

# **ALASKA DRINKING 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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## 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
IIJA	Infrastructure Investment and Jobs Act
IUP	Intended Use Plan
MHI	Median Household Income
OASys	Online Application System
PFAS	Per- and Polyfluoroalkyl Substances
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 Drinking Water State Revolving Fund (DWSRF) Emerging Contaminants 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 \$7,640,000. In addition, Alaska is also eligible to receive a total of \$217,000 in re-allotments from the FFY22 and FFY23 Emerging Contaminants appropriations.

Congress authorized DWSRF Emerging Contaminants appropriations for five years starting with FFY22. Alaska applied for and received \$22,585,000 in funding allotted to Alaska for the first three years of available Emerging Contaminants grants (FFY22, FFY23, and FFY24). This Intended Use Plan (IUP) supports Alaska's application for the FFY25 grant and the FFY22 and FFY23 re-allotments. After these additional grant awards, the total funding made available through DWSRF Emerging Contaminants grants for Alaska will total \$30,742,000.

For a project or activity to be eligible for funding under the DWSRF Emerging Contaminants grant, it must be otherwise DWSRF eligible, and the primary purpose must be to address an emerging contaminant. Those projects that address perfluoroalkyl and polyfluoroalkyl substances (PFAS) in drinking water are prioritized for funding through the scoring and ranking process.

The SRF Program provides eligible Emerging Contaminants projects with 100% forgivable loans. These fully subsidized loans offer borrowers a valuable opportunity to fund utility improvements that support clean, safe drinking water, an investment that might otherwise be financially out of reach.

During State Fiscal Year 2025 (SFY25), the SRF Program issued \$3.4 million in new Emerging Contaminant 100% forgiven loans to finance planning, design, and construction.

## INTRODUCTION

The 1996 amendments to the federal Safe Drinking Water Act (SDWA), authorized the DWSRF, a low-interest loan program, to assist public water systems with financing the cost of infrastructure needed to achieve or maintain compliance with the SDWA. Section 1452 of the SDWA authorizes the Administrator of the US Environmental Protection Agency (EPA) to award capitalization grants to states to provide seed money for the establishment of the low-interest loan program (the DWSRF) and other types of assistance to eligible water systems. In Alaska, this loan program is administered by the ADEC SRF Program.

This IUP, required under the SDWA, 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 DWSRF Emerging Contaminants appropriations. Eligibility and 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 this IUP.

## **PROGRAM GOALS**

### **Long-Term Goals**

1. Assist local communities as they strive to address emerging contaminants in drinking water with a focus on PFAS.

### **Short-Term Goals**

1. Provide DWSRF loans with additional subsidization in the form of principal forgiveness for not less than 100% of the Emerging Contaminants grants.
2. Collaborate with the ADEC Environmental Health Drinking Water Program to identify PFAS-impacted communities.
3. Collaborate with other agencies to determine funding options for impacted communities.
4. Provide technical assistance to entities that request help with emerging contaminant issues.
5. Continue outreach efforts to systems that may be impacted by emerging contaminants to inform them of eligibility, funding availability, and application procedures.
6. Include information in outreach regarding the broader use of Emerging Contaminants funding beyond PFAS contamination including manganese.

## **EMERGING CONTAMINANTS - ELIGIBLE SYSTEMS AND ACTIVITIES**

For a project or activity to be eligible under this appropriation, it must meet the following criteria:

- The project must be otherwise eligible under the DWSRF, and
- The primary purpose of the project must address emerging contaminants in drinking water with a focus on PFAS. Projects that address any contaminant listed on any of EPA's [Contaminant Candidate List](#) (i.e., CCL – draft CCL5) are also eligible.

Planning and design projects to improve the capabilities of a system to address emerging contaminants in drinking water with a focus on PFAS are eligible. Also, projects to consolidate water supplies, for example, when a public water supply is contaminated, are eligible for DWSRF assistance.

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, e.g., construction activities and equipment purchases for water treatment, are eligible. The DWSRF 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. Examples of emerging contaminants projects and activities eligible for DWSRF financing can be found in Appendix C of EPA’s March 2022 Memorandum [Implementation of the Clean Water and Drinking Water State Revolving Fund Provisions of the Bipartisan Infrastructure Law.](#)

## **LOAN FORGIVENESS**

Loans for Emerging Contaminants projects are required to be 100% forgiven. This forgiveness is referred to as additional subsidization in the capitalization grants. The DWSRF Emerging Contaminants appropriations require that 100% of the capitalization grant, net of the set-asides, be used to provide additional subsidy to DWSRF projects, and that all additional subsidies must be in the form of assistance agreements with 100% forgiveness of principal or grants. Alaska will issue the Emerging Contaminants funds as loans with 100% forgiveness.

## **DISADVANTAGED COMMUNITY CRITERIA**

At least 25% of DWSRF Emerging Contaminants funds must be provided to disadvantaged communities or public water systems serving fewer than 25,000 people. For the grant awards anticipated in SFY26, the 25% minimum for disadvantaged borrowers equates to \$1,964,250.

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. Therefore, all applicants proposing eligible emerging contaminants projects are considered disadvantaged and are therefore eligible to receive loan forgiveness. More information about the disadvantaged community criteria is provided in Appendix 3.

## CRITERIA AND METHOD FOR FUND DISTRIBUTION

### Project Priority List of DWSRF Projects

For a project to be considered for funding from the Alaska Drinking Water Fund (ADWF), it must be included in the Project Priority List (PPL) of DWSRF 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 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 DWSRF 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 DWSRF 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. The DWSRF capitalization grants encourage, but do not require, the use of funds to address green projects under the Green Project Reserve (GPR) provision. To incentivize borrowers to include such aspects in their projects (e.g., green infrastructure, water or energy efficiency improvements, or other innovative activities), ADEC awards 25 additional points in the project questionnaire scoring process for eligible green project work. In addition to the standard DWSRF scoring criteria, projects that address PFAS contamination in finished water or a cyanobacterial toxin issue will receive additional points in the scoring process. 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 Program has sufficient funds to finance all projects. This ensures 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 water systems 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 a project is determined to be incapable of meeting the requirements of the program during this evaluation, 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 allotment from the FFY22-FFY25 federal appropriations and re-allotment from the FFY22 and FFY23 for DWSRF Emerging Contaminants grants is listed below. No state match is required for these allotments. The amount available for Emerging Contaminant loans is the difference between the sum of the federal grants received and total program commitments, including loans issued and set-asides used.

#### Estimated Available Funding

<b>Sources of Emerging Contaminant Funds</b>	
Federal Grant FFY22	\$7,555,000
Federal Grant FFY23	\$7,690,000
Federal Grant FFY24	\$7,640,000
Federal Grant FFY25	\$7,640,000
Reallotment FFY22	\$12,000
Reallotment FFY23	\$205,000
State Match for FFY22-24 Grants	\$0
<b>Total Sources of Funds</b>	<b>\$30,742,000</b>
<b>Uses of Emerging Contaminant Funds</b>	
Emerging Contaminant Set-Aside Use from the FFY22-FFY25 Grants and Re-allotments	
Small System Technical Assistance (2%)	\$456,700
Administration and Technical Assistance (4%)	\$616,480
Program Management (10%)	\$785,700
Local Assistance (15%)	\$2,507,314
DWSRF Emerging Contaminants Loans Issued	\$5,770,656
<b>Total Uses of Funds</b>	<b>\$10,136,850</b>
<b>Funds Available for Emerging Contaminant Loans</b>	<b>\$20,605,150</b>

### Set-Aside Summary

States are given flexibility to set aside specified amounts of the Emerging Contaminants grant for specific activities. The SDWA authorizes each state to set-aside a maximum of approximately 31% of the capitalization grant for set-aside activities including administration of the loan fund and assistance to water systems in meeting SDWA requirements. ADEC evaluated each of the four set-aside activities with the goal of protecting public health while maximizing loan fund dollars for infrastructure improvement projects.

In support of the long- and short-term goals of the DWSRF, set-aside funds are used to fund a variety of technical assistance and capacity development activities as described in the following

paragraphs. Detailed work plans for each set-aside will be submitted for EPA review within 90 days of award of the capitalization grant.

Per EPA Policy Memo of February 9, 1999, the SRF Program can reserve 1452 (g) (2) (B) Set-Aside funds that it intends to use at a later time and for which a workplan has not been prepared. A state may reserve the authority to access up to 16% of a year's capitalization grant from a subsequent grant, to be used for the activities allowed under the Administration and Technical Assistance set-aside (4%), the Small System Technical Assistance set-aside (2%), and the State Program Management set-aside (10%). When "banking" set-aside funds in this manner, the value of the banked funds from the current capitalization grant is placed in the loan fund. When banked funds are used from a new capitalization grant, the total set-aside use may exceed 31% of the current grant.

There is a federal limit on the amount of funds used for each set-aside category and the types of activities funded. In accordance with keeping unliquidated obligations at a minimum, ADEC will fully expend set-aside funds within a two-year period.

#### Set-Aside Use

	Small System Technical Assistance (2%)	Administration (4%)	State Program Management (10%)	Local Assistance (15%)
Set-Aside Use	\$157,140	\$314,280	\$785,700	\$197,878
Unbank	\$148,460	\$0	\$0	n/a
<b>Total</b>	<b>\$305,600</b>	<b>\$314,280</b>	<b>\$785,700</b>	<b>\$785,700</b>

#### Set-Aside for Small System Technical Assistance (2%)

The SDWA allows states to set aside up to 2% of each capitalization grant to fund technical assistance services to small water systems that serve fewer than 10,000 people.

The Drinking Water Program will use a total of \$305,600 for Small System Technical Assistance. This total will include 2% of the available grants (\$157,140) in SFY26 and in addition, \$148,460 will be unbanked from previously reserved authority. These funds will be used to support small public water systems that are addressing PFAS or other emerging contaminant issues.

#### Set-Aside for Administration and Technical Assistance (4%)

The 2016 WIIN Act provisions provide states with three options with regard to the amount used for this set-aside, whichever is greatest, as listed below:

- Four percent of all capitalization grants,
- Flat \$400,000, or
- 1/5 percent of the total valuation of the state revolving fund balance.

During SFY26, Alaska's DWSRF capitalization grant awards will total \$41,748,000 as itemized in the list below:

• FFY25 Base	\$10,906,000
• FFY24 General Supplemental grant	\$22,985,000
• FFY25 Emerging Contaminants grant	\$7,640,000
• FFY22 and FFY23 Emerging Contaminants re-allotments	\$217,000

In total, Alaska may use \$1,669,920 for DWSRF administration or reserve (bank) that amount, or a portion thereof, for future use.

Alaska plans to use 4% of the FFY25 Emerging Contaminants grant and re-allotments (\$314,280) for the administration of Emerging Contaminants loans, including reviewing loan applications, preparing financial capacity assessments and environmental determinations, and processing loan disbursements.

#### Set-Aside for State Program Management (10%)

Alaska plans to use \$785,700 from the FFY25 Emerging Contaminants grant and re-allotments for the Drinking Water Program's management activities.

#### Set-Aside for Local Assistance (15%)

The SDWA allows states to set aside up to 15% of each capitalization grant to fund various state drinking water protection initiatives. No more than 10% of its annual DWSRF grant can fund any one initiative. The DW Program plans to use \$197,878 from the FFY25 grant to provide assistance to public water systems related to emerging contaminant issues.

#### Reserving Set-Aside Authority

Federal regulations allow unutilized authority for some of the drinking water set-asides (Administrative, Small System Technical Assistance, and State Program Management) to be designated for future use from future capitalization grants. Given the narrower eligibilities under the Emerging Contaminants appropriations, future use of authority reserved under Emerging Contaminant capitalization grants will be limited to eligible uses under the Emerging Contaminants grants. The balances for reserved authority specific to Emerging Contaminants grants are shown in the table below.

#### Reserving Set-Aside Authority

	Small System Technical Assistance	Administration	State Program Management
Previously reserved amounts	\$306,600	\$613,200	\$2,288,500
FFY25 Emerging Contaminants grant	\$0	\$0	\$0
FFY22 reallotment	\$0	\$0	\$0
FFY23 reallotment	\$0	\$0	\$0
Unbank during SFY26	(\$148,460)	\$0	\$0
<b>Totals</b>	<b>\$158,140</b>	<b>\$613,200</b>	<b>\$2,288,500</b>

The Alaska SRF Program has previously reserved authority for set-aside use from past grants but does not plan to reserve additional authority through the FFY25 Emerging Contaminant grant and the re-allotments. A total of \$148,460 will be unbanked from the reserved Small System Technical Assistance (2%) authority.

### 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 the Alaska Administrative Code (18 AAC 76). Fee revenue is kept in the ADWF Fee Account, separate from the regular loan fund, and is used exclusively to pay program administrative costs. The ADWF Fee Account balance is \$7,026,319 as of June 9, 2025.

### 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 DWSRF 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 Bond Rate*	Finance Rate for Bond Rate*
	Less than 4 Percent	Greater than 4 Percent
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

### 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 SFY25. 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."

## FEDERAL REQUIREMENTS

Loan agreements will include all applicable federal requirements. The following federal requirements are required of all DWSRF Emerging Contaminants funding recipients:

### Build America, Buy America Act

The Build America, Buy America (BABA) provision 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 that are 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 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.

### Signage to Enhance Public Awareness

To enhance public awareness of EPA funding associated with SRF loans, the SRF Program posts project notices for all equivalency projects on the SRF Program's website.

### 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.

## ASSURANCES AND CERTIFICATIONS

The Operating Agreement, as well as each capitalization grant, contain 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 projects, the SRF Program is providing technical assistance, as necessary, to help borrowers with completing the SRF application..

### Fund Accounting Separation

The ADWF was established by statute as an enterprise fund of the State to serve as a revolving fund for financing water system improvement projects. Funds allocated for set-aside activities authorized in the SDWA are held in separate accounts; therefore, loan fund activities and set-aside activities are distinct and separate.

### Financial Planning and Long-Term Financial Health

The SRF Program periodically evaluates the financial status and health of the ADWF by reviewing repayments, disbursements and pending loan actions in order to assess the available funding for loans. This evaluation occurs when the PPL is updated three times per year. The SRF Program is also subject to an annual audit that, in addition to providing the net position of the fund, also ensures that financial statements are presented accurately and in conformity with generally accepted accounting practices. The SRF Program has incorporated FOCUS, a cash flow modeling component into the Loan and Grants Tracking System (LGTS), and as indicated in goals for the base and General Supplemental capitalization grants, is working through the process to fully implement and integrate this tool into the existing financial planning process to support fiscal sustainability in accordance with 40 CFR 35.355(c)(3)(v).

### Federal Reporting

EPA's SRF Data System (previously identified as the Project Benefits Reporting (PBR) database) collects project level information and anticipated environmental benefits associated with DWSRF 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 DWSRF state programs and develop reports to the U.S. Congress concerning activities funded by the DWSRF 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**

All projects on the Emerging Contaminants PPL are subject to equivalency requirements and will be required to meet all of the federal requirements. New Emerging Contaminants loan commitments will be reported in the System for Award Management (SAM.gov) no later than the end of the month following the date of a finalized loan agreement.

### **Capacity Development**

ADEC will comply with the requirements of capacity development authority, capacity development strategy, and operator certification program provisions in order to avoid withholdings of funds under § 35.3515(b)(1)(i) through (b)(1)(iii). The capacity development strategy was updated in 2022 to comply with America's Water Infrastructure Act requirements and approved by EPA. The Capacity Development and Technical Assistance activities funded through DWSRF Set-Asides will align with these approved strategies. Specific set-aside activities related to capacity development will be described in the Set-Aside work plans submitted to EPA and summarized in annual operator certification and capacity development reports submitted to EPA for review and approval.

## **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



# Alaska Drinking Water State Revolving Fund

## Priority Criteria for Drinking Water Projects – Reference Sheet

PUBLIC HEALTH CONSIDERATIONS <i>(Select only one)</i>		POINTS
<p>This project will correct the cause of a human disease event documented by Alaska Department of Environmental Conservation (ADEC) or a recognized public health organization. Documentation required.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>Outbreaks of Hepatitis, Giardiasis or Cryptosporidiosis.</li> <li>Installation of new water mains in an area where there is a documented well contamination by a regulated contaminant that exceed safe standards, or a contaminant that is not regulated by EPA and/or the State but has an established health advisory level.</li> </ul>		100
<p>This project will eliminate acute risks to public health. Documentation required.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>Provides potable water to a community or area currently not served by piped service but has existing water points or other haul systems.</li> <li>Will resolve microbial risk from inadequately treated surface water or groundwater with long term deadlines.</li> <li>Treatment for exceedances of acute contaminants such as nitrate, or treatment for long term (&gt; 2 years) Maximum Contaminant Level (MCL) or Action Level exceedances for a chronic contaminant such as Disinfection By-products (DBPs), lead, arsenic, etc.</li> <li>Increase capacity where it is insufficient to meet public health needs. Examples include source quantity, raw or treated water storage capacity to meet demand, well intake, or distribution system pumps.</li> </ul>		75
<p>This project will correct potential long-term, chronic health threats or resolve serious distribution system problems or leaks. Documentation required.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>Correction of documented issues with a high potential to violate a water permit condition or ADEC design criteria.</li> <li>VOC removal, pH adjustment, action level or primary MCL exceedances due to source water quality or contamination.</li> <li>Replacement of documented pipes or facilities that are leaking or constructed of inferior materials (example – asbestos cement pipe, structurally impaired water tank/reservoir).</li> <li>Correction of documented distribution system freeze-up problems.</li> <li>Installation of new water mains to an area that is currently served by on-site systems and, has a high potential of regulated contaminants exceeding safe standards.</li> </ul>		50
<p>This project will eliminate potential hazards, provide treatment of secondary contaminants such as iron or manganese, or enhance system operations.</p> <p><b>Examples:</b></p> <ul style="list-style-type: none"> <li>Periodic exceedances of action level or primary MCLs due to mechanical or structural problems, undersized or inadequate components or fixtures, or low-pressure issues.</li> <li>Replacement of pipe or facilities that are suspected to leak or constructed of inferior materials. Documentation of leaks is not required.</li> <li>Extension of water service for existing customers and/or water main looping to remove dead-end mains.</li> <li>SCADA and other process instrumentation installations.</li> </ul>		30
<p>This project has no significant health hazard related issues.</p>		0
COMPLIANCE WITH SAFE DRINKING WATER ACT <i>(Select only one)</i>		
<p>This project will allow a system to come into compliance with an executed Compliance-Order-By-Consent, Administrative Order, Judicial Decision or Consent Decree. Documentation required.</p> <p><i>Points will be awarded only for agreements executed between the appropriate primary health agency (US Environmental Protection Agency or ADEC) and the system owner or for a judicial decree.</i></p>		35
<p>This project will resolve a significant compliance issue.</p> <p><i>Enforcement Targeting Tool violations, Notices of Violation, repeated or long-term boil water notices, one or more Revised Total Coliform Rule Level 2 Assessments</i></p>		25
<p>This project has no significant compliance related issues.</p> <p><i>Examples include relatively minor compliance issues documented by an agency notification letter.</i></p>		10
<p>This project has minimal impact on future pollution events.</p>		0
SOURCE WATER PROTECTION <i>(Select only one)</i>		
<p>This project specifically addresses system vulnerabilities or potential sources of contamination that are identified in the Drinking Water Protection Plan. Documentation must be provided and will be verified by ADEC.</p>		10
<p>The system's Drinking Water Protection Plan is current (within 3 years) and on file with ADEC Drinking Water Program. No documentation is required.</p>		5
<p>The system's Drinking Water Protection Plan is not current and/or the project does not address any vulnerabilities or potential sources of contamination.</p>		0

## Priority Criteria for Point Source Projects

READINESS TO PROCEED (Up to 80 points)			
Construction documents have been prepared (under 18 AAC 80) and submitted to the appropriate ADEC Drinking Water program office.			50
A detailed engineering feasibility study, including detailed cost estimates, has been prepared and submitted to the ADEC SRF Program.			30
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 ( <a href="https://dec.alaska.gov/media/ntcj1ess/srf-asset-inventory-guidance.pdf">https://dec.alaska.gov/media/ntcj1ess/srf-asset-inventory-guidance.pdf</a> ). 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
SUSTAINABILITY PROJECTS (Select only one)			
<b>Fix it First Projects</b> – 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
<b>Effective Utility Management</b> – 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
<b>Planning</b> – 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 (Select only one)			POINTS
Points will only be given if a water system provides recent income data, population figures, and a fee structure or ordinance. The average monthly household cost for water service, after project completion, will be divided by the monthly mean household income. The monthly mean household income will be documented by a current survey or census data. The web page link for the data is located at the Department of Labor and Workforce Development Research & Analysis Section: <a href="http://laborstats.alaska.gov">http://laborstats.alaska.gov</a>		<b>Monthly Water Cost/ Monthly Income</b>	
	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
CONSOLIDATION	
This project will result in the regionalization and/or consolidation of two or more existing public water systems.	25
GREEN PROJECT	
The applicant has sufficiently demonstrated eligible Green components under the project.	25



## Alaska Drinking 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 Drinking Water project scoring criteria. The Alaska State Revolving Fund Program is prioritizing projects that address perfluoroalkyl and polyfluoroalkyl substances (PFAS) contaminants and cyanobacterial toxins, but will consider projects to address other emerging contaminants.

SCORING CATEGORY	POINTS	MAX POINTS
<b>Finished Water PFAS Concentration</b> <i>(Select only one)</i>		
<i>If the proposed project addresses a PFAS contaminant issue in finished drinking water, select the appropriate concentration. Documentation of the PFAS concentration is required.</i>		
Concentration ≥ 70 parts per trillion (ppt)	20	20
Concentration 20 - 69 ppt	15	
Concentration 4 - 19 ppt	10	
<b>Cyanobacterial Toxin Contaminants</b> <i>(Select only one)</i>		
<i>If the proposed project will address a cyanobacteria toxin issue, select the appropriate option below.</i>		
Source has experienced at least 1 Harmful Algal Bloom (HAB) per year for 3 consecutive years	15	15
Source has experienced at least 1 HAB per year for 2 consecutive years	10	
Source water has experienced a HAB in last 3 years	5	
<b>Households/Connections that will Benefit from this Project</b> <i>(Select only one)</i>		
Project will benefit 100 or more households/service connections	10	10
Project will benefit 50 - 99 households/service connections	8	
Project will benefit 1 - 49 households/service connections	6	
<b>Consolidation</b>		
Project will consolidate an existing system that has emerging contaminant issues with another public water system that can provide drinking water that meets all primary drinking water standards.	10	10
TOTAL		55

For a project to be eligible for Emerging Contaminants funding, it must be otherwise Drinking Water State Revolving Fund (DWSRF) eligible, and the primary purpose must be to address emerging contaminants in drinking 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.

#### Ineligible Projects

If EPA has promulgated a National Primary Drinking Water Regulation (NPDWR) for a contaminant, then a project whose primary purpose is to address that contaminant is not eligible for funding under this appropriation, with the PFAS exception. For example, a project for which the primary purpose is to address arsenic or nitrate in drinking water is not eligible because arsenic and nitrate are regulated under the NPDWRs. It should be noted that these projects may be eligible for SRF financing but will not be eligible for financing as an Emerging Contaminant project. EPA expects to establish a NPDWR for PFOA and PFOS in the near future; however, based on the Congressional intent of the Bipartisan Infrastructure Law that appropriate this funding, PFAS-focused projects will be eligible for funding regardless of whether EPA has established a NPDWR for that particular PFAS or group of PFAS.

Questions about the eligibility of your project to receive Emerging Contaminant funding may be sent to [dec.srfprogram@alaska.gov](mailto:dec.srfprogram@alaska.gov).

Appendix 2  
Project Priority List

## PROJECT PRIORITY LIST - EMERGING CONTAMINANTS FUNDING

### Alaska Drinking Water Fund - State Fiscal Year 2026

(1) The "Within Funding Limits" column indicates that the project is within the current fundable limit of the BIL Emerging Contaminants Funding allotted to the Alaska SRF Program.

Projects that are not within the available funding for Emerging Contaminants may be eligible for funding through the Alaska Drinking Water Fund base and/or BIL General Supplemental funding sources.

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

(3) Principal forgiveness is provided to disadvantaged communities. Emerging Contaminants projects qualify for additional points as priority projects in the Disadvantaged Community Criteria.

See Appendix 3 of the Intended Use Plan for more information about Disadvantaged Community Criteria.

Rank	Score	Within Funding Limits (1)	Public Water System PWSID # (Community Population)	Applicant	Project Name and Description	Requested Loan Amount	Loan Forgiveness (2)	Green Project Amount (Type)	Estimated Start Date	Added to PPL
1	211	X	MOA -Municipality of Anchorage AK2210906 (221,351)	Anchorage Water & Wastewater Utility	<b>Tanaina Hills Subdivision Water</b> - Due to per- and polyfluoroalkyl substances (PFAS) contamination in private wells, design and construct approximately 2,390 linear feet of a new water distribution main and install six fire hydrants. This construction will allow for residents of Tanaina Hills Subdivision to connect to the existing public water system and abandon the PFAS-contaminated private wells.	\$3,334,213	\$3,334,213	---	2/3/2025	SFY26-1
3	160	X	MOA -Municipality of Anchorage AK2210906 (221,351)	Anchorage Water & Wastewater Utility	<b>Girdwood Well 1 Upgrade</b> - This project will address elevated manganese levels by either providing additional treatment at the existing well or developing a new well located elsewhere in the distribution system.	\$5,000,000	\$5,000,000	---	1/3/2025	SFY26-1
4	100	X	North Pole AK2310675 (4,500)	North Pole	<b>Emerging Contaminant Mitigation</b> - Complete a preliminary engineering design plan to establish a treatment method for PFAS and other emerging contaminants that threaten the city's drinking water sources.	\$165,000	\$165,000	---	TBD	SFY25-2
<b>TOTAL</b>						<b>\$8,499,213</b>	<b>\$8,499,213</b>			



## **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
<b>Statewide</b>	<b>\$37,059</b>	<b>\$34,473</b>	<b>\$35,464</b>	<b>\$36,162</b>	<b>\$38,990</b>	<b>\$40,206</b>					<b>10.2%</b>		<b>9.6%</b>		<b>4.6%</b>								
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	\$36,000	\$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	\$43,200	\$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. 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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**CAUTION:** This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

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

