

STATE OF ALASKA

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DEPT. OF ENVIRONMENTAL CONSERVATION
DIVISION OF WATER
MUNICIPAL GRANTS & LOANS

September 8, 2009

Dear Utility Owner/Operator:

This letter is to notify you of the upcoming automatic by-pass date for all Group 1 and Group 2 projects listed under the State Fiscal Year (SFY) 2010 Alaska Clean Water Fund (ACWF) and Alaska Drinking Water Fund (ADWF) Intended Use Plans (IUP). These groups include all projects eligible to receive an American Recovery and Reinvestment Act of 2009 (ARRA) financial subsidy.

As of October 1, 2009, all projects currently listed under the Group 2 Priority Planning List will be able to seek remaining unobligated funds. To be eligible for funding, the following conditions must be met:

- Projects must be “ready to proceed”, meaning a complete application is submitted, which includes ADEC approved plan and specifications along with bid ready set of documents.
- An environmental review determination request has been submitted to the MGL program and an agency determination public notice has been issued.
- If a situation occurs in which two or more projects meet similar criteria on the first two conditions above, the project with the higher ranking score on the priority list will have precedence for securing funding.

The bypass procedure allows ARRA funds not committed to Group 1 or Group 2 priority funding projects by September 30, 2009 be made available to those projects appearing on the Group 2 priority planning list. October 1, 2009 will initiate the automatic by-pass procedure whereby any Group 2 priority planning list project that is ready to proceed can request ARRA funding.

Although we cannot guarantee funding will be available for all projects, every effort will be made to secure ARRA funding for those community's/system's that are ready to submit a completed loan application. Our commitment to obligate ARRA funding is driven by requirements of the ARRA Act. As stated in the IUP's, the final date a construction contract can be signed is January 18, 2010. After this date, any unobligated funds will be returned to the U.S. Environmental Protection Agency for redistribution to other States.

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Provisions for by-pass for each loan program may be referenced in the narrative sections of each IUP, and can be found at the following web links:

ACWF: <http://www.dec.state.ak.us/water/muniloan/pdfs/IUPACWF.PDF> (page 7-8)

ADWF: <http://www.dec.state.ak.us/water/muniloan/pdfs/IUPADWF.PDF> (page 8)

If you have any questions, please contact me at 269-7616, or e-mail me at mike.lewis@alaska.gov.

Sincerely,

A handwritten signature in blue ink, appearing to read "Mike P. Lewis".

Michael P. Lewis
Program Manager