ALASKA CLEAN WATER FUND

Intended Use Plan

Emerging Contaminants

State Fiscal Year 2026

July 1, 2025 – June 30, 2026

For Federal Emerging Contaminants
funds appropriated in Federal Fiscal Year 2025

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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Contents

Appendices

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 of 2018
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
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
WIIN	Water Infrastructure Improvements for the Nation Act of 2016

EXECUTIVE SUMMARY

The Alaska Department of Environmental Conservation (ADEC) State Revolving Fund (SRF) Program is applying for a Clean Water State Revolving Fund (CWSRF) Emerging Contaminant capitalization grant made available through the Infrastructure Investment and Jobs Act of 2021 (IIJA, also referred to as the Bipartisan Infrastructure Law or BIL). Alaska's allotment from the Emerging Contaminants Federal Fiscal Year 2025 (FFY25) appropriation is $1,273,000. The CWSRF BIL Emerging Contaminants appropriation is authorized for five years, starting with FFY22. Alaska applied for and received the first three years of available Emerging Contaminants grants (FFY22, FFY23, and FFY24) that totaled $3,105,000. After the FFY25 grant is awarded, the total CWSRF Emerging Contaminant funding for Alaska will be $4,378,000.

For a project or activity to be eligible for funding under the CWSRF Emerging Contaminants grant, it must be otherwise CWSRF eligible, and the primary purpose must be to address emerging contaminants, including perfluoroalkyl and polyfluoroalkyl substances (PFAS), in wastewater, stormwater, and nonpoint source pollution. All CWSRF Emerging Contaminants funding is provided by the SRF Program as 100% forgivable loans.

In the previous fiscal year, State Fiscal Year 2025 (SFY25), the SRF Program issued a $1,000,000 CWSRF Emerging Contaminant 100% forgiven loan to the City of Fairbanks to study PFAS-contaminated biosolids thermal remediation. In SFY26, the City and Borough of Juneau is anticipated to submit a loan application for a project to address treatment of PFAS-contaminated biosolids.

INTRODUCTION

In 1987, Congress amended the federal Clean Water Act (CWA) authorizing 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 U.S. Environmental Protection Agency (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 continues to provide funding as part of its annual appropriations. In Alaska, this loan program is administered by the Alaska Department of Environmental Conservation (ADEC) State Revolving Fund (SRF) Program.

This Intended Use Plan (IUP), required under the CWA, describes how Alaska proposes to use available funds for SFY26 from July 1, 2025 through June 30, 2026 provided by federal funds allocated to Alaska through the CWSRF Emerging Contaminants appropriations. Eligibility for CWSRF loans and CWSRF program requirements, including any requirements of the applicable appropriations legislation, are also included in the IUP.

Comments regarding the draft IUP were accepted during a 30-day public comment period. After considering comments received, the IUP was finalized and posted on the SRF Program web page. The comments received and the SRF Program responses are provided in Appendix 4.

PROGRAM GOALS

Long-Term Goals

1. Assist local communities as they strive to address emerging contaminants in wastewater, stormwater, groundwater, and nonpoint source pollution with a focus on PFAS.

Short-Term Goals

1. Collaborate with the ADEC Division of Environmental Health's Drinking Water Program and Division of Water's Wastewater and Water Quality Programs to identify PFAS impacted communities.
2. Collaborate with other agencies to determine funding options for impacted communities.
3. Provide technical assistance to entities who request help with emerging contaminant issues.

EMERGING CONTAMINANTS - ELIGIBILITY

Municipalities are eligible to apply for Emerging Contaminants funding. For a project or activity to be eligible under this appropriation, it must meet the following criteria:

- The project must be otherwise eligible under section 603(c) of the CWA, and
- The primary purpose of the project must address emerging contaminants in wastewater effluent, groundwater, or surface water.

Section 603(c) of the CWA provides the CWSRF with a broad range of project eligibilities, including the construction of publicly owned treatment works (POTWs), stormwater management, and nonpoint source pollution control. Planning and design for capital projects, as well as broader water quality planning where there is a reasonable expectation that the planning will result in an eligible capital project, are eligible. Capital costs are also eligible (e.g., construction activities and equipment purchase). The CWSRF cannot fund operation and maintenance activities, including monitoring, unless the monitoring is an integral part of the planning and design for a capital project.

Emerging contaminants refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment. These substances, microorganisms, or materials can include many different types of natural or manufactured chemicals and substances – such as those in some compounds of personal care products, pharmaceuticals, industrial chemicals, pesticides, and microplastics. A description of emerging contaminants for the purposes of CWSRF financing can be found in Appendix B of EPA's March 2022 Memorandum Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law.

Contaminants with water quality criteria established by EPA under CWA section 304(a), except for PFAS, are not considered emerging contaminants. This includes nutrients (e.g., ammonia, nitrogen, and phosphorus), certain organics, and certain metals.

GREEN PROJECT RESERVE

The FFY25 CWSRF Emerging Contaminants appropriation requires that 10% of the capitalization grant be used to the extent possible to fund projects that include energy conservation, water conservation, and/or environmentally innovative activities. The SRF Program will identify projects, or project components, that meet green criteria and document those amounts. Currently, the projects listed on the PPL do not include identified green components; however, the SRF Program will further consider each project during the loan application review process to determine any eligible green components. The SRF Program includes points in the project scoring criteria for those proposed projects that include green criteria identified by the applicant.

LOAN FORGIVENESS

Loans for Emerging Contaminant projects are required to be 100% forgiven. This forgiveness is referred to as additional subsidization in the capitalization grants. All additional subsidies must be in the form of assistance agreements with 100% forgiveness of principal or grants. Alaska will use loan agreements with 100% loan forgiveness to satisfy the grant requirement.

The FFY25 CWSRF Emerging Contaminants appropriations require that 100% of the capitalization grants, net of the 2% Technical Assistance and 4% Administrative allowances, be used to provide additional subsidy to CWSRF projects. Because Alaska is reserving the allowance for the FFY25 Emerging Contaminants appropriation, the full capitalization grant amount ($1,273,000) may be provided as additional subsidy to eligible CWSRF assistance recipients for any projects eligible under section 603(c) of the CWA that address emerging contaminants.

Alaska regulations restrict subsidy eligibility to disadvantaged communities. More information about disadvantaged community criteria is provided in the paragraph below and in Appendix 3.

The assignment of loan forgiveness to specific capitalization grants is listed below based on the projects currently listed on the PPL:

Additional Subsidy Assignment by Capitalization Grant Year

		Loan Forgiveness by Capitalization Grant			
Project Name	**Total Loan Request**	**FFY22**	**FFY23**	**FFY24**	**FFY25**
Juneau Pyrolysis of PFAS Impacted Biosolids	$8,750,000	----	$832,000	$1,273,000	$1,273,000
Fairbanks Pilot Testing Biosolids Thermal Remediation*	$1,000,000	$559,000	$441,000	----	----
	TOTAL	**$559,000**	**$1,273,000**	**$1,273,000**	**$1,273,000**

** Loan issued to borrower*

DISADVANTAGED COMMUNITY CRITERIA

In Alaska, state regulations require the distribution of subsidy through the SRF Program to borrowers who meet the state definition of a disadvantaged community. 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, rural community status, the percentage of households utilizing nutrition 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. Projects that address an emerging contaminant issue, as defined in the IIJA or BIL, receive disadvantaged community criteria points. More information about the disadvantaged community criteria is provided in Appendix 3.

CRITERIA AND METHOD FOR FUND DISTRIBUTION

Project Priority List of CWSRF Projects

For a project to be considered for funding from the Alaska Clean Water Fund (ACWF), it must be included in the Project Priority List (PPL) of CWSRF Emerging Contaminant projects. The process is initiated when an eligible borrower 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 28, June 30, and October 31. An email was sent to eligible borrowers in January 2025 providing information about the schedule and inviting submittal of Emerging Contaminants 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.

Emerging Contaminant Project Scoring Criteria

The SRF Program scores all CWSRF eligible projects based on information supplied in the questionnaire in the following categories: public health, water quality, project readiness, asset management, funding coordination, sustainability, operator certification status, affordability of user rates, and green projects. In addition to the standard CWSRF scoring criteria, projects associated with treatment works (point source projects) that address Emerging Contaminants will also be rated according to criteria that consider the PFAS concentration in treated effluent and daily discharge volume for projects associated with treatment works. For projects that address emerging contaminants in groundwater, stormwater, and/or surface water (nonpoint source projects), the concentration of PFAS will also be considered. See Appendix 1 for the scoring criteria.

Amendments to the Project Priority List

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

Project Readiness Bypass Procedure

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 will work 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 will be based primarily on the projects' readiness to proceed.

Projects that are ready to proceed are prepared to begin design and/or construction and are 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 will regularly evaluate 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. If, during this evaluation, 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.

Project Priority List Exception for Emergency Declarations

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.

Removing Projects from the Project Priority List

Projects on the PPL will be 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 will retain the same score originally assigned unless a revised questionnaire is submitted and reviewed by the project scoring committee or the scoring criteria is revised. If an application has not been submitted for a project within two years of the questionnaire submittal, the project will be 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, or more than $100,000, and/or include scope modifications that affect the footprint or purpose of the project, are required to be public noticed in an update to the PPL before the loan amendment is issued.

FINANCIAL STATUS

Sources and Uses of Funds

Alaska's allotments from the FFY22 through FFY25 federal appropriations for CWSRF Emerging Contaminants are listed in the following table. No state match is required for these allotments.

The amount available for Emerging Contaminant loans is the difference between the federal funds received and total program commitments. One Emerging Contaminant loan agreement for $1,000,000 has been issued.

Borrowers may apply for a loan through the SRF base and BIL General Supplemental grants for those amounts that exceed the available Emerging Contaminants funds.

Estimated Available Funding

Sources of Emerging Contaminant Funds	
Federal Grant FFY22	$559,000
Federal Grant FFY23	$1,273,000
Federal Grant FFY24	$1,273,000
Federal Grant FFY25	$1,273,000
State Match for FFY22-24 Grants	$0
Total Sources of Funds	**$4,378,000**
Uses of Emerging Contaminant Funds	
Estimated Funds to be transferred from the CWSRF	$0
Emerging Contaminant Allowances from the FFY22-24 Grants	$0
Funds Committed in Loan Agreement	$1,000,000
Total Uses of Funds	**$1,000,000**
Funds Available for Emerging Contaminant Loans	**$3,378,000**

Fund Transfer

The SRF Program is allowed to transfer funds between the CWSRF Emerging Contaminants Grant and the Drinking Water State Revolving Fund (DWSRF) Emerging Contaminants Grant in order to assure adequate capacity to meet demands. A fund transfer has not been requested in SFY26. However, in accordance with the Safe Drinking Water Act Section 302 fund transfer provisions, ADEC hereby reserves the authority "to transfer an amount up to 33% of the DWSRF program capitalization grant to the CWSRF program or an equivalent amount from the CWSRF program to the DWSRF program."

Technical Assistance Allowance

The CWA allows states to set aside up to 2% of each capitalization grant to fund technical assistance services to rural, small, and tribal publicly owned treatment works. For the FFY25 allotment, Alaska plans to reserve the authority to use 2% ($25,460) of its expected capitalization

grant amount for future technical assistance activities. This authority will be claimed either from a future federal capitalization grant or from the non-federal ACWF loan fund.

Administration Allowance

The CWA places a ceiling on the portion of capitalization grants that may be used for administration expenses 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 associated with the Base and General Supplemental grants including but not limited to preparation of PPL updates; application reviews; project monitoring, tracking, and reporting; environmental document review; and disbursement of loan funds.

Alaska plans to reserve the authority to use 4% of its expected Emerging Contaminants capitalization grants or $50,920 for future program management associated with Emerging Contaminants projects, including funding staff, paying operational expenses, and providing technical assistance to potential loan applicants. This authority will be claimed either from a future federal capitalization grant or from the non-federal ACWF loan fund.

Reserved Use of Technical Assistance and Administration Allowances
BIL Emerging Contaminants Grants

CWSRF Allowance Activity	Reserved FFY22-24	Reserved FFY25	Total Reserved
Small Systems Technical Assistance (2%)	$62,100	$25,460	$87,560
Administration (4%)	$124,200	$50,920	$175,120

Administrative Fee

Financing through the Emerging Contaminants funding source will be offered as loans with 100% principal forgiveness. An administrative fee will be assessed in the amount of 0.5% of the total dollars disbursed as prescribed in Title 18, Chapter 76 of Alaska Administrative Code (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. As of June 9, 2025, the balance in the ACWF Fee Account is $7,293,496.

The SRF Program income is defined at 40 CFR 31.25(b) as "gross income received by the grantee or subgrantee directly generated by a grant." In SFY26, program income associated with Emerging Contaminant funding is estimated to total $6,430 (0.5% of the FFY25 Emerging Contaminant capitalization grant award).

Non-program income is estimated based on the difference between total anticipated deposits to the ACWF Fee Account less the program income. Since the Emerging Contaminants funding will be issued with 100% loan forgiveness, there will be no repayments deposited to the Fee Account.

Loan Terms and Finance Rates for Eligible Projects

If the proposed project includes components that do not pertain to emerging contaminants, or if additional financing is requested in excess of funding available through the Emerging Contaminants funding source, the borrower may request additional loan funds for CWSRF eligible project activities. The additional loan funds would be subject to repayment according to the loan terms and finance rates applicable to the SRF Program.

Finance Rates (effective September 10, 2017)

Loan Term	Finance Rate for any Bond Rate* Less than 4 Percent	Finance Rate for Bond Rate* Greater than 4 Percent
20-30 Years	2	2 + (0.75 x [Bond Rate* – 4])
5-20 Years	1.5	1.5 + (0.625 x [Bond Rate* – 4])
0-5 Years	1	1 + (0.5 x [Bond Rate* – 4])
<1 Year	0.5	0.5

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

FEDERAL REQUIREMENTS

Loan agreements will include all applicable federal requirements. The following federal requirements are mandatory for all CWSRF Emerging Contaminants funding recipients:

Build America, Buy America Act

The Build America, Buy America (BABA) provision included in the BIL requires domestic preference procurement for iron and steel products, manufactured products, and construction materials.

American Iron and Steel

The American Iron and Steel (AIS) provision requires SRF assistance recipients to use iron and steel products produced in the United States. This requirement applies to projects for the

construction, alteration, maintenance, or repair of a public water system. Compliance with BABA iron and steel provisions will satisfy the AIS requirements.

Davis-Bacon Act Wage Requirements

ADEC requires the inclusion of specific Davis-Bacon contract language in bid specifications and/or contracts for treatment works projects and confirms that the correct wage determinations are being utilized. In addition, ADEC collects certifications of Davis-Bacon compliance from online project quarterly report statements.

Environmental Review

All proposed construction activities funded by the SRF Program undergo an environmental review in conformance with the EPA-approved State Environmental Review Process.

Disadvantaged Business Enterprise

Loan recipients and their contractors must comply with the federal Disadvantaged Business Enterprise requirements.

Architectural/Engineering Procurement

Borrowers requesting financing for Architectural/Engineering (A/E) services must procure A/E services in accordance with qualifications-based requirements. A/E services may include, but are not limited to, contracts for program management, construction management, feasibility studies, preliminary engineering, design, engineering, surveying, and mapping.

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.

Fiscal Sustainability Plan

Each CWSRF treatment works project must certify that a Fiscal Sustainability Plan has been developed and is being implemented for the project or certify that a Fiscal Sustainability Plan will be developed and implemented for the project.

ASSURANCES AND CERTIFICATIONS

The Operating Agreement, as well as each capitalization grant, contains conditions that must be met. ADEC is committed to complying with all conditions in both the Operating Agreement and each capitalization grant.

Expeditious and Timely Expenditure

The SRF Program will strive to enter into binding commitments with the recipients equal to the amount of the available capitalization grant within one year from funds receipt and spend the capitalization grant in a timely and expeditious manner. To promote timely commitment and use of Emerging Contaminants funds, the SRF Program is working closely with borrowers with projects on the PPL. Taking into account the complexity of the proposed project, the SRF

Program is providing technical assistance, as necessary, to help borrowers understand the federal requirements, including BABA.

Fund Accounting Separation

The ACWF was established by statute as an enterprise fund of the State to serve as a revolving fund for financing wastewater system improvement projects. Funds allocated for other activities authorized in the CWA are held in separate accounts; therefore, loan fund activities and other allowed activities are distinct and separate.

Federal Reporting

EPA's SRF Data System (previously identified as the Clean Water Benefits Reporting [CBR] database) collects project-level information and anticipated environmental benefits associated with CWSRF projects. This system is also used to collect annual financial information, which was formerly collected through the National Information Management System (NIMS). This annual information submittal is used to produce annual reports that provide a record of progress and accountability for the Program. EPA uses the information provided to oversee the CWSRF state programs and develop reports to the U.S. Congress concerning activities funded by the CWSRF Program. 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. ADEC also commits to entering all program information into the SRF Data System on an annual basis as EPA requests.

Federal Funding Accountability Transparency Act

ADEC will report information required by the Federal Funding Accountability Transparency Act (FFATA) for all CWSRF Emerging Contaminant projects. The anticipated capitalization grant that will be associated with each loan for FFATA reporting is listed below. Information will be reported no later than the end of the month following the date of a finalized loan agreement.

FFATA Reporting

		FFATA Reporting by Cap Grant			
Project	**Loan Request**	**FFY22**	**FFY23**	**FFY24**	**FFY25**
Fairbanks - Biosolids Thermal Remediation	$1,000,000	X	X	---	---
Juneau - PFAS Pyrolysis	$8,750,000		X	X	X

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 4 includes the comments received and the responses from the SRF Program.

Appendix 1

Project Scoring Criteria

Division of Water
State Revolving Fund Program

Alaska Clean Water State Revolving Fund

Priority Criteria for Point Source Project – Reference Sheet

PUBLIC HEALTH CONSIDERATIONS *(Select only one)*	POINTS
This project will correct the cause of a human disease event documented by ADEC or a recognized public health organization. Documentation required. ***Examples:*** • *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. ***Examples:*** • *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. ***Examples:*** • *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. ***Examples:*** • *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. ***Examples:*** • *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 *(Select only one)*	
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 *(Select only one)*	
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: *(Select only one)*	
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 *(Select only one)*	
Engineering plans and specifications have been approved by the ADEC Engineering Support and Plan Review (ESPR) Program in	50

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 *(Select only one)*	
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 *(Select only one)*	
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 *(Select only one)*	
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 *(Select only one)*	
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 *(Select only one)*		**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

Division of Water
State Revolving Fund Program

Alaska Clean Water State Revolving Fund

Priority Criteria for Nonpoint Source Project – Reference Sheet

WATER QUALITY CONSIDERATIONS		POINTS
PROTECTION OF UNIMPAIRED WATERBODY *(Select only one)*		
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 *(Select only one)*		
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 *(Select only one)*		
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 *(Select only one)*		
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/

Division of Water
State Revolving Fund Program

Alaska Clean Water State Revolving Fund

Priority Criteria for Emerging Contaminant Projects – Reference Sheet

Projects to address Emerging Contaminants will be ranked by the rating system set forth below, in addition to the standard Clean Water SRF project scoring criteria. The Alaska State Revolving Fund Program is prioritizing projects that address perfluoroalkyl and polyfluoroalkyl substances (PFAS), but will consider projects to address other emerging contaminants.

SCORING CATEGORY	POINTS	MAX POINTS
Treated Effluent PFAS Concentration – Point Source Projects only *(Select only one)*		
If the proposed project addresses emerging contaminants in treated effluent from a wastewater treatment facility, select the appropriate concentration in the treated effluent. Documentation of the PFAS concentration is required. A map of the Source Water Protection Area is also required for indicated categories.		
Concentration ≥ 70 parts per trillion (ppt)	25	25
Concentration 20 - 69 ppt and point of discharge is within Zone A of Public Water System's (PWS) Source Water Protection Area (SWPA)	20	
Concentration 20 - 69 ppt and point of discharge is within Zone B of a PWS SWPA	15	
Concentration 20 - 69 ppt and point of discharge is not within Zone A or B of a PWS SWPA	10	
Concentration 4 - 19 ppt and point of discharge is not within Zone A or B of a PWS SWPA	5	
Daily Discharge Volume – Point Source Projects only *(Select only one)*		
If the proposed project addresses emerging contaminants in effluent from a wastewater treatment facility, select the appropriate discharge volume.		
Discharge ≥ 250,000 gallons per day (gpd)	10	10
Discharge 5,000 - 249,999 gpd	8	
Discharge < 4,999 gpd	6	
Groundwater or Surface Water PFAS Concentration – Nonpoint Source Projects only *(Select only one)*		
If the proposed project addresses emerging contaminants in groundwater, storm water, and/or surface water, select the appropriate concentration. Documentation of the PFAS concentration is required.		
Concentration ≥ 70 ppt	15	15
Concentration 20 – 69 ppt	10	
Concentration 4 – 19 ppt	5	
TOTAL		**50**

For a project to be eligible for Emerging Contaminants funding, the primary purpose must be to address emerging contaminants in wastewater effluent, groundwater, or surface water. Emerging contaminants refer to substances and microorganisms, including manufactured or naturally occurring physical, chemical, biological, radiological, or nuclear materials, which are known or anticipated in the environment, that may pose newly identified or re-emerging risks to human health, aquatic life, or the environment.

Projects that address one or more of the following five areas of emerging contaminants are eligible for Emerging Contaminants funding through the Alaska Clean Water Fund.

1. PFAS and other persistent organic pollutants (POPs). Priority points are given to projects that address PFAS.
2. Biological contaminants and microorganisms
3. Some compounds of pharmaceuticals and personal care products (PPCPs)
4. Nanomaterials
5. Microplastics/Nanoplastics

Questions about the eligibility of your project to receive Emerging Contaminant funding may be sent to dec.srfprogram@alaska.gov.

Appendix 2

Project Priority List

Alaska Clean Water Fund - State Fiscal Year 2026 (SFY26) Project Priority List - Bipartisan Infrastructure Law (BIL) Emerging Contaminants Funding

Total Available Funding = $3,391,000

(1) BIL Emerging Contaminants Funding is provided as 100% forgivable loan.

(2) Principal forgiveness is provided to disadvantaged communities. Emerging Contaminants projects qualify for additional points as prioirity projects in the Disadvantaged Community Criteria. See Appendix 3 of the Intended Use Plan for more information about Disadvantaged Community Criteria.

Rank	Score	APDES Permit Number	Applicant	Project Name and Description *Funding Notes*	Requested Loan Amount	Loan Forgiveness (1)	Disadvantaged Community Tier (2)	Estimated Project Start Date	Added to PPL
1	60	AK2110342	City and Borough of 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. The loan request amount that exceeds available funding through the Emerging Contaminant funding source ($5,359,000) is listed on the Project Priority List for Alaska Clean Water Base and BIL General Supplemental funding.	$8,750,000	$3,391,000	2	1/1/2025	SFY25-1
2	17	NA	North Pole	**Emerging Contaminant Mitigation -** This project will fund preliminary planning and design efforts associated with PFAS remediation at and near the City of North Pole Fire Department property	$150,000	$150,000	2	1/2/2024	SFY24-3
				TOTAL	***$8,900,000***	***$3,541,000***			

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

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/table/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. 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

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