



April 28, 2014

Dear Utility:

This letter is being sent to you announcing the availability of the State Fiscal Year (SFY) 2015 draft Intended Use Plans (IUP) for both the Alaska Clean Water Fund (ACWF) and the Alaska Drinking Water Fund (ADWF). The IUP's demonstrate how the ACWF and ADWF intend to use the anticipated capitalization grant and program revenues to fund sanitation infrastructure projects.

A key change for this year's IUP's is the availability of increased funds for project loans. The change is being done by considering a limited amount of future loan repayments as an additional revenue source for added project funds. Also, new for this year is the inclusion of the American Iron & Steel (AIS) rule which went into effect on January 17, 2014. The new rule was included in federal fiscal 2014 legislation which provides capitalization grants for both the ACWF and ADWF programs. More information on AIS requirements can be found on the Municipal Grants & Loans web site at the following internet link: <http://dec.alaska.gov/water/muniloan/forms.htm>

Subsidized funding on eligible disadvantaged community listed projects under each of the loan programs are as follows:

- ADWF: 75% Subsidy with a Cumulative Cap per Community of \$1,500,000 for Disadvantaged Communities/Systems
- ACWF: 10% Subsidy with a Cumulative Cap per Community of \$250,000 for Disadvantaged Communities/Systems

Additional information on funding subsidy, GPR projects, and ready to go project incentives may be referenced in the draft IUP documents which can be accessed at the web link at the end of this letter.

A 30-day period IS AVAILABLE for public comment on the draft IUP documents. COMMENTS MUST BE RECEIVED PRIOR TO CLOSE OF BUSINESS MAY 27, 2014. Please take this opportunity to provide input on the draft IUP on either loan program.

Any comments regarding this funding opportunity as well as ways in which we can improve the funding process are welcome. Please address written or email correspondence to:

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Upon completion of the public notice period and consideration of all public comments, final Intended Use Plans will be made available on-line or upon request a copy will be mailed.

ENCLOSED ARE DRAFT FUNDING LISTS FOR BOTH PROGRAMS. For full copies of the draft IUPs, please access the following internet link:

<http://dec.alaska.gov/water/muniloan/pdfs/adwfdraftiup15.pdf>
<http://dec.alaska.gov/water/muniloan/pdfs/acwfdraftiup15.pdf>

or

We look forward to hearing from you.

Sincerely,



Michael P. Lewis
Program Manager

Enclosure: DRAFT 2015 Alaska Clean Water Fund Intended Use Plan
Funding List
DRAFT 2015 Alaska Drinking Water Intended Use Plan
Funding List