication of the IUP will be distributed to projects with existing subsidies, or to those projects which are the furthest along in completion of construction. The SRF Program will aim to allocate required subsidy as quickly as reasonably possible; all required subsidy will be allocated within three years of the grant award to ensure compliance with the federal grant conditions.

The minimum target for the provision of additional subsidy is approximately \$11.6 million as shown in the table below.

Table 6. Minimum Additional Subsidy Funds Available

Base FFY25	Gen. Suppl. FFY23	Gen. Suppl. FFY24	Minimum Available for SFY26
\$1,901,200	\$3,064,006	\$6,669,390	\$11,634,596

DISADVANTAGED COMMUNITY ASSISTANCE

The SRF Program has developed disadvantaged community criteria. Several factors are considered in identifying disadvantaged communities including those related to the household burden associated with income and the cost of water and wastewater service, as well as socioeconomic factors including the percentage of households utilizing assistance programs, the percentage of households below the federal poverty level, unemployment rates, and long-term population trends in the community. ADEC also includes several priority project types that impact the economic viability of a water system, including the presence of emerging contaminants. These factors, considered in total, are used to determine tiers of criticality for

disadvantaged status with associated levels of principal forgiveness. Principal forgiveness is provided only to disadvantaged communities in tiers 2 through 5. More information about the disadvantaged community criteria is provided in Appendix 3.

Based on the points assigned in regard to household burden, socioeconomic factors and priority project types, each project on the PPL is assigned to a tier. To the extent that additional subsidy funds are available, disadvantaged communities may receive loan forgiveness associated with the base and supplemental capitalization grants as shown in the following table.

Table 5. Disadvantaged Community Tiers

Tier	Point Range	Maximum Loan Forgiveness
Tier 1	0 to 3	No loan forgiveness
Tier 2	4 to 6	\$500,000
Tier 3	7 to 9	\$1,000,000
Tier 4	10+	\$2,000,000
Tier 5*	N/A	\$2,000,000 or 50% of project cost, whichever is greater

*Note: * Tier 5 is applicable only to projects associated with a federal disaster declaration.*

MICRO LOAN PROJECTS

The Micro Loan category provides an additional financing option for eligible rural municipalities. In some cases, small rural communities may need financing for a project that does not have direct public health, compliance, or water quality implications and would therefore not score as highly in comparison to other capital improvement projects like replacing a treatment system. Examples of small Micro Loan projects may include funding for the purchase of heavy equipment or small pump replacements. While smaller projects like this may have a lower score on the PPL in comparison to larger infrastructure projects, these small projects may serve a critical purpose for a small rural wastewater utility.

In SFY26, the SRF Program budgeted to issue a maximum of \$1,000,000 for Micro Loans. Rural municipalities eligible for funding under the Village Safe Water Act (Alaska Statutes Title 46, Chapter 7) may apply for a Micro Loan of up to \$500,000. In SFY26, Micro Loans will be offered with 100% loan forgiveness. By budgeting a specific amount for Micro Loans, the SRF Program commits to funding these smaller projects that may not be eligible for other financing options.

Loan applications from rural communities will be reviewed to determine the optimal financing option that the SRF Program can offer based on the project's ranking on the PPL and the amount of loan forgiveness available to be assigned to projects. If a rural community's proposed project would receive full forgiveness on the PPL, then it will be listed as such on the PPL, and the additional Micro Loan eligibility requirements described below will not apply. If, however, the project has a low score and would not be eligible because all available loan forgiveness was assigned to higher ranking projects, then the project may be included in the Micro Loan portion

of the PPL. With a budgeted amount of \$1,000,000 maximum for Micro Loans in total, these projects are guaranteed funding within the budgeted amount.

To be eligible for Micro Loan funding, a community must also be eligible for Village Safe Water (VSW) funding under the VSW Act. Projects that receive assistance from the tribal set-aside program for Indian Tribes and Alaska Native Villages under the Safe Drinking Water Act §1452(i) are not eligible to receive a SRF loan.

Before a loan offer will be extended, a community must also demonstrate sufficient technical, financial, and managerial capacity by maintaining an Operations and Maintenance Best Practices score of at least 50 total points, including minimum scores in the following categories:

- Utility Management Training - 5 points
- Budget - 13 points
- Revenue - 15 points
- Payroll Tax Liability - 2 points
- Workers Compensation Insurance - 2 points

When originally developed and implemented in 2019, the subsidy allocations for Micro Loan projects were intended to range from 50% to 90% of the total project cost and were determined based on the community's capacity as demonstrated by the Operation and Maintenance Best Practices score and the affordability of the utility's current user rates. Based on the current availability of additional subsidy to allocate to new projects, Micro Loan projects will be fully subsidized up to \$500,000 in SFY26. The subsidy allocation may revert back to the 50% to 90% range in the future.

Micro Loan projects that are initially identified to receive principal forgiveness must meet the following milestones in order to retain eligibility of subsidy:

- Complete the loan application process within six months of the project being listed on the PPL; otherwise, subsidy funds may be made available to the next highest ranked eligible project.
- Initiate design and/or construction of the project within one year of completion of a loan agreement

SUSTAINABLE INFRASTRUCTURE PLANNING PROJECTS

ADEC offers financing for wastewater system planning and related activities that promote sustainable infrastructure. For each Sustainable Infrastructure Planning Project (SIPP) on the PPL, a maximum of \$75,000 in loan principal may be forgiven for those borrowers that are considered disadvantaged communities.

A maximum of \$75,000 in loan forgiveness for SIPP will be allotted per project and per borrower during SFY26. If one borrower submits multiple planning projects for consideration, the \$75,000 in potential loan forgiveness may be divided between the SIPP projects. A maximum of \$750,000 in SIPP loan forgiveness has been budgeted by the SRF Program for SFY26.

Examples of eligible projects are described below:

- Feasibility Studies to evaluate infrastructure project feasibility. Studies may also include the evaluation of resiliency measures and continuity of operations, including identification of needed infrastructure improvements.
- Asset Management Plans for managing wastewater system infrastructure assets.
- Consolidation Studies to evaluate potential for wastewater system consolidation.
- Wastewater Rate Analysis to evaluate wastewater system rate charges, structure, and adequacy.
- Infiltration and Inflow Studies to detect inflows and identify potential solutions.
- Wastewater System Master Plan to evaluate the needs of the wastewater system in the long term and make recommendations for future improvements.

Any wastewater system receiving a loan that includes principal forgiveness for a SIPP must enter into a loan agreement within six months of receiving notification that the project has been added to the PPL. The project must be completed within two years after signing the loan agreement. SIPP loans issued in excess of \$75,000 will be subject to a 5-year loan repayment term at the applicable finance rate as defined in 18 AAC 76.

FEDERAL REQUIREMENTS

Loan agreements will include all applicable federal requirements. All funding recipients must comply with the following:

American Iron and Steel

All recipients of SRF funding for wastewater and stormwater facility construction projects must meet the American Iron and Steel (AIS) requirements. Projects may use only specific iron and steel produced in the United States. ADEC includes provisions addressing the AIS requirements in all funding agreements. Compliance with Build America, Buy America (BABA) iron and steel provisions will satisfy the AIS requirements.

Davis-Bacon Act Prevailing Wage Rates

ADEC will require borrowers to include specific EPA Davis-Bacon language in bid specifications and contracts for all treatment works projects and will confirm that these contracts include the correct wage determinations. In addition, ADEC will collect certifications of Davis-Bacon compliance via online project quarterly report statements.

Environmental Project Review

All CWSRF-funded projects involving the construction of treatment works, regardless of the source of the funding (e.g. capitalization grant, prior year appropriations, state match, interest earnings, principal repayments, etc.), must undergo an environmental review in conformance with the EPA-approved State Environmental Review Process.

Cost and Effectiveness Certification

In accordance with amendments to Section 602(b)(9) of the CWA effective June 10, 2014, funding recipients are required to submit a certification stating that a cost and effectiveness study has been completed.

Fiscal Sustainability Plans

The CWA requires CWSRF loan recipients for publicly owned treatment works (POTW) projects to develop and implement a Fiscal Sustainability Plan (FSP) that includes the following minimum elements:

- An inventory of critical assets that are part of the system;
- An evaluation of the condition and performance of the critical assets;
- A plan to maintain, repair and replace the critical assets and to fund those activities; and
- A certification that the assistance recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan.

Applicants can self-certify that the FSP, or its equivalent, has been developed and implemented prior to the final disbursement for the project.

Federal Equivalency Requirements

Specific requirements referred to as federal equivalency requirements apply only to a subset of loans equal to the amount of the base and General Supplemental capitalization grants, rather than to all loans funded by the SRF Program. In SFY26, ADEC intends to take full advantage of the flexibility offered by equivalency to reduce the burden of the federal grant conditions for many applicants.

The proposed equivalency projects are indicated on the PPL. The proposed projects include:

- Anchorage Water and Wastewater Utility (AWWU) SFY25 Programmatic Financing (Pro Fi) Loan
- AWWU SFY26 Pro Fi loan

Appendix 5 shows the potential assignment of each project to one or more capitalization grants. If any of these projects do not move forward with loan agreements, other projects capable of meeting all equivalency requirements will be identified from the PPL.

The specific requirements that apply to equivalency projects are identified below:

Architectural and Engineering (A/E) Services Procurement

Loan recipients identified by ADEC as equivalency projects are required to procure A/E services in accordance with federal requirements found in Chapter 11 of Title 40 U.S. Code for those projects. These services include, but are not limited to, program management, construction management, feasibility studies, preliminary engineering design, engineering, surveying, mapping, and architectural-related services.

Build America, Buy America Act (BABA) Provisions

This provision requires domestic preference procurement for iron and steel products, manufactured products, and construction materials.

Disadvantaged Business Enterprise (DBE)

Equivalency loan recipients and their contractors must comply with the federal DBE requirements.

Signage to Enhance Public Awareness

The SRF Program will post a notice on the SRF Program website to provide awareness of the benefits of equivalency projects, the source of funding, and the role of the SRF Program in providing financial assistance.

Single Audit

Borrowers who have received federal funds through ADEC's SRF Program may be subject to the requirements of the Single Audit Act and 2 CFR 200.

Prohibition of Certain Telecommunication and Video Surveillance Services

In compliance with Section 889 of Public Law 115-232, restrictions are placed on the use of some telecommunication and surveillance equipment.

ASSURANCES AND CERTIFICATIONS

The Operating Agreement specifies numerous conditions that must be met. Each capitalization grant typically contains additional conditions that must be met. ADEC is committed to compliance with all conditions in both the Operating Agreement and capitalization grant.

Timely and Expeditious Expenditure

ADEC will enter into binding commitments to provide assistance in an amount equal to 120% of the FFY25 base capitalization grant within one year after receipt of the grant payment. The PPL includes an estimated date for the beginning of construction for each project to indicate a proposed project schedule. Additionally, the State will strive to disburse available funds while maintaining enough cash on hand to meet disbursement obligations for two years.

To assure expeditious and timely expenditure of funds, ADEC continues to require that applicants initiate the project within one year of executing the loan agreement and submit the first disbursement request within two years of executing the loan agreement. If either condition is not met, ADEC may take action to recall the loan; however, an extension may be granted upon an applicant's request if there is reasonable justification.

Federal Funding Accountability Transparency Act (FFATA)

FFATA reporting requirements apply in an amount equal to the capitalization grants. ADEC will report loans with a dollar value equal to the federal capitalization grant awards to comply with FFATA requirements. Information will be reported no later than the end of the month following the date of the finalized loan agreement.

Additional loans may be identified to include all federal requirements (including those associated with equivalency) to ensure that ADEC has sufficient projects to report for FFATA in case any projects fail to fully disburse the loan amount as initially planned.

Federal Reporting

ADEC will update project information at least quarterly in EPA's Office of Water SRF (OWSRF) data system. The OWSRF data system collects project-level information and anticipated environmental benefits associated with CWSRF projects. ADEC commits to entering benefits information on all projects into the SRF Data System by the end of the quarter in which the assistance agreement is signed.

The OWSRF system is also used to collect annual financial information, which was formerly collected through the National Information Management System (NIMS). ADEC commits to entering all program information into the OWSRF data system on an annual basis as EPA requests.

Generally Accepted Accounting Principles

Loan recipients are required to maintain project accounts per Generally Accepted Accounting Principles as issued by the Governmental Accounting Standards Board Amendments in accordance with Section 602(b)(9) of the CWA, effective June 10, 2014. This provision requires assistance recipients to use standards relating to the reporting of infrastructure assets. ADEC includes this information in the loan agreements and reviews compliance annually during Single Audit reviews.

PUBLIC REVIEW AND COMMENTS

A notice of availability of the draft IUP was emailed directly to past, present, and potential SRF borrowers and other stakeholders around the state. In addition, a notification about the availability of the draft IUP was distributed to 165 local governments through the Alaska Municipal League. The notice of public comment was also posted on the ADEC Public Notice website and on the SRF Program website throughout the 30-day comment period from June 10, 2025 through July 10, 2025.

In addition, the SRF Program made a public presentation at the Alaska Municipal Water and Wastewater Association conference in Anchorage to present information about the SRF Program, including the Emerging Contaminants draft IUP, on May 14, 2025, just prior to the initiation of the comment period. A presentation was also made at the Alaska Municipal League's regularly scheduled online office hour for water and wastewater infrastructure issues on June 17, 2025.

Appendix 5 includes the comments received and the responses from the SRF Program.

Appendix 1

Project Scoring Criteria



Alaska Clean Water State Revolving Fund

Priority Criteria for Point Source Project – Reference Sheet

PUBLIC HEALTH CONSIDERATIONS <i>(Select only one)</i>		POINTS
This project will correct the cause of a human disease event documented by ADEC or a recognized public health organization. Documentation required. <i>Examples:</i> <ul style="list-style-type: none"> Outbreaks of Hepatitis, Giardiasis or Cryptosporidiosis. Upgrading facilities to meet new EPA/ADEC regulations or resolve violation(s) of a wastewater permit with short term compliance deadline (≤ 1 year). Installation of new sewer mains in an area where there is documented well contamination resulting from sewer main leaks. 		100
This project will correct conditions severe enough that a disease event may occur, although an event may have not yet been reported. <i>Examples:</i> <ul style="list-style-type: none"> Violations of a wastewater permit with longer term compliance deadlines (> 1 year). Documented failure of on-site disposal systems. Correction of documented Inflow and Infiltration issues that prevent the WWTP from meeting permit limits. Construction to address documented surface water contamination violation. 		75
This project will minimize public health threats where the potential for a disease event exists. <i>Examples:</i> <ul style="list-style-type: none"> Correction of documented issues with a high potential to violate a wastewater permit condition or ADEC design criteria. Replacement of pipes or facilities with documented leaks or constructed of inferior materials (example – asbestos cement pipe, structurally impaired lift station wet well). Improvements to a collection system prone to freeze-up. Installation of new sewer mains to an area that is currently served by on-site systems and has a high potential of regulated contaminants exceeding safe standards. 		50
This project will minimize potential future public health problems. There is no current threat of a disease event. <i>Examples:</i> <ul style="list-style-type: none"> Replacement of collection system components that are at end of life, but no documentation of significant failure. Wastewater Treatment Facility upgrades to increase capacity and/or replace obsolete equipment that is not related to a permit violation correction. Improve system security, such as fencing, remote monitoring, access cards, etc. SCADA upgrades, backup power to a critical system component. 		25
This project will not address any significant health related issues. <i>Examples:</i> <ul style="list-style-type: none"> Sewer main alignment changes (rerouting mains that have little to no improvement on operation). Sewer main expansion for future development. Wastewater treatment plant or collection system studies, unless required by compliance conditions. Master plans, backup power to a tangential facility. 		0
WATER QUALITY CONSIDERATIONS <i>(Select only one)</i>		
PROTECTION OF UNIMPAIRED WATERBODY		
The goal of the proposed project is prevention of water pollution in an unimpaired waterbody (Category 2 or Category 3) as reported in the Integrated Report (https://dec.alaska.gov/water/water-quality/).		35
This project does not prevent water pollution in an unimpaired waterway.		0
RESTORATION OF IMPAIRED OR POLLUTED WATER BODY <i>(Select only one)</i>		
The goal of the proposed project is to reduce pollution/improve water quality in a waterbody identified as impaired or polluted (Category 4 or Category 5) in the Integrated Report (https://dec.alaska.gov/water/water-quality/).		
This project will reduce pollution specifically related to the impairment.		35
This project will reduce pollution to the waterbody that may not be specifically related to impairment.		25
This project will minimize the potential for future pollution event.		10
This project has minimal impact on future pollution event.		0
RECEIVING WATERS		
This project addresses the following adverse impacts to receiving waters: <i>(Select only one)</i>		
Direct impacts to surface water or groundwater.		10
Direct impacts to marine waters or estuaries.		5
Indirect impacts to surface water or groundwater.		5
This project will not address adverse impacts to receiving waters.		0
ADMINISTRATIVE		POINTS
PROJECT READINESS <i>(Select only one)</i>		
Engineering plans and specifications have been approved by the ADEC Engineering Support and Plan Review (ESPR) Program in		50

Priority Criteria for Point Source Projects

addition to having an approved environmental review. Documentation is required for both.			
Engineering plans and specifications have been approved by the ADEC ESPR Program. Documentation required.			40
Substantial engineering plans and specification (at least 65% complete) have been prepared. Documentation required.			30
A feasibility study, facility plan and/or set of engineering plans and specifications (at least 35% complete) has been prepared and are attached. Documentation required.			20
An up-to-date comprehensive study, master plan, a current project cost estimate, and/or approved environmental review has been prepared and is attached. Documentation required.			10
No project development has been accomplished.			0
ASSET MANAGEMENT <i>(Select only one)</i>			
An asset management plan that incorporates an inventory of all assets, an assessment of the criticality and condition of the assets, a prioritization of capital projects needed, and a budget, has been adopted and implemented within the past 5 years. Documentation is required.			30
An asset inventory has been prepared and are attached. The asset inventory must meet the requirements as outlined in the SRF Asset Inventory Guidance (https://dec.alaska.gov/media/ntcj1ess/srf-asset-inventory-guidance.pdf). Documentation is required.			20
An asset management plan will be prepared or updated as part of the proposed project. Completed plan to be provided to SRF.			15
An asset inventory will be prepared as part of the proposed project. Completed inventory to be provided to SRF.			10
Employees have attended an asset management training, approved by ADEC Operator Training and Certification Program for Continuing Education Units (CEUs), within the last year. Documentation is required.			5
The system has not planned, developed, or implemented an asset management plan or inventory, and staff have not attended asset management training.			0
FUNDING COORDINATION <i>(Select only one)</i>			
This loan will be used to match other state or federal funds, or this project will be coordinated with another municipal/state/federally funded project (e.g. DOT road construction). Documentation is required to identify each funding source.			15
Other funding sources have not been identified.			0
SUSTAINABILITY PROJECTS <i>(Select only one)</i>			
Fix it First Projects – These are projects currently located in an established area which is still suitable for use and should be encouraged over project in undeveloped areas. The repair, replacement, and upgrade of infrastructure in these types of areas are encouraged.			50
Effective Utility Management – Plans, studies and projects that improve the technical, managerial, and financial capacity of assistance recipients to operate, maintain and upgrade their infrastructure. Improved stewardship of the existing infrastructure will help improve sustainability and extend the useful life of the system.			25
Planning – Preliminary planning, development of alternatives, and capital projects that reflect the full life cycle cost of infrastructure, conserve natural resources or use alternative approaches to integrate natural systems in the built environment.			25
Not applicable.			0
OPERATOR CERTIFICATION <i>(Select only one)</i>			
The system employs, or has on contract, an operator certified to the level of the system.			5
The system does not employ, or have on contract, an operator certified to the level of the system.			0
AFFORDABILITY CRITERIA <i>(Select only one)</i>		Monthly Wastewater Cost/Monthly Income	
	High	>2%	15
	Medium	1.0% - 1.9%	10
	Low	<1.0%	5

To Be Completed by ADEC

EQUIVALENCY			
This project will be used as an equivalency project.			50
GREEN PROJECTS			
The applicant has sufficiently demonstrated eligible Green components under the project.			25



Alaska Clean Water State Revolving Fund

Priority Criteria for Nonpoint Source Project – Reference Sheet

WATER QUALITY CONSIDERATIONS		POINTS
PROTECTION OF UNIMPAIRED WATERBODY <i>(Select only one)</i>		
1	The goal of the proposed project is prevention of nonpoint source water pollution in an unimpaired waterbody (Category 2 or Category 3) as reported in the Integrated Report.	60
2	This project has minimal impact protecting water quality.	0
RESTORATION <i>(Select only one)</i>		
The goal of the proposed project is to reduce pollution/improve water quality in a waterbody identified as impaired or polluted (Category 4 or Category 5) in the Integrated Report.		
1	This project will reduce pollution specifically related to the impairment.	75
2	This project will reduce pollution to the waterbody that may not be specifically related to impairment.	50
3	This project has minimal impact on restoring water quality.	0
ADMINISTRATIVE		
PROJECT READINESS <i>(Select only one)</i>		
1	Engineering documents have been prepared and are attached. Documentation is required.	15
2	Preliminary engineering documents have been prepared and are attached. Documentation is required.	10
3	Key planning document(s) (e.g. TMDL, Watershed Plan, Corrective Action Plan, Comprehensive Plan) have been prepared and are attached. Documentation is required.	5
4	A feasibility study that demonstrates the need and costs for the project have been prepared and are attached. Documentation is required.	2
5	No project development has been accomplished.	0
FUNDING COORDINATION <i>(Select only one)</i>		
1	This loan will be used to match other state or federal funds. Documentation is required to identify each funding source.	5
2	Other funding sources have not been identified.	0

To Be Completed by ADEC

2021 – 2025 NONPOINT SOURCE STRATEGY IDENTIFIED PRIORITIES		
1	The project is located in an underserved community.	15
2	The project monitors waters for Best Management Practices (BMP) Effectiveness at reducing nonpoint source pollution.	10
3	The project conducts education or outreach related to reducing nonpoint source pollution.	10
4	The project evaluates which BMPs are most effective for Alaska's environment to reduce nonpoint source water pollution.	10
GREEN PROJECT		
1	The applicant has sufficiently demonstrated eligible Green components under the project.	25
EQUIVALENCY		
1	This project will be used as an equivalency project.	50

Resources

- **Integrated Report** can be found on the following webpage: <https://dec.alaska.gov/water/water-quality/>
- For additional information on **Nonpoint Source** water pollution control, visit: <https://dec.alaska.gov/water/nonpoint-source-control/>

Appendix 2
Project Priority List

Alaska Clean Water Fund - State Fiscal Year 2026 (SFY26) Project Priority List - Base and General Supplemental Funding

Net Resources Available to Provide Assistance = \$192.3 million

(1) Within Funding Limits column indicates that the project is within the current fundable limit of the Alaska Clean Water Fund. Large projects (over \$5 million) may be phased based on projected funding needs during the next year. Loan applications may be submitted for any project within the funding limits that is ready to proceed.

(2) Loan forgiveness is subject to change depending on the readiness of projects to proceed.

(3) Loan terms will be finalized when a loan agreement is offered. The finance rate will be based on a calculation identified in Alaska Administrative Code (18 AAC 76).

(4) Individual Pro Fi projects are reviewed and assigned a weighted score based on the total project cost. The overall score for the Pro Fi questionnaire is the sum of weighed scores for all of the Pro Fi projects.

Rank	Score	Potential Equivalency Project	Within Funding Limits ⁽¹⁾	APDES Permit Number	Clean Water Needs Category	Applicant	Project Name and Description	Requested Loan Amount	Disadvantaged Community Tier	Subsidy ⁽²⁾ Loan Forgiveness	Green Project Category	Green Project Estimate	Requested Loan Term	Anticipated Project Start Date	Added to PPL
TREATMENT WORKS PROJECT QUESTIONNAIRES															
1	217 ⁽⁴⁾	X	X	AK0022551	I III-A III-B	Anchorage Water and Wastewater Utility (AWWU)	SFY25 Programmatic Financing (Pro Fi) Loan - The applicant has provided a list of eligible projects including planning, design, engineering, and construction activities for wastewater infrastructure projects that may be financed through the SFY25 Pro Fi loan agreement (see attached Pro Fi project list).	\$10,000,000	Tier 1				5 to 20		SFY25-1
2	195			AK0021440	III-B	Ketchikan	Park Avenue Harris St. Revitalization and Creek Hardening - Replace approximately 1,800 linear feet of aging and deteriorated corrugated metal sewer pipe with corrosion resistant pipe.	\$3,800,000	Tier 2		<i>Energy Efficiency</i>	TBD	5 to 20	7/10/2028	SFY26-1
3	190			---	III-B	Bethel	QFC#2 Lift Station Improvements - Update the lift station to reduce the chance of failure and sewage backup and overflow. Improvements may include, but are not limited to, new pumps and a control panel, heat improvements, wet well modifications, and plumbing services for mechanical valves and engineer oversight and inspection.	\$975,000	Tier 4	\$975,000	<i>Energy Efficiency</i>	TBD	5 to 20	6/6/2025	SFY26-1
4	190			AK0021474	II	Sitka	WWTP Effluent Disinfection System - Design and construct an on-site disinfection system in order to meet the new limit requirements for fecal coliform and enterococcus effluent under the discharge permit issued in 2024.	\$11,000,000	Tier 3				20 to 30	1/1/2029	SFY26-1
5	190			AK0021890	I	Seward	Lagoon Effluent Disinfection Planning and Design - Design and develop engineered plans for disinfection of effluent at two wastewater treatment plant locations.	\$665,600	Tier 3	\$665,600			5 to 20	5/26/2025	SFY26-1
6	182 ⁽⁴⁾	X	X	AK0022551	I III-A III-B	Anchorage Water and Wastewater Utility (AWWU)	SFY26 Programmatic Financing (Pro Fi) Loan - The applicant has provided a list of eligible projects including planning, design, engineering, and construction activities for wastewater infrastructure projects that may be financed through the SFY26 Pro Fi loan agreement (see attached Pro Fi project list).	\$26,664,500	Tier 1				5 to 20	3/3/2025	SFY26-1
7	180		X	2007-DB0003	III-B	Nome Joint Utility System	Front Street Sewer Main Replacement - This project will replace failing water mains that are nearly 40 years old along and adjacent to Front Street from Bering Street to Steadman Street. This work is planned in coordination with Alaska Department of Transportation's road improvement project.	\$2,750,000	Tier 3			\$2,750,000	5 to 20	2027	SFY24-3
8	180		X	AK0021385	II	Haines Borough	Plan for Facility Permit Compliance - Create a plan for upgrades and changes to the Haines Sewage Treatment Plant to meet new EPA discharge permit requirements including disinfection, most likely chlorination and de-chlorination. Plan and design for future permit requirement changes over the next five years.	\$750,000	Tier 4	\$750,000			5 to 20	4/1/2026	SFY26-1
9	180		X	AKG380006	III-B	Seldovia	Seldovia Sewer Improvements - Evaluate and address further emergency areas of inflow and infiltration in the system. Repairs to the Septic Lift Station may also be included in this project. An initial loan was provided for improvements to septic lift station. An application for the remaining requested loan amount may be submitted after the other proposed sewer improvements are identified.	\$364,900	Tier 2	\$364,900			10	TBD	SFY24-1
10	175	X	X	AK0021440	II	Ketchikan	Charcoal Point WWTP: Disinfection Facility - Develop a Request for Qualifications (RFQ) and after selecting a firm, task them with providing 100% design for either improvement or expansion of the effluent treatment facility to house disinfection which will be necessary to meet new requirements.	\$1,000,000	Tier 4	\$1,000,000			5 to 20		SFY25-1

11	165		X	AK0021385	III-B	Haines Borough	Wastewater Collection System Phase 1 - Repair or replace approximately 300 manholes, perform a CCTV inspection of the entire sewer system and connecting sewer laterals, and recommend repairs for Phases 2 and 3.	\$3,020,500	Tier 4	\$1,250,000	Energy Efficiency	\$3,020,500	20 to 30	3/31/2025	SFY26-1
12	155		X	----	III-B	King Cove	Uptown Lift Station Restoration – Design purchase and install new control panels and replace two existing lift station pumps.	\$126,000	Tier 3	\$126,000			20 to 30	1/2/2025	SFY25-3
13	155		X	---	III-B	Wasilla	Legacy Septic Tank Replacement Project - Identify City-owned or maintained septic tanks in need of replacement, and design and install replacement septic tanks.	\$282,781	Tier 4	\$282,781			20 to 30	6/2/2025	SFY26-1
14	140		X	AK0021458	III-B	Petersburg Borough	Pump Station 3 Replacement – Replace the original drywell pumps with three high efficiency submersible pumps along with a new wet well and valve vault.	\$2,000,000	Tier 2	\$500,000			20 to 30	9/1/2025	SFY25-3
15	130	X	X	AK0023213	I	Juneau	Juneau Douglas Treatment Plant (JDTP) Vector Receiving Station – Construct a building to receive and process waste from Vector trucks and septage haulers. Upgrade the JDTP headworks with two new coarse screens, a new grit removal system, and the non-portable water system to supply the new building and equipment.	\$5,417,900	Tier 1				5 to 20	TBD	SFY25-1
16	125		X	AKG573019	III-B	Selawik	Vacuum Station - Address deficiencies and install redundancy in all critical components of the vacuum station including vacuum tank level control, sewage discharge pumps, vacuum pumps and control panel, water circulating pumps, boiler repairs and flooring replacement.	\$495,000	Tier 4	\$495,000		\$390,000	30	TBD	SFY25-2
17	120		X	AKG521030	VII	Homer	Homer Spit Erosion Mitigation and Resiliency - Plan and design to reduce erosional impacts to the Homer Spit during storm events that damage wastewater collection facilities and reduce the intrusion of seawater into the collection system.	\$750,000	Tier 2	\$500,000			5 to 20	7/7/2025	SFY26-1
18	115		X	2007-DB0003	TBD	Nome Joint Utility System	Equipment Response / Storage / Office Facility - Construct a building to support sewer utility, amalgamate ancillary facilities, reduce operating costs, protect equipment, and improve health and safety of the work environment. The facility will also support the drinking water utility. The cost of construction would be split between the Alaska Clean Water Fund and the Alaska Drinking Water Fund.	\$5,025,000	Tier 3		Energy Efficiency	\$1,000,000	20 to 30	5/12/2025	SFY24-3
19	105		X	AK0021466	III-B	Wrangell	McKinnon Street Sewer Main Replacement - Replace approximately 280 feet of gravity sewer main, appurtenances, and by-pass pumping along McKinnon Street during a planned road resurfacing project.	\$290,912	Tier 3	\$290,912			5 to 20	4/1/2026	SFY26-1
20	95		X	2007-DB0003	III-B	Nome Joint Utility System	Front and N Lift Station - Replace the Front and N lift station that was originally constructed in 1982 with a larger diameter wet well to accommodate wastewater needs and facilitate maintenance and operations.	\$2,500,000	Tier 3				5 to 20	tbd	SFY24-3
21	95		X	----	III-B	Petersburg Borough	Waterfront Pre-Treatment Plan - In association with construction of a vessel haul-out facility, construct a concrete washdown pad with filtration system, extend the sewer collection system, construct a new sewer lift station, grit chamber, oil water separator, filter vault, and a utility building with a hydronic boiler. Discharges from the vessel washdown pad will be pre-treated prior to entering the sanitary system and will be subject to standards required by EPA in the discharge permit.	\$3,196,033	Tier 2				20 to 30	3/1/2025	SFY25-2
22	90		X	AKG573025	I	Togiak	Lagoon Dredging - Design for de-watering, engineering services, dredging of the lagoon to re-attain the original treatment volume, de-watering the sludge, and disposal costs for de-watered sludge, or purchasing the dredging equipment, de-watering bags, and necessary accessories that will allow the City to dredge the lagoon and dispose of the de-watered debris.	\$2,000,000	Tier 4	\$1,500,000			20 to 30	7/1/2025	SFY26-1
23	65		X	AK0023451	II	Fairbanks	Golden Heart Utilities Wastewater Treatment Plant Grit Capture - Install two grit capture units with combined capability to process peak flows of 11 million gallons per day. Grit capture is a required process needed to support ultraviolet wastewater treatment in accordance with Alaska Pollution Discharge Elimination System requirements.	\$1,700,000	Tier 1				5 to 20	1/31/2024	SFY24-1
24	65		X	AK0023451	II	Fairbanks	Golden Heart Utilities Wastewater Treatment Plant Ultraviolet (UV) Disinfection - To comply with lower permit levels for total residual chlorine in effluent, Golden Heart Utilities has agreed to replace the existing hypochlorite injection process with UV disinfection by 2025. Project specific work may include structure modification to existing chlorine contact chambers, installation of an in-channel UV disinfection system and other necessary modifications.	\$5,000,000	Tier 1				5 to 20	1/31/2024	SFY24-1

25	60	X	X	AK0022951	I	Juneau	Pyrolysis of Per- and Polyfluorinated Substances (PFAS)-Impacted Biosolids - Add a pyrolysis thermal treatment at the Mendenhall Wastewater Treatment Plant to treat biosolids to avoid shipping PFAS-impacted biosolids out-of-state for disposal. In addition, this project proposes improvements to the Supervisory Control and Data Acquisition Industrial Control System.	\$6,236,000	Tier 1				5 to 20	1/1/2025	SFY25-1
26	55		X	---	TBD	Bethel	Sewer Haul Truck - Purchase one 3,400-gallon sewer haul truck to evacuate sewage from homes and businesses.	\$315,009	Tier 4	\$315,009			5	6/7/2025	SFY26-1
27	40		X	AK0021385	II	Haines Borough	Recondition WWTP Clarifier and Tanks – Recondition Haines Wastewater Treatment Plant’s clarifier steel tank, the concrete digester tank, weir, and chlorine contact chamber along with the replacement of the aeration valves, piping, and diffusers.	\$80,000	Tier 4				20 to 30	5/1/2025	SFY25-1
28	15		X	---	TBD	Nome Joint Utility System	Utility Equipment Amendment - Replace aging equipment such as the Vactor truck, Digger Derrick, fuser, and pickup trucks which are used to maintain and repair vital water and sewer systems.	\$1,007,500	Tier 3				5 to 20	tbd	SFY25-1
29	TBD		X	AK0021890	TBD	Seward	Public Works Facility - Build a new facility to house public works departments including personnel, equipment, materials and supplies for the water, wastewater, and street departments. Eligibility of this project would be limited to portions directly related to the wastewater utility.	\$25,423,083	Tier 3				20 to 30	11/10/2025	SFY26-1
30	5		X	----	III-B	North Slope Borough	Barrow Pump Station - This project would address needed pump station upgrades. More information regarding the anticipated scope of work to be provided by the North Slope Borough.	\$6,018,000	Tier 3				20 to 30	5/1/2025	SFY25-1
31	5		X	AKG572036	III-B	North Slope Borough	Point Lay Sewer Upgrade - This project would address needed upgrades to the wastewater system. More information regarding the scope of anticipated work to be provided by the North Slope Borough.	\$40,000,000	Tier 3				20 to 30	5/1/2025	SFY25-1
SUBTOTAL								\$168,853,718		\$9,015,202		\$7,160,500			

SUSTAINABLE INFRASTRUCTURE PLANNING PROJECT QUESTIONNAIRES

1	50		X	---		Wasilla	Sewer Master Plan – Update the over two-decade old Sewer Master Plan to identify current infrastructure needs, forecast growth to plan for infrastructure improvements, and budget appropriately for future projects.	\$75,000	Tier 4	\$75,000			20 to 30	4/28/2025	SFY25-3
2	40		X	AK0021440		Ketchikan	Infiltration and Inflow Study - Conduct a study to identify sources of excessive inflow/infiltration to the wastewater treatment plant and make recommendations for needed repairs.	\$75,000	Tier 2	\$75,000			Less than 5	6/2/2025	SFY25-3
3	30		X	AKG521030		Homer	Homer Sewer Master Plan - Update the sewer system portion of the 2006 Water and Sewer Master Plan.	\$100,000	Tier 2	\$75,000			5 to 20	9/1/2025	SFY26-1
SUSTAINABLE INFRASTRUCTURE PLANNING LOAN SUBTOTAL								\$250,000		\$225,000		\$0			

MICRO LOAN QUESTIONNAIRES (UPPER LIMIT OF \$500,000)

1	55		X	----		Hooper Bay	Equipment Purchase - Replace aging equipment used to maintain the sewer lagoon and to repair sewer lines damaged due to extreme weather events and other hazards.	\$500,000	Tier 4	\$500,000			10		SFY24-1
2	50		X	AKG573025		Togiak	Vacuum/Jetter Truck - Purchase a vacuum or a vacuum/jetter combo truck to assist in removing debris and sludge from sewer lines and septic systems.	\$500,000	Tier 4	\$500,000			30		SFY26-1
MICRO LOAN SUBTOTAL								\$1,000,000		\$1,000,000		\$8,550,500			

NONPOINT SOURCE PROJECT QUESTIONNAIRES

1	80		X	---	VII-E	Nome Joint Utility System	Tank Farm Relocation - Perform site assessment and/or complete remediation associated with the site of the aboveground fuel storage tanks.	\$4,500,000	Tier 3				5 to 20	TBD	SFY25-3
NONPOINT SOURCE SUBTOTAL								\$4,500,000		\$0		\$0			

AMENDMENT TO EXISTING LOAN AGREEMENT

1	195		X	AK0021440		Ketchikan	Water St Sewer Mains Replace/Rehabilitation - Loan amendment to modify scope of work and increase loan amount by \$2,800,000 for loan # 481211-S. Remove, replace, and/or rehabilitate the sewer force and gravity main lines and other elements as warranted that carry wastewater to the Charcoal Point Wastewater Treatment Plant.	\$2,800,000	Tier 2		<i>Energy Efficiency</i>	TBD	5 to 20	11/2/2026	SFY26-1
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2	185	X	X	---		Kodiak	Lift Station 5 and Force Main (503181-E) - Loan amendment to increase loan by \$8,000,000 to design and construct a new wet well; replace all pumps, electrical controls, and equipment; construct a new lift station building to house the pump equipment and controls; replace influent piping and manholes; replace a generator; and replace 1,500 feet of 16-inch force main from the lift station to the WWTP headworks. The scope of work also includes a temporary bypass system to include the following: excavate two existing 16-inch gate valves installed in 2019 and extend the 16-inch bypass piping to the existing ground surface. At the surface two new valves boxes and stem extensions would be installed. Additional scope includes discharge piping, valving, connection to existing piping, manifold for piping, pipe supports, thrust blocking, bypass pump system pad, and roadway grading.	\$8,000,000	Tier 2				20 to 30		SFY25-1
3	180		X	AK0020036		Soldotna	Biosolids Dewatering System - Increase in loan amount for 791071-S to design and construct dewatering belt press replacement including equipment selection, facility modifications, and installation.	\$1,738,800	Tier 3	\$1,000,000			20 to 30	9/1/2025	SFY26-1
4			X	---		Kodiak	Phase II of WWTP SCADA (503171-S) - Loan amendment to modify the scope of the existing Wastewater Treatment Plant Supervisory Control and Data Acquisition System (SCADA) Replacement loan agreement to include the installation of fiber optic cable at two separate locations: Pillar Mountain Road and Spruce Cape Road.	---	Tier 2				20 to 30		SFY25-2
5			X	2007-DB0003	III-B	Nome Joint Utility System	Bering St/Seppala Dr Water and Sewer Improvements – Change in Scope for Loan 627251-SG: Replace leaking sections of 40-year-old Sclaircore direct bury sewer main and replace spot sections of pipe due to sagging in coordination with an Alaska Department of Transportation and Public Facilities project.	---	Tier 3	\$500,000			5 to 20	5/26/2025	SFY25-3
LOAN AMENDMENTS SUBTOTAL								\$12,538,800		\$1,500,000		\$0			
Total Funding Requested (All Categories)								\$ 187,142,518		\$11,740,202		\$15,711,000			

Alaska Clean Water Fund
Programmatic Financing (Pro Fi) Projects

Applicant: Anchorage Water and Wastewater Utility

SFY25 Loan Request: \$11,500,000

SFY26 Loan Request: \$26,664,500

Loan Repayment Term: 20 years

Year	SRF #	Sub Project Name	Description
SFY25	SFY26	C-19-05f King Street Fuel Storage improvements	Relocate the existing fuel storage and dispensing system. This project will also streamline the traffic pattern within the facility.
SFY25	SFY26	C-20-25 Pump Station (PS) 2 Rehabilitation	Rehabilitate Pump Station 2 to reduce the risk of sanitary sewer overflows, emergency repairs. Replace high voltage electrical system, aging and corroding piping, valves, control systems, and various site improvements for Pump Station 2.
SFY25		C-22-01 E 42nd Ave Upgrade - Sewer	To prevent sewer backups associated with bellies and damaged pipe, re-route a section of sewer main to a new alignment in a dedicated sewer easement within MOA right-of-way. The replacement sewer and manholes will be constructed on helical piles.
SFY25	SFY26	C-22-02 Pump Station (PS) 12 Force Main Interceptor C - Gravity Junction Rehab	Assess and rehabilitate Pump Station 12, force mains, gravity junction box, and the receiving 48-inch gravity sewer. The culverts that support the force mains for the Campbell Creek crossing will also be assessed and rehabilitated as part of the project.
SFY25		C-22-03 Turpin Septage Receiving Station	Assess and rehabilitate the Turpin Septage Receiving Station.
SFY25		C-22-04 W 72nd Ave Trunk Rehabilitation	Rehabilitate a corroded 15-inch corrugated metal sewer main. This project will either line with cured-in-place pipe or directly replace the failing pipe.
SFY25		C-23-01 D-2-4 Trunk Improvements	Design and construct improvements to the D-2-4 trunk main to improve the ability to access and maintain the line and to enhance capacity to avoid sanitary sewer overflows.
SFY25		C-19-09 Pump Station (PS) 52 Improvements	Design and construct a pump station to replace the current infrastructure built in 1982. Construction work is anticipated to include abandoning and demolishing the existing sewage lift station and piping, construction of a new sewage pump station and valve vault, installing a new control panel, and constructing a generator pad and relocating the existing generator. The work will include a temporary sewer bypass system, dewatering, and restoration of all affected streets. Existing utilities will be relocated with the existing developed easement and Rights of way to accommodate the work and provide better access.
SFY25	SFY26	C-24-01 Eagle River Wastewater Treatment Facility (ERWWTF) Ultraviolet (UV) and Wastewater Upgrades	Increase ultraviolet (UV) disinfection capacity to address current Alaska Pollutant Discharge Elimination System (APDES) permit limits for fecal coliform effective March 1, 2020. Rehabilitate deficiencies identified during the preparation of the ERWWTF Plan.
SFY25		C-24-03 Sanitary Sewer Energy Savings Performance Contracting Services	AWWU is contracting with an energy savings performance contractor to investigate, recommend improvements, design, and construct energy efficient and other related performance contracting services. Recommended improvements may include energy efficient lighting upgrades, HVAC and controls upgrades, and a new lower cost pressure wash system at the Girdwood WWTF, and a new Fats, Oil and Grease (FOG) receiving station.
SFY25		Girdwood Sewer R&R Ph 1	Upgrade of seventeen sewer services which include the removal and replacement of 512 feet of sewer lines, dewatering, upgrading sewer flow control, working on creek bypassing, and restoration of the landscaping.
SFY25		King Street Septage Receiving Station	Upgrade the existing septage receiving station with pretreatment equipment and increase the user access.
	SFY26	FOG Receiving Station	Construct a fats, oils, and grease (FOG) receiving and processing facility, set tipping fees, and evaluate and recommend potential enforcement and code changes to mitigate FOG impacts to the wastewater system.
	SFY26	Girdwood I-I PhIA	Upgrade 17 sewer services which include approximately 512 feet of sewer service replacement, dewatering, sewer flow control, traffic control, creek by-passing, landscaping and surface restoration.
	SFY26	King Street Grit Facility Upgrades	Upgrade existing grit facility to be apable of accepting slurry material being deposited.
	SFY26	Eagle River Wastewater Treatment Facility (ERWWTF) Tertiary Filter Improvements	Replace sand filter at ERWWTF with compressible media filters, disk filters or pile cloth filters.
	SFY26	Debora Subdivision Sewer Upgrade	Conduct an alternative analysis to dictate if the solution for Pump Station 55 is a new pipe, rehabilitation, or replacement and implement the determined solution.
	SFY26	Algot Strom Subdivision Sewer Upgrades	Replace existing 4-inch pipe with 8-inch sewer main.
	SFY26	Worst Subdivision Sewer Lining	Rehabilitate 16-inch sewer trunk in Worst Subdivision.
	SFY26	Anchorage Wastewater Treatment Facility (AWWTF) NPDES Permit Renewal	Renew AWWTF NPDES permit.

Appendix 3. Disadvantaged Community Criteria

Background

The Safe Drinking Water Act (SDWA) and the Clean Water Act (CWA) allow states to define communities most in need of financial assistance through affordability criteria. Based on conditions established in the annual Clean Water and Drinking Water State Revolving Fund capitalization grants, a portion of each grant must be provided as an additional subsidy. The Alaska SRF Program provides this subsidy in the form of principal forgiveness of low-interest loans.

In 2023, the Alaska SRF Program reviewed its disadvantaged community criteria and proposed a revised method. The SRF Program historically focused on three metrics--income, unemployment and population--to identify borrowers that would experience a significant hardship raising the revenue necessary to finance a project. In an effort to develop a more comprehensive definition of what it means to be a disadvantaged community, the Alaska SRF Program included additional socioeconomic metrics as well as a factor to account for rural status.

Recent Modifications to Criteria

Project Priority Type: Federal Disaster Declarations

In January 2025, the Disadvantaged Community Criteria was modified to identify projects directly related to a federal disaster declaration as priority projects. In the context of the Disadvantaged Community Criteria, a "federal disaster declaration" refers to a declaration made by the President of the United States and includes both emergency and disaster declarations.

Recent federal disaster declarations impacting Alaska have been related to earthquakes, landslides, flooding, severe storms, and fires. While the SRF Program is already positioned to provide low-interest loans to eligible borrowers with critical water and wastewater infrastructure or water quality impacted by such disasters, many were not eligible to receive loan forgiveness for such projects under the previous Disadvantaged Community Criteria. Incorporating federal disaster declarations as a Priority Project Type allows ADEC to ensure that all communities with a federal disaster declaration have an opportunity to apply for a low-interest loan and also qualify for loan forgiveness, if funding is available to provide loan forgiveness.

Rural Community Status Scoring

In this version of the Disadvantaged Community Criteria presented in the SFY26 Intended Use Plan, the rural community score was increased from 2 points to 4 points. This increase in the score for rural communities is intended to serve as an indicator of the higher cost of living generally associated with rural communities.

Disadvantaged Community Criteria - Federal and State Requirements

Under the Drinking Water State Revolving Fund (DWSRF) program, states may establish separate eligibility criteria and special funding options for economically disadvantaged communities. Section 1452 of the SDWA defines a disadvantaged community as “the service area of a public water system that meets affordability criteria established after public review and comment by the State in which the public water system is located.” Under this section, states may provide additional subsidies (including forgiveness of principal) to communities that meet the established criteria, or that are expected to meet these criteria as a result of a proposed project.

In 2014, the Water Resources Reform and Development Act (WRRDA) revised the CWA to require all CWSRF programs to develop affordability criteria to be used by the state when determining which CWSRF borrowers are economically disadvantaged and eligible for additional subsidy. Pursuant to WRRDA, the affordability criteria must be based on the income data, unemployment rates, and population trends, as well as any other components deemed relevant by the state.

In Alaska, state regulations limit the distribution of subsidy through the SRF Program to borrowers who meet the state definition of a disadvantaged community. As noted in regulations for the Alaska Clean Water Fund (Alaska Administrative Code, Title 18, Chapter 76.035 [18 AAC 76.035]), “the department may provide a subsidy to an applicant in the form of principal forgiveness...if the applicant demonstrates that it meets affordability criteria.” Similarly, the Alaska Drinking Water Fund regulations indicate that “the department may provide a subsidy to a disadvantaged system in the form of principal forgiveness.”

DWSRF Additional Subsidy – Base Capitalization Grants

The SDWA mandates that states use at least 12% but no more than 35% of the annual base capitalization grant to provide additional subsidization for state defined disadvantaged communities. Additional subsidization is funding beyond the savings provided by a below market rate subsidized loan. In Alaska, additional subsidization is provided in the form of principal forgiveness.

In addition to the additional subsidization identified in the SDWA, Congress has included further additional subsidization requirements through the annual appropriation language. For Federal Fiscal Year 2025 (FFY25), the Congressionally mandated subsidy requirement is 14% of the capitalization grant with no specific eligibility requirements. The two required groups of subsidies are additive, meaning that the state is obligated to offer 26 to 49% of the FFY25 base capitalization grant as additional subsidy. As noted previously, Alaska regulations restrict subsidy eligibility to disadvantaged communities.

CWSRF Additional Subsidy – Base Capitalization Grants

The CWA mandates that states use at least 10% but no more than 30% of the annual base capitalization grant to provide additional subsidization for:

- any municipalities that meet the state’s affordability criteria;
- municipalities that do not meet the state’s affordability criteria but seek additional subsidization to benefit individual ratepayers in the residential user rate class; or
- entities that implement a process, material, technique, or technology that addresses water or energy efficiency goals; mitigates stormwater runoff; or encourages sustainable project planning, design, and construction.

The Congressionally mandated subsidy requirement is 10% of the FFY25 capitalization grant with no specific eligibility requirements. As with the DWSRF, the two groups of subsidies are additive, meaning that the state is obligated to offer a minimum of 20% and a maximum of 40% of the FFY25 capitalization grant as additional subsidy.

CWSRF / DWSRF Additional Subsidy - Infrastructure Investment and Jobs Act (IIJA) Grants

The additional subsidy amounts specified for grants authorized under IIJA are listed in the table below:

Program / Grant	Additional Subsidy Amount
CWSRF General Supplemental	49% of capitalization grant
CWSRF Emerging Contaminants	100% of capitalization grant amount
DWSRF General Supplemental	49% of capitalization grant amount
DWSRF Emerging Contaminants	100% of capitalization grant amount, net of set asides taken
DWSRF Lead Service Line	49% of capitalization grant amount

Criteria for Defining Disadvantaged Communities

Disadvantaged community status is determined by considering four factors: household burden, socioeconomic indicators, rural community status and priority projects. Projects that are associated with a federal disaster declaration are also given consideration with regard disadvantaged criteria. Points are assigned for each factor as noted below.

Household Burden

The Household Burden indicator focuses on household income and the affordability impacts on those households most effected by the cost of utility service. Income quintiles are a socio-economic measure that groups a community's household income data into five equal parts. Each quintile represents 20% of the population.

Upper limit of lowest quintile income (LQI)

Income quintiles group a community's household income data into five equal parts. Each quintile represents 20% of the population.

If the LQI is greater than the statewide LQI	No points
If the LQI is less than the statewide LQI	1 point
If the LQI is less than 80% of the statewide LQI	2 points

Cost of service as a percentage of LQI

The annual cost of service for both water and wastewater service (user fees) for residential connections is divided by the upper limit of the LQI to provide an indicator of the burden on lowest income earners in the community.

If the Cost of Service/LQI is less than 4%	No points
If the Cost of Service/LQI is greater than 4%	1 point
If the Cost of Service/LQI is greater than 6%	2 points

Socioeconomic Factors

Socioeconomic factors are used to consider a variety of indicators that may demonstrate economic stress in a community including the percentage of household receiving public assistance, the percentage of households below the poverty level, unemployment rates, and population trends.

Percentage of households receiving Supplemental Nutrition Assistance Program (SNAP) benefits relative to the statewide average.

If the % of households receiving SNAP is less than statewide average	No points
If the % of households receiving SNAP is greater than statewide average	1 point
If the % of households receiving SNAP is 150% of statewide average	2 points

Percentage of households below poverty level relative to the statewide average.

The poverty level is determined by the U.S. Census Bureau.

If the % of households below poverty level is less than statewide	No points
If the % of households below poverty level is greater than statewide	1 point
If the % of households below poverty level is 150% of statewide or greater	2 points

Unemployment Rate

The monthly unemployment rates posted by the Alaska Department of Labor for the borough or census area where the community is located for the previous calendar year are averaged and compared to the statewide unemployment rates.

If the unemployment rate is less than statewide rate	No points
If the unemployment rate is greater than statewide rate	1 point
If the unemployment is 150% of statewide rate or greater	2 points

Population Trend

The 2010 population from the decennial Census data compared to the 2020 population.

If the community population increases or decreases by less than 10%	No points
If the community population changes by 10-20%	1 point
If the community population change exceeds 20%	2 points

Rural Communities

Rural communities will receive four additional points in the scoring process. The following definition is used for a rural community:

- A community that is eligible for assistance under the Village Safe Water Act, or
- A community that meets each of the following criteria:
 - is not located in an area that is identified as a Metropolitan or Micropolitan according to the U.S. Office of Management and Budget **and**
 - is at least 300 road miles from a Metropolitan or Micropolitan area **and**
 - has a population that exceeds 25 but is less than 4,500.

Rural community status	4 points
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Priority Projects

Eligibility for loan forgiveness will also be assessed based on the project type. If the project aligns with one of the priority types listed below, points will be added to the project's score as noted.

Project Priority Type	Points
Project will result in completion of a Lead Service Line Inventory or replace known lead service lines.	6 points
Project will provide treatment to address an emerging contaminant.	6 points
Project will resolve a health-based violation of the SDWA.	6 points
Project will plan, design, and/or construct domestic wastewater treatment to meet the minimum treatment requirements of 18 AAC 72.050	6 points
Project will result in consolidation of two or more public water systems or wastewater systems	6 points
A water distribution system will be expanded to provide service to replace private sources that exceed the MCL for a primary drinking water contaminant.	6 points
A wastewater collection system will be expanded to provide service to individual services that use on-site wastewater	6 points
Project will improve the water quality of an impaired water body.	5 points
Project will result in development of an Asset Management Plan.	4 points
Project will address or mitigate a water or wastewater utility infrastructure issue or a water quality concern directly related to a federal disaster declaration.	Tier 5

Data Sources

Data sources for the information included in the Household Burden and Socioeconomic indicators are listed below:

Category / Metric	Source
Income and Poverty	
Lowest quintile income	American Community Survey
% below poverty level	American Community Survey
% Public Assistance/SNAP	American Community Survey
Unemployment rate of borough/census area	Alaska Department of Labor
Population Trend	Decennial Census

Disadvantaged Community - Tiers

Each loan applicant will be assessed based on household burden and socioeconomic factors to represent a base score for the community. Depending on the type of project proposed, additional points may be assigned to specific priority projects based on the criteria in the preceding section. Based on the points allotted, each project will be assigned to a tier with an associated percentage of loan forgiveness. To the extent that additional subsidy funds are available, disadvantaged communities may receive principal forgiveness associated with the base and supplemental capitalization grants as shown in the table below.

Tier	Point Range	Maximum Loan Forgiveness per Community/System	
		Clean Water Projects	Drinking Water Projects
Tier 1	0 to 3	Not applicable	Not applicable
Tier 2	4 to 6	\$500,000	\$1,500,000
Tier 3	7 to 9	\$1,000,000	\$2,500,000
Tier 4	10+	\$2,000,000	\$3,500,000
Tier 5	N/A	\$2,000,000 or 50% of project cost, whichever is greater	\$3,500,000 or 50% of project cost, whichever is greater

Disadvantaged Communities – Base Scores and Tiers

The following table shows the Household Burden, Socioeconomic and Rural Community scores for several communities throughout the state. The communities represented in this table are either past or present SRF borrowers or have expressed an interest in pursuing financing through the SRF Program.

If a community proposes a project that qualifies as a "priority project" as defined by the SRF Program, additional Disadvantaged Community criteria points may be added to the proposed project. The higher level of forgiveness resulting from meeting the "priority project" definition can be used for the associated proposed project. The community cannot re-assign the higher level of forgiveness to other non-priority projects. If the community's ceiling for loan forgiveness is met by a priority project, no additional loan forgiveness will be assigned for the year.

Community	Household Burden Score (1)	Socioeconomic Factors Score (2)	Rural Community (3)	Base Score (1)+(2)+(3)	Base Score Tier
Anchorage	0	0	0	0	Tier 1
Bethel	2	5	4	11	Tier 4
Cordova	0	2	4	6	Tier 2
Craig	2	4	4	10	Tier 4
Dillingham	1	4	4	9	Tier 3
Fairbanks	1	2	0	3	Tier 1
Gustavus	2	5	4	11	Tier 4
Haines	4	3	4	11	Tier 4
Homer	2	2	0	4	Tier 2
Hoonah	1	7	4	12	Tier 4
Hooper Bay	4	8	4	16	Tier 4
Juneau	1	2	0	3	Tier 1
Kenai	3	2	0	5	Tier 2
Ketchikan	3	2	0	5	Tier 2
King Cove	1	4	4	9	Tier 3
King Salmon	0	2	4	6	Tier 2
Kodiak	2	4	0	6	Tier 2
Kotzebue	0	5	4	9	Tier 3
Naknek	1	2	4	7	Tier 2
Nenana	4	5	4	13	Tier 4
Nome	0	3	4	7	Tier 3
North Pole	0	0	0	0	Tier 1
Palmer	2	3	0	5	Tier 2
Petersburg	1	1	4	6	Tier 2
Sand Point	2	3	4	9	Tier 3
Selawik	4	6	4	14	Tier 4
Seldovia	0	1	4	5	Tier 2
Seward	4	3	0	7	Tier 3
Sitka	1	0	0	1	Tier 1
Skagway	0	4	4	8	Tier 3
Soldotna	3	5	0	8	Tier 3
Saint Paul	1	4	4	9	Tier 3
Talkeetna	3	4	0	7	Tier 3
Togiak	3	6	4	13	Tier 4
Unalakleet	3	6	4	13	Tier 4
Unalaska	0	0	4	4	Tier 2
Utqiagvik	0	3	4	7	Tier 2
Valdez	0	2	0	2	Tier 1
Wasilla	4	6	0	10	Tier 4
Whittier	3	7	4	14	Tier 4
Wrangell	1	3	4	8	Tier 3
Yakutat	0	1	4	5	Tier 2

Disadvantaged Community Criteria Scoring Table

Community	Average Lowest Household Income Quintile	2019 Lowest Household Income Quintile	2020 Lowest Household Income Quintile	2021 Lowest Household Income Quintile	2022 Lowest Household Income Quintile	2023 Lowest Household Income Quintile	*A. Income Quintile Score < State = 1 pt < 80% of State = 2pt	Monthly Water & Sewer Bill	Total Utility Bill as Percent of Average Lowest Household Income Quintile	*B. Cost of Service Score > 4% = 1 pt > 6%=2pt	SNAP Percent Households Receiving Nutrition Assistance	*C. SNAP Score >State = 1 >150% of State = 2	POVERTY Percent Households Below Poverty Level in the past 12 months	*D. Poverty Score >State = 1 >150% of state = 2	Unemployment 2024	*E. >State = 1 >150% of state = 2	2010 Population	2020 Population	Population Trend 2010 to 2020	*F. Population Change +/- 10 to 20% = 1 point Population Change > +/- 20% = 2 points	*G. Rural Community	Total (A+B+C+D +E+F+G)	Community
Statewide	\$37,059	\$34,473	\$35,464	\$36,162	\$38,990	\$40,206					10.2%		9.6%		4.6%								
Anchorage	\$42,189	\$40,381	\$40,554	\$41,085	\$43,473	\$45,452	0	\$ 118.16	3.4%	0	8.8%	0	8.4%	0	3.8%	0	291,826	291,247	-0.2%	0	0	0	Anchorage
Bethel	\$39,580	\$33,629	\$33,167	\$38,609	\$43,800	\$48,696	0	\$ 286.25	8.7%	2	23.3%	2	12.1%	1	10.9%	2	6,080	6,325	4.0%	0	4	11	Bethel
Buckland	\$30,134	\$22,786	\$29,875	\$27,444	\$35,400	\$35,167	1		0.0%	0	50.0%	2	19.2%	2	9.4%	2	416	550	32.2%	2	4	13	Buckland
Cordova	\$56,073	\$53,865	\$53,873	\$52,633	\$57,946	\$62,048	0	\$ 95.43	2.0%	0	5.2%	0	0.6%	0	6.0%	1	2,239	2,609	16.5%	1	4	6	Cordova
Craig	\$32,715	\$27,844	\$32,875	\$33,167	\$34,938	\$34,750	1	\$ 127.28	4.7%	1	11.8%	1	9.3%	0	7.5%	2	1,201	1,036	-13.7%	1	4	10	Craig
Dillingham	\$39,025	\$36,022	\$36,088	\$38,583	\$41,625	\$42,808	0	\$ 136.00	4.2%	1	13.6%	1	11.7%	1	8.1%	2	2,329	2,249	-3.4%	0	4	9	Dillingham
Fairbanks	\$34,305	\$31,784	\$32,514	\$34,350	\$36,734	\$36,144	1	\$ 66.21	2.3%	0	11.2%	1	10.1%	1	4.1%	0	31,535	32,515	3.1%	0	0	3	Fairbanks
Gustavus	\$26,399	\$43,607	\$25,833	\$24,857	\$22,000	\$15,700	2		0.0%	0	4.6%	0	20.2%	2	6.1%	1	442	655	48.2%	2	4	11	Gustavus
Haines	\$19,123	\$16,862	\$18,676	\$19,255	\$20,111	\$20,713	2	\$ 99.50	6.2%	2	3.2%	0	10.0%	1	7.5%	2	1,713	1,657	-3.3%	0	4	11	Haines
Homer	\$33,479	\$31,354	\$33,877	\$33,111	\$34,000	\$35,054	1	\$ 164.00	5.9%	1	7.6%	0	9.5%	0	5.1%	1	5,003	5,522	10.4%	1	0	4	Homer
Hoonah	\$31,183	\$30,500	\$30,167	\$33,125	\$33,625	\$28,500	1	\$ 91.79	3.5%	0	15.8%	2	14.8%	2	6.1%	1	760	931	22.5%	2	4	12	Hoonah
Hooper Bay	\$13,933	\$16,889	\$17,000	\$13,141	\$6,583	\$16,050	2	\$ 136.00	11.7%	2	15.8%	2	29.6%	2	16.9%	2	1,093	1,375	25.8%	2	4	16	Hooper Bay
Juneau	\$44,265	\$43,170	\$44,418	\$41,944	\$45,716	\$46,078	0	\$ 146.80	4.0%	1	54.6%	2	7.5%	0	3.4%	0	31,275	32,255	3.1%	0	0	3	Juneau
Kenai	\$29,277	\$24,937	\$30,151	\$29,419	\$31,341	\$30,539	2	\$ 103.22	4.2%	1	8.2%	0	12.3%	1	5.1%	1	7,112	7,424	4.4%	0	0	5	Kenai
Ketchikan	\$28,739	\$26,005	\$27,929	\$28,750	\$29,722	\$31,291	2	\$ 124.91	5.2%	1	11.9%	1	10.5%	1	4.2%	0	8,050	8,192	1.8%	0	0	5	Ketchikan
King Cove	\$33,755	\$30,550	\$33,571	\$31,700	\$37,667	\$35,286	1	\$ 58.35	2.1%	0	16.6%	2	11.9%	1	3.1%	0	938	757	-19.3%	1	4	9	King Cove
King Salmon	\$54,472	\$41,500	\$56,000	\$44,400	\$62,625	\$67,833	0	\$ 60.00	1.3%	0	1.7%	0	4.2%	0	5.5%	1	374	307	-17.9%	1	4	6	King Salmon
Kodiak	\$35,550	\$32,269	\$31,042	\$33,361	\$39,149	\$41,931	1	\$ 159.46	5.4%	1	16.9%	2	10.5%	1	4.9%	1	6,130	5,581	-9.0%	0	0	6	Kodiak
Kotzebue	\$43,134	\$32,227	\$39,536	\$45,200	\$49,600	\$49,107	0	\$ 134.81	3.8%	0	16.8%	2	10.7%	1	9.8%	2	3,201	3,102	-3.1%	0	4	9	Kotzebue
Naknek	\$36,810	\$33,500	\$29,800	\$32,750	\$39,250	\$48,750	1	\$ 90.00	2.9%	0	8.8%	0	5.6%	0	5.5%	1	544	470	-13.6%	1	4	7	Naknek
Nenana	\$19,097	\$17,900	\$17,875	\$17,321	\$18,700	\$23,688	2	\$ 119.34	7.5%	2	14.6%	1	22.0%	2	9.4%	2	378	358	-5.3%	0	4	13	Nenana
Nome	\$47,611	\$43,694	\$44,179	\$46,590	\$50,295	\$53,295	0	\$ 107.82	2.7%	0	12.5%	1	6.4%	0	8.3%	2	3,598	3,699	2.8%	0	4	7	Nome
North Pole	\$50,307	\$42,774	\$48,604	\$50,760	\$56,114	\$53,283	0	\$ 140.00	3.3%	0	2.0%	0	5.8%	0	4.1%	0	2,117	2,243	6.0%	0	0	0	North Pole
North Slope	\$36,302	\$31,863	\$30,793	\$39,031	\$37,296	\$42,527	1	\$ 69.00	2.3%	0	11.9%	1	14.6%	2	5.4%	1	9,430	11,031	17.0%	1	4	10	North Slope
Palmer	\$28,848	\$28,646	\$27,976	\$28,600	\$30,867	\$28,149	2	\$ 72.80	3.0%	0	14.1%	1	12.5%	1	5.1%	1	5,937	5,888	-0.8%	0	0	5	Palmer
Pelican	\$29,806	\$35,875	\$35,500	\$24,800	\$27,167	\$25,688	1	\$ 59.00	2.4%	0	0.0%	0	0.0%	0	6.1%	1	88	98	11.4%	1	4	7	Pelican
Petersburg	\$33,661	\$33,563	\$32,100	\$32,814	\$35,278	\$34,550	1	\$ 84.01	3.0%	0	8.9%	0	5.8%	0	5.9%	1	2,948	3,043	3.2%	0	4	6	Petersburg
Point Lay	\$43,802	\$24,000	\$28,333	\$53,750	\$51,625	\$61,300	0	\$ 69.00	1.9%	0	16.2%	2	4.4%	0	5.4%	1	189	330	74.6%	2	4	9	Point Lay
Sand Point	\$26,334	\$24,000	\$29,200	\$24,556	\$26,833	\$27,083	2	\$ 62.37	2.8%	0	8.8%	0	13.3%	1	3.1%	0	976	578	-40.8%	2	4	9	Sand Point
Selawik	\$15,199	\$10,417	\$10,357	\$12,056	\$20,417	\$22,750	2	\$ 85.00	6.7%	2	70.8%	2	33.3%	2	9.8%	2	829	809	-2.4%	0	4	14	Selawik
Seldovia	\$46,828	\$27,389	\$34,250	\$53,375	\$55,375	\$63,750	0	\$ 96.45	2.5%	0	3.5%	0	8.2%	0	5.1%	1	255	235	-7.8%	0	4	5	Seldovia
Seward	\$24,678	\$21,382	\$23,161	\$23,422	\$26,857	\$28,568	2	\$ 124.15	6.0%	2	5.5%	0	16.0%	2	5.1%	1	2,693	2,717	0.9%	0	0	7	Seward
Sitka	\$38,548	\$33,045	\$36,643	\$37,291	\$42,096	\$43,667	0	\$ 142.60	4.4%	1	6.6%	0	6.9%	0	3.2%	0	8,881	8,458	-4.8%	0	0	1	Sitka
Skagway	\$45,806	\$44,833	\$48,692	\$47,357	\$47,625	\$40,525	0	\$ 140.71	3.7%	0	2.7%	0	6.7%	0	8.6%	2	920	1,164	26.5%	2	4	8	Skagway
Soldotna	\$23,438	\$24,301	\$20,600	\$23,077	\$25,912	\$23,300	2	\$ 107.15	5.5%	1	24.6%	2	17.6%	2	5.1%	1	4,163	4,342	4.3%	0	0	8	Soldotna
Saint Paul	\$30,733	\$24,750	\$26,750	\$21,500	\$30,500	\$50,167	1	\$ 89.10	3.5%	0	18.0%	2	13.1%	1	3.8%	0	479	413	-13.8%	1	4	9	Saint Paul
Talkeetna	\$28,809	\$25,875	\$21,813	\$23,045	\$35,333	\$37,979	2	\$ 138.00	5.7%	1	3.3%	0	21.5%	2	5.1%	1	908	1055	16.2%	1	0	7	Talkeetna
Togiak	\$22,015	\$20,150	\$20,000	\$19,500	\$22,750	\$27,674	2	\$ 80.00	4.4%	1	53.0%	2	21.6%	2	8.1%	2	817	817	0.0%	0	4	13	Togiak
Unalakleet	\$25,394	\$21,600	\$22,955	\$26,050	\$27,438	\$28,929	2	\$ 90.00	4.3%	1	23.7%	2	13.7%	1	8.3%	2	688	765	11.2%	1	4	13	Unalakleet
Unalaska	\$64,604	\$57,735	\$61,152	\$63,976	\$69,330	\$70,828	0	\$ 181.25	3.4%	0	4.3%	0	3.7%	0	3.8%	0	4,376	4,254	-2.8%	0	4	4	Unalaska
Utqiagvik	\$37,376	\$32,420	\$31,250	\$39,271	\$40,068	\$43,873	0	\$ 69.00	2.2%	0	7.5%	0	13.8%	1	5.4%	1	4,212	4,927	17.0%	1	4	7	Utqiagvik
Valdez	\$41,664	\$27,241	\$40,610	\$43,885	\$47,209	\$49,375	0	\$ 23.12	0.7%	0	8.0%	0	4.3%	0	7.7%	2	3,976	3,985	0.2%	0	0	2	Valdez
Wainwright	\$28,216	\$21,250	\$20,750	\$43,071	\$26,786	\$29,222	2	\$ 69.00	2.9%	0	9.9%	0	16.4%	2	5.4%	1	556	628	12.9%	1	4	10	Wainwright
Wasilla	\$20,872	\$23,240	\$19,981	\$19,692	\$20,619	\$20,826	2	\$ 111.18	6.4%	2	20.3%	2	16.3%	2	5.1%	1	7,831	9,054	15.6%	1	0	10	Wasilla
Whittier	\$27,439	\$31,000	\$31,250	\$22,111	\$24,167	\$28,667	2	\$ 110.32	4.8%	1	22.2%	2	19.2%	2	6.0%	1	220	272	23.6%	2	4	14	Whittier
Wrangell	\$29,724	\$25,478	\$29,906	\$27,943	\$30,793	\$34,500	1	\$ 59.32	2.4%	0	11.5%	1	8.6%	0	5.3%	1	2,369	2,127	-10.2%	1	4	8	Wrangell
Yakutat	\$45,928	\$33,857	\$43,875	\$50,214	\$56,192	\$45,500	0	\$ 84.00	2.2%	0	5.8%	0	3.4%	0	6.7%	1	662	657	-0.8%	0	4	5	Yakutat

***References:**

A. U.S. Census Bureau. (2019-2023). "Table B1908- Household Income Quintile Limits." American Community Survey 5-Year Estimates. Retrieved from

B. The water and wastewater rates were found through various resources, which include but are not limited to, the communities ordinances, public works webpages, or utility rate webpages.

C and D. U.S. Census Bureau. (2023). "Table S2201-Food Stamps/Supplemental Nutrition Assistance Program (SNAP)." American Community Survey 5-Year Estimates. Retrieved from [https://data.census.gov/tables/ACSST5Y2023.S2201?_q=S2201:+Food+Stamps/Supplemental+Nutrition+Assistance+Program+\(SNAP\)&g=040XX00US02,02\\$1600000](https://data.census.gov/tables/ACSST5Y2023.S2201?_q=S2201:+Food+Stamps/Supplemental+Nutrition+Assistance+Program+(SNAP)&g=040XX00US02,02$1600000).

E. Alaska Department of Labor and Workforce Development (2024). "Alaska Statewide Unemployment Rate (Not Seasonally Adjusted)." Retrieved from <https://live.laborstats.alaska.gov/data-pages/labor-force-home>.

F. Alaska Department of Labor and Workforce Development (2020). "2020 Census Data for Redistricting: Cities and CDPs." Retrieved from <https://live.laborstats.alaska.gov/cen/2020/downloads>.

G. Rural community points are defined in the Disadvantage Community Criteria.

Appendix 4.

Listing of Capitalization Grant Awards Reference for Potential Transfers Between DWSRF and CWSRF

DWSRF Grant Number	Award Amount	33% of Award
FS-980058-97	\$27,039,000	\$8,922,870
FS-980058-98	7,121,300	2,350,029
FS-980058-99	7,463,800	2,463,054
FS-980058-00	7,757,000	2,559,810
FS-980058-01	7,789,100	2,570,403
FS-980058-02	8,052,500	2,657,325
FS-980058-03	8,004,100	2,641,353
FS-980058-04	8,100,000	2,673,000
FS-980058-05	8,485,500	2,800,215
FS-980058-06	8,229,300	2,715,669
FS-980058-07	8,229,000	2,715,570
FS-980058-08	8,146,000	2,688,180
2F-960915-01	19,500,000	6,435,000
FS-980058-09	8,146,000	2,688,180
FS-980058-10	13,573,000	4,479,090
FS-980058-11	9,418,000	3,107,940
FS-980058-12	9,001,056	2,970,348
FS-980058-13	8,421,000	2,778,930
FS-980058-14	8,845,000	2,918,850
FS-980058-15	8,787,000	2,899,710
FS-980058-16	8,312,000	2,742,960
FS-980057-17	8,241,000	2,719,530
FS-980058-18	11,107,000	3,665,310
FS-980058-19	11,004,000	3,631,320
FS-980058-20	11,011,000	3,633,630
FS-980058-21	11,001,000	3,630,330
FS-980058-22	7,008,000	2,312,640
FS-02J39101 FFY23 Base	5,037,000	1,662,210
4E-02J39201 FFY22 EC	7,555,000	2,493,150
4D-02J39501 FFY22 GS	17,992,000	5,937,360
FS-98005825 FFY24 Base	4,661,000	1,538,130
4D-02J77801 FFY23 GS	21,055,000	6,948,150
4E-02J75201 FFY23 EC	7,690,000	2,537,700
4E-02J75101 FFY24 EC	7,640,000	2,521,200
FFY25 Base Grant (estimated)*	10,906,000	3,676,533
FFY24 General Supplemental*	22,985,000	7,585,050
FFY25 Emerging Contaminant*	7,640,000	2,521,200
FFY22/23 EC Re-allotments*	217,000	71,610
TOTAL	\$381,169,656	\$127,785,986
SFY08 Transfer CWSRF to DWSRF		(29,000,000)
BALANCE		\$96,785,986

The total amount of authority being reserved for transfer purposes is 33% of each DWSRF capitalization grant to the CWSRF or an equivalent amount from the CWSRF to the DWSRF. The sum of grants received to date in addition to those applied for in the SFY26 IUPs is \$381,169,656.

The total authority for transfers is 33% of that total or \$96,785,986. This total includes the transfer of \$29,000,000 from the CWSRF to the DWSRF in SFY08.

The FFY22 Lead Service Line Replacement grant award is not included in this grant award list because there is no equivalent fund in the CWSRF; therefore, the Lead Service Line grant award is not transferable.

* Grant applications submitted but not yet awarded.

Appendix 5. Response to Public Comments Received by July 10, 2025

One letter was received providing comments on the draft IUPs during the 30-day public comment period. The comments and SRF Program responses are provided below followed by a copy of the comment letter.

Recommendations for Both CWSRF and DWSRF Emerging Contaminant IUPs:

Comment: To enhance program goals and reflect community needs, we encourage the Alaska Department of Environmental Conservation (ADEC) to explicitly update its program goals to include provisions for workforce development, specifically through the incorporation of pre-apprenticeship and training programs.

These broader goals, as adopted in other states such as Indiana and Wisconsin, help ensure that infrastructure investments foster sustainable, community-based capacity. For example, Wisconsin's short-term goals include exploring avenues to support pre-apprenticeship, registered apprenticeship, and youth training programs that create employment pathways adjacent to their local water infrastructure. Workforce development is identified as a key priority for underserved communities, and some states already highlight it as a program goal in their IUPs. Strategies states have implemented to establish workforce-related goals in their IUPs are further described [in a report](#) from the Environmental Policy Innovation Center.

SRF Program Response: ADEC agrees with the importance of workforce development strategies to help attract, recruit, train, and retain skilled water and wastewater operators. Utilizing set-aside funds from the Drinking Water State Revolving Fund (DWSRF), ADEC implements several ongoing activities related to workforce development. The DWSRF rules and regulations allow the State to set aside a portion of the capitalization grant for technical assistance including activities related to workforce development. The use of set-aside funds is addressed in one of the long-term goals mentioned in the DWSRF Intended Use Plan prepared for the Base and General Supplemental grants. The activities related to workforce development are listed below:

- ADEC's Operator Certification Program provides training for water and wastewater operators and also administers testing services throughout Alaska. In addition, a system-specific training program has been developed to allow capable and experienced operators to achieve the necessary certification specific to a system. With the additional funding available through the Infrastructure and Investment Jobs Act (IIJA), a program was reinstituted to reimburse water system operators and owners for water training expenses.
- The ADEC Capacity Development staff currently participates in job/career fairs to highlight drinking water and wastewater employment opportunities.
- The Capacity Development team has also been involved in preliminary discussions with a school district in rural Alaska to develop a youth training program that would allow high school students to learn about water/wastewater utility operation and obtain a basic operator certification level.
- Also using the set-aside funds, the Capacity Development team has partnered with the Rural Maintenance Worker team to create a training facility for operators in Anchorage. This hands-on training facility will provide an opportunity for individual training to assist all operators, new and old, to gain new skills and advance in their certified operator status.
- Finally, the Capacity Development team issues water system excellence awards on an annual basis to increase the visibility of systems and operators who have demonstrated their commitment to providing safe drinking water. By increasing visibility, ADEC hopes that the positive recognition contributes to employee retention and community support.

A water/wastewater operator apprenticeship program is available through the Alaska Job Corps. It is the intent of the ADEC to support but not duplicate efforts provided by other entities, including the Job Corps apprenticeship program.

Comment: While ready-to-proceed scoring helps expedite funds, it should not disadvantage communities that require more time for meaningful engagement or technical assistance. We recommend requiring some evidence of local vetting, such as community meetings or Tribal consultation, as a component of project readiness. Similarly, we encourage ADEC to explore additional strategies that lower administrative, financial, and technical barriers for under-resourced systems, enhancing their capacity to submit successful applications and secure critical funding. Potential strategies could include offering more flexible financial terms for systems facing credit rating constraints and conducting a thorough assessment of the reasons a project is not advancing before its removal from the Project Priority List—particularly when the project serves an under-resourced and underserved community.

SRF Program Response: Because federal regulations require the timely and expeditious use of federal funds, the use of readiness-to-proceed criteria helps the SRF Program to ensure that those projects that have completed initial studies or have completed design documents are first in line for funding. The SRF Program offers Sustainable Infrastructure Planning Project loans with \$75,000 in loan forgiveness to allow applicants the opportunity to prepare an initial planning document that may help them to move forward with obtaining construction financing when they are ready to proceed forward. Additionally, the SRF Program works very closely with the EPA and its Technical Assistance providers, who are specifically dedicated to assisting communities reach a point where they can apply for SRF funding. ADEC's SRF Program and Technical Assistance Program meet monthly with the EPA and its Technical Assistance providers to identify and pair communities that need assistance, as well as to develop resources for communities.

Comment: To deepen public participation, we recommend expanding opportunities for feedback beyond the statutory minimum. This could include having a comment period of 30 business days, holding two to three listening sessions or webinars, engaging directly with Tribes and community-based organizations, and publishing responses to public comments in a timely and accessible format. These practices ensure that public input helps shape final priorities.

SRF Program Response: In addition to the 30-day public comment period for the draft Intended Use Plan during which any comments pertinent to the program are accepted, each subsequent update to the Project Priority List is subject to a 10-day public comment period. Currently, the Project Priority List is updated three times during the fiscal year. Therefore, there are opportunities throughout the year for public input both at the program level and the project-specific level. Because this process happens on an annual basis, the SRF Program believes that the 30-day public comment period is appropriate, and it allows the SRF Program to move forward with finalizing the annual Intended Use Plan in a timely manner to meet federal requirements.

To enhance visibility of the Intended Use Plan and Project Priority List draft publication, the SRF Program notifies borrowers, potential borrowers, and those on our mailing list of its availability for review. The SRF Program also provides presentations during the Alaska Municipal League's (AML) Infrastructure office hours to inform AML members of the documents that have been public noticed, along with a summary, and to answer any questions they may have.

Comment: ADEC reserves the right to transfer up to 33% between the DWSRF and CWSRF EC programs. We recommend ADEC articulate under what circumstances it would execute such a transfer, and how equity and emerging contaminant priorities would be maintained in doing so.

SRF Program Response: Since the 1996 Safe Drinking Water Act Amendments, Congress has authorized transfers between the two SRF programs in order to give states flexibility to address their most pressing water infrastructure needs. The fund transfer language was included in the Intended Use Plans to reserve the authority to complete a fund transfer because EPA requires the inclusion of this language. However, the SRF Program is not currently considering any transfers between funds.

Comment: We seek additional clarity regarding the utilization of DWSRF funds. In the *Sources and Uses of Funds* table, it appears that \$20,605,150 is allocated and available for Emerging Contaminant (EC) projects. However, the Project Priority List (PPL) indicates that the total amount of fundable EC projects is \$8,499,213. This presents a significant discrepancy between the funds available and the funds potentially utilized. If our understanding is correct, we would appreciate your assistance understanding the factors contributing to this gap.

SRF Program Response: The *Sources and Uses of Funds* table in the Intended Use Plan indicates the funds that have been allotted to Alaska and are available to be committed in loan agreements. For State Fiscal Year 2026, the available funds total \$20,605,150.

When the Intended Use Plan and Project Priority List for DWSRF Emerging Contaminants funds were posted in May 2026, the requests that had been submitted to the SRF Program for Emerging Contaminants projects totaled \$8,499,213. Questionnaires may be submitted at any time throughout the year. Subsequently, in June 2025, two additional questionnaires were submitted to the SRF Program, increasing the total requests for the available Emerging Contaminants loan funds.

Differences in Recommendations Based on Disadvantaged Community (DAC) Criteria:

Comment: The DWSRF IUP clearly states that all EC projects qualify as DACs and are eligible for 100% principal forgiveness. This clarity is appreciated. However, the CWSRF IUP does not contain this same blanket provision. We recommend clarifying that all eligible EC projects under the CWSRF EC program are considered disadvantaged for the purposes of forgiveness, or, alternatively, ensuring that the DAC scoring system reliably places such projects in tiers eligible for full subsidy.

SRF Program Response: Both CWSRF and DWSRF projects that address emerging contaminants are included in the Disadvantaged Community Criteria as special project priorities; therefore, all projects that address an emerging contaminant are considered to meet the disadvantaged criteria. For clarification, the language in the final version of the CWSRF Emerging Contaminants IUP has been modified to mirror the DWSRF Emerging Contaminants IUP.

Comment: To support community understanding and trust, we recommend showing the DAC tier score calculation for each project on the PPL—particularly for projects receiving principal forgiveness. For DWSRF EC projects, a note that all projects are DACs is helpful. For CWSRF EC, it is critical to clarify how DAC scoring and emerging contaminant priorities interact to determine eligibility.

SRF Program Response: The DAC tier score calculated for each applicant depends on the community they operate in and sets the subsidy ceiling for the applicant for the applicable state fiscal year. Therefore, if an applicant has multiple projects, the subsidy will be applied to their highest-ranking projects until the maximum allowable subsidy amount has been allocated.

An additional table has been added to the Disadvantaged Community Criteria that includes each factor; the applicable Census data or Alaska Department of Labor employment data, the assigned score based on that data, and the overall score for the community.

From: [Melis Coady](#)
To: [DEC SRF Program](#)
Subject: Comments on the Draft IUPs
Date: Wednesday, July 9, 2025 2:54:35 PM

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Dear ADEC SRF Program Team,

Thank you for the opportunity to comment on Alaska's Clean Water and Drinking Water State Revolving Fund (SRF) Emerging Contaminant (EC) Intended Use Plans (IUPs). We appreciate the strides made in recent years to increase geographic representation in funding opportunities, improve accessibility for small and rural communities, and incorporate resilience into project prioritization. In particular, we commend the inclusion of enhanced scoring for rural areas and new allowances for communities recovering from federally declared disasters. These updates reflect a strong and thoughtful response to the evolving needs of Alaska's communities.

After reviewing the IUPs, we offer the following recommendations for your consideration. Many of these apply to both the CWSRF and DWSRF programs, given their shared structure and purpose, though some nuanced differences are also discussed:

Recommendations for Both CWSRF and DWSRF Emerging Contaminant IUPs:

1.

To enhance program goals and reflect community needs, we encourage the Alaska Department of Environmental Conservation (ADEC) to explicitly update its program goals to include provisions for workforce development, specifically through the incorporation of pre-apprenticeship and training programs.

These broader goals, as adopted in other states such as Indiana and Wisconsin, help ensure that infrastructure investments foster sustainable, community-based capacity. For example, Wisconsin's short-term goals include exploring avenues to support pre-apprenticeship, registered apprenticeship, and youth training programs that create employment pathways adjacent to their local water infrastructure. Workforce development is identified as a key priority for underserved communities, and some states already highlight it as a program goal in their IUPs. Strategies states have implemented to establish workforce-related goals in their IUPs are further described [in a report](#) from the Environmental Policy Innovation Center.

2.

While ready-to-proceed scoring helps expedite funds, it should not disadvantage communities that require more time for meaningful engagement or technical assistance. We recommend requiring some evidence of local vetting, such as community meetings or Tribal consultation, as a component of project readiness. Similarly, we encourage ADEC to explore additional strategies that lower administrative, financial, and technical barriers for under-resourced systems, enhancing their capacity to submit successful applications and secure critical funding. Potential strategies could include offering more flexible financial terms for systems facing credit rating constraints and conducting a thorough assessment of the reasons a project is not advancing before its removal from the Project Priority List—particularly when the project serves an under-resourced and underserved community.

3.

To deepen public participation, we recommend expanding opportunities for feedback beyond the statutory minimum. This could include having a comment period of 30 business days, holding two to three listening sessions or webinars, engaging directly with Tribes and community-based organizations, and publishing responses to public comments in a timely and accessible format. These practices ensure that public input helps shape final priorities.

4.

ADEC reserves the right to transfer up to 33% between the DWSRF and CWSRF EC programs. We recommend ADEC articulate under what circumstances it would execute such a transfer, and how equity and emerging contaminant priorities would be maintained in doing so.

5.

We seek additional clarity regarding the utilization of DWSRF funds. In the *Sources and Uses of Funds* table, it appears that \$20,605,150 is allocated and available for Emerging Contaminant (EC) projects. However, the Project Priority List (PPL) indicates that the total amount of fundable EC projects is \$8,499,213. This presents a significant discrepancy between the funds available and the funds potentially utilized. If our understanding is correct, we would appreciate your assistance understanding the factors contributing to this gap.

Differences in Recommendations Based on Disadvantaged Community (DAC) Criteria:

6.

The DWSRF IUP clearly states that all EC projects qualify as DACs and are eligible for 100% principal forgiveness. This clarity is appreciated. However, the CWSRF IUP does not contain this same blanket provision. We recommend clarifying that all eligible EC projects under the CWSRF EC program are considered disadvantaged for the purposes of forgiveness, or, alternatively, ensuring that the DAC scoring system reliably places such projects in tiers eligible for full subsidy.

7.

To support community understanding and trust, we recommend showing the DAC tier score calculation for each project on the PPL—particularly for projects receiving principal forgiveness. For DWSRF EC projects, a note that all projects are DACs is helpful. For CWSRF EC, it is critical to clarify how DAC scoring and emerging contaminant priorities interact to determine eligibility.

Thank you again for your commitment to making Alaska's water infrastructure programs more resilient and accessible. We appreciate your consideration of these recommendations and would be glad to support further community engagement or policy development efforts.

Sincerely,
Melis

Melis Coady
Executive Director
Susitna River Coalition

