

ALASKA CLEAN WATER FUND

STATE REVOLVING FUND

INTENDED USE PLAN

Final

**FFY19 Grant Allotment
State Fiscal Year 2020**



Submitted to the U.S. Environmental Protection Agency

By

Alaska Department of Environmental Conservation

Division of Water

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Contents

PROGRAM OVERVIEW	3
PROGRAM UPDATES.....	3
PROGRAM GOALS	4
Long Term Goals	4
Short Term Goals.....	5
FUNDS AVAILABLE.....	5
Amount of Capitalization Grant.....	5
State Match Requirement.....	5
Cash Draw Proportionality	5
Fund Transfer.....	6
Administrative Fees	6
Administrative Set-Aside (4%).....	6
Program and Non-Program Income	7
Estimated Funds Available – SFY20.....	7
CRITERIA AND METHOD FOR FUND DISTRIBUTION.....	7
Project Priority List.....	7
Amendments to the Project Priority List	8
Bypass Procedures	9
Emergency Procedures.....	9
Removing Projects from the Project Priority List.....	9
FUNDING ALLOCATIONS.....	9
Green Project Reserve (GPR)	9
Additional Subsidy – Disadvantaged Community Assistance.....	10
PROGRAM ADMINISTRATION	12
Loan Terms and Interest Rates for Eligible Projects	12
ASSURANCES AND SPECIFIC PROPOSALS	12
Expeditious and Timely Expenditure.....	12
Equivalency Requirements and Equivalency Projects.....	13
Architectural and Engineering Services Procurement	13
Disadvantaged Business Enterprise (DBE)	13
Federal Cross-cutters – Environmental Review	13
Signage to Enhance Public Awareness	13
Single Audit	13
Federal Funding Accountability Transparency Act (FFATA).....	14
ADDITIONAL INFORMATION / REQUIREMENTS.....	14
American Iron and Steel	14
Cost and Effectiveness Certification.....	14
Davis-Bacon Act Wages	14
Environmental Review.....	14
Federal Reporting.....	14
Generally Accepted Accounting Principles	14
Fiscal Sustainability Plans	15
Sustainability Policy	15
PUBLIC REVIEW AND COMMENTS	15

Appendices

- Appendix 1. Ranking Criteria: Point Source and Nonpoint Source Projects
- Appendix 2. Project Priority List
- Appendix 3. Revised Public Notice Procedure for Categorical Exclusion Determinations

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
AWWU	Anchorage Water and Wastewater Utility
CBR	Clean Water Benefits Reporting
CE	Categorical Exclusion
CWA	Clean Water Act
CWSRF	Clean Water State Revolving Fund
DBE	Disadvantaged Business Enterprise
DWP	Drinking Water Program
DWSRF	Drinking Water State Revolving Fund
EPA	U.S. Environmental Protection Agency
FFATA	Federal Funding Accountability Transparency Act
FFY	Federal Fiscal Year
GPR	Green Project Reserve
IUP	Intended Use Plan
MHI	Median Household Income
OASys	Online Application System
PBR	Project Benefits Reporting
PPL	Project Priority List
SERP	State Environmental Review Process
SFY	State Fiscal Year
SRF	State Revolving Fund
TAF	Technical Assistance and Financing

PROGRAM OVERVIEW

In 1987, Congress amended the federal Clean Water Act (CWA) authorizing the Clean Water State Revolving Fund (CWSRF), a low interest loan program, to assist public entities with the financing of publicly owned treatment facilities (Section 212) and nonpoint source management activities (Section 319). The Alaska Department of Environmental Conservation (ADEC) State Revolving Fund (SRF) Program administers the Alaska Clean Water Fund (ACWF) on behalf of the State of Alaska. The 1987 CWA Amendments authorized the US Environmental Protection Agency (EPA) to award capitalization grants to states to provide seed money for the low-interest loan program. While the 1987 Amendments only authorized funding for the first several years of the loan program, Congress continues to provide funding as part of its annual appropriations.

This Intended Use Plan (IUP), required under the CWA, describes how Alaska intends to use available SRF funds during State Fiscal Year 2020 (SFY20), July 1, 2019 through June 30, 2020. Alaska's allotment from the Consolidated Appropriations Act, 2019, is \$9,506,000.

PROGRAM UPDATES

ADEC continues to make updates to the SRF Program in an effort to improve service to funding recipients and meet program goals.

- During the previous year, the SRF Program established a framework for providing Micro Loans to rural Alaska communities; three rural communities submitted project questionnaires for wastewater infrastructure needs in SFY19. In SFY20, the SRF Program plans to fully implement Micro Loans, offering loans up to \$500,000 per project with terms of up to 20 years and principal forgiveness ranging from 50% to 90%. A combined questionnaire and application was developed specifically for Micro Loan projects to simplify the application process. Information about the Micro Loan Program is available on the SRF Program website.
- During SFY19, the SRF Program initiated discussions with its largest borrower, Anchorage Water and Wastewater Utility (AWWU), about a Programmatic Financing (Pro Fi) approach. Pro Fi offers an alternative to project-by-project financing by funding eligible work within the utility's capital improvement project portfolio. The first Pro Fi loan is anticipated in late SFY19; a second Pro Fi loan will be completed in SFY20. Initiation of this approach required modification of the questionnaire submittal, review, and scoring processes to consider the projects within the portfolio that may be eligible for reimbursement during the one-year Pro Fi loan period. Revised loan agreements were drafted for the Pro Fi loans and reviewed by the Department of Law.
- With implementation of Pro Fi, the SRF Program can modify its approach to equivalency requirements in an effort to reduce the administrative burden on the majority of borrowers. Historically, all projects have been required to meet all requirements regardless of the project's equivalency status. Beginning in SFY20, all equivalency requirements will be met with AWWU's Pro Fi loan.
- Beginning in January 2018, ADEC modified the project questionnaire submittal process. Previously, project questionnaires were accepted during an initial open solicitation at the beginning of the calendar year, with a second opening for questionnaire submittal mid-year if

communities identified a need for additional funding. The SFY19 funding year marked the first in which the SRF Program accepted questionnaires on a year-round basis and reviewed the projects submitted on a quarterly basis. Continuing in SFY20, the Project Priority List (PPL) will be updated and public noticed on a quarterly basis to reflect new project submissions.

- The SRF Program is proposing a revision to the public notice procedure for determinations associated with Categorical Exclusions (CEs). Projects that meet specific requirements identified in the State Environmental Review Procedure are categorically excluded from further environmental review. A public notice of the determination is provided for each applicable project. Under the current procedure, the CE determination appears in a one-day posting in the Anchorage Daily News. The SRF Program proposes to provide notice of all CE determinations by posting the determination on the [Alaska Department of Environmental Conservation Public Notice web page \(https://dec.alaska.gov/commish/public-notices/\)](https://dec.alaska.gov/commish/public-notices/). The web page is a known and well-used location for ADEC public notice information and posting SRF CE determinations at this location will align the public notice process with the modern practices of the Department for effectively disseminating information. Posting public notices on the web page rather than in the newspaper is intended to improve the efficiency of posting the notices and decrease administrative costs. To document this procedural change, ADEC will prepare an amendment to the State Environmental Review Procedure for EPA approval. Additional information about the revised public notice procedure for CE determinations is provided in Appendix 3.

PROGRAM GOALS

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

Long Term Goals

1. Foster coordination with other programs and agencies to improve assistance to borrowers in their efforts to achieve compliance and improve water quality.
2. Promote coordinated efforts by the State and eligible entities to expedite funding of eligible projects.
3. Develop and implement a cash flow model for forecasting fund usage to allow for improved planning and funding allocation decisions.
4. Develop a long term lending strategy.
5. Develop program guidelines to improve the pace of loan projects.
6. Expand borrower pool through an established marketing and outreach plan.
7. Establish a process for coordinating funding strategies with other lenders such as U.S. Department of Agriculture Rural Development.
8. Utilize the ACWF administrative fee account for program administration expenses.
9. Investigate methods for encouraging borrowers to pursue Green and Sustainable projects.
10. Investigate methods for making loan funds available for onsite wastewater systems and common collector systems.

11. Consider methods for encouraging borrowers to pursue nonpoint source projects.
12. Ensure full compliance with American Iron and Steel and Davis-Bacon requirements for all SRF loans.

Short Term Goals

1. Develop and distribute guidance materials to current and potential borrowers.
2. Develop and distribute marketing materials to improve outreach to potential borrowers.
3. Refine structure and procedures for the Micro Loan Program.
4. Implement revised subsidy allocation methods.
5. Develop an online resource for borrowers about all potential sources of infrastructure funding.
6. Fully implement equivalency to reduce the regulatory burden on the majority of borrowers.
7. Initiate enhancements to the online payment request and quarterly report system to improve the user experience and data collection.
8. Develop a method for conducting Financial Capacity Assessments in-house.
9. Revisit loan process improvements identified during the June 2017 Lean Kaizen event and develop a plan for implementation
10. Develop a method for more efficiently funding emergency projects.
11. Develop and distribute Davis Bacon guidance materials to borrowers.

FUNDS AVAILABLE

Amount of Capitalization Grant

Alaska's anticipated allotment from the FFY19 federal appropriation is \$9,506,000.

State Match Requirement

Alaska must deposit into the ACWF an amount equal to at least 20% of the federal capitalization grant. ADEC will provide the required state match of \$1,901,200 from short term bonding. The interest income of the Fund is used as collateral to acquire bond receipts and avoids use of any general funds from the State budget. This process effectively substitutes bond receipts for interest income. ADEC is required to document that sufficient interest income exists in an amount equal to or greater than the proposed bonding amount, and that this process will still allow the Fund to grow in perpetuity. ADEC's program audits have documented the availability of the required amount of interest.

Cash Draw Proportionality

Draws for loan funding are split between federal funding and the state match following the grant-specific proportionality rate method. The loan funding ratio is currently 83.33% federal and 16.67% state match. Alaska's proposed payment schedule (Table 1) for the FFY19 grant allotment was developed based on projected needs for project construction and execution of loan agreements.

Table 1. SFY20 Estimated Schedule of Payments for FFY19 Capitalization Grant

Federal Quarter Beginning	FFY19 Grant Payment
7/1/2019	\$9,506,000
10/1/2019	\$0
1/1/2020	\$0
4/1/2020	\$0
Total	\$9,506,000

Fund Transfer

Federal regulations allow a transfer of up to 33% of the Drinking Water capitalization grants to the ACWF. ADEC reserves the authority to transfer funds between the ACWF and ADWF, as appropriate, at some time in the future.

Administrative Fees

Since December 29, 2000, assistance recipients have been assessed an administrative fee in the amount of 0.5% of the principal loan balance as prescribed in 18 AAC 76. Fee revenue is kept in the ACWF Fee Account, separate from the regular loan fund, and is used exclusively to pay program administrative costs.

As noted in 18 AAC 76.086, ADEC will use administrative fees for direct costs including salaries, equipment, travel, and professional service contracts. Because the balance in the ACWF fee account is larger than the Alaska Drinking Water Fund (ADWF) fee account, in SFY20, most administrative expenses associated with both the ACWF and the ADWF will be paid from the ACWF administrative fee account. This practice will continue until both of the fee accounts have a relatively similar balance. As shown in Table 2, the difference between the two fee accounts based on the anticipated balances at the beginning of SFY20 will be approximately \$590,000. The fee accounts are expected to be balanced by the end of SFY20.

Table 2. ADWF and ACWF Fee Accounts

Fee Account Information	ADWF Fee Account	ACWF Fee Account
Fee Account Balance (m/d/2019)	\$5,182,780	\$5,772,357
SFY20 Anticipated Deposits	643,065	815,633
SFY20 Anticipated Expenditures	(462,500)	(1,260,900)
Anticipated Fee Account Balance (6/30/2020)	\$5,363,345	\$5,327,089

Administrative Set-Aside (4%)

The Clean Water Act allows each state to use up to 4% of its capitalization grant to fund the administration of the SRF program. In SFY20, ADEC will not be using the 4% set aside for administrative use but reserves the right to do so in future years. See Table 3 for a summary of the total capitalization grants, administrative allowance used and the remaining banked authority.

Table 3. Banked Authority for Administrative Uses

Total federal grants requested through SFY20	\$276,272,962
Allowable administrative funds through SFY20 (4% of total grants)	\$11,050,918
Total set-aside funds utilized through SFY19	\$9,054,343
Total set-aside funds reserved through SFY19	\$1,616,335
Total set-aside funds reserved in SYF20	\$380,240
Total set-aside reserved through SFY20	\$1,996,557

Program and Non-Program Income

In SFY20, program income is estimated to total \$47,530 (0.5% of the capitalization grant award of \$9,506,000). Program income is defined at 40 CFR 31.25(b) as “gross income received by the grantee or subgrantee directly generated by a grant supported activity or earned only as a result of the grant agreement during the grant period.”

Non-program income is estimated at \$768,103 and is calculated as the difference between total anticipated deposits to the ACWF fee account (\$815,633) less the program income (\$47,530).

Estimated Funds Available – SFY20

In SFY20, the amount available for loans is the difference between the funds available and total program commitments, plus two years of projected future loan repayments, for a total of \$56.4 million. Table 4 summarizes funding sources, loan commitments, and expenditures since the inception of the ACWF.

CRITERIA AND METHOD FOR FUND DISTRIBUTION

Project Priority List

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

In an effort to make loan funds more accessible, and to facilitate prioritization of construction-ready projects, ADEC implemented a revised schedule for questionnaire submittal beginning in January 2018. Questionnaires are now accepted year-round through OASys rather than during one or two limited solicitation periods during the year. Newly submitted questionnaires are reviewed by a scoring committee on a quarterly basis. The submittal deadlines for questionnaire reviews are: February 28, May 31, August 31, and November 30. A letter was sent to eligible applicants on January 11, 2019, providing information about the schedule and inviting submittal of project questionnaires to be considered for SFY20 funding assistance.

Table 4. Estimated Available Funding (as of 4/23/2019)

Sources of CWSRF Funds	
Federal Grants Received (cumulative through SFY19)	\$266,766,962
FFY 19 Federal Capitalization Grant	9,506,000
FFY 19 Bond Proceeds (State Match)	1,901,200
State Match, prior years	50,671,025
Investment Income	48,683,123
Repayments through SFY19 (principal + interest collected)	250,902,371
Projected Repayments SFY20	15,265,880
Projected Repayments SFY21	14,525,240
Projected Repayments SFY22	11,899,595
<i>Subtotal</i>	<i>\$670,141,039</i>
Uses of CWSRF Funds	
Existing Loan Commitments	\$544,757,957
Transfer from ACWF to ADWF (SFY08)	29,000,000
Administrative Set-Aside	9,054,343
Previous Bonding and Transaction Costs	28,939,306
SFY20 Bonding and Transaction Costs	1,924,419
<i>Subtotal</i>	<i>\$613,676,025</i>
Total Available for CWSRF Loans	\$56,445,371

The project scoring committee, made up of representatives from the SRF Program, as well as the ADEC Drinking Water, Wastewater, Source Water Protection, and Nonpoint Source Programs, evaluates the project questionnaires based on the CWSRF criteria and assigns a numeric score to each project. The SFY20 rating criteria for both point source and nonpoint source projects are provided in Appendix 1. Projects are added to the PPL in rank order.

Based on the financial data provided in Table 4, approximately \$56.4 million is currently available for new loans. Because the total available funding exceeds the total need identified in the first quarter SFY20 questionnaire submittal, all projects on the first quarter PPL will be eligible to submit applications immediately.

Amendments to the Project Priority List

ADEC will amend the funding list to include additional projects after each quarterly review and scoring of new project questionnaires. In the second, third and fourth quarters of SFY20, 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.

Bypass Procedures

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 award funding to ready-to-proceed projects in rank order based on the project ranking on the PPL. If a complete loan application has not been submitted for a project on the PPL, the project may be bypassed for another ready-to-proceed project with a lower ranking on the PPL.

In addition, a project may be bypassed as necessary for the state to meet federal grant requirements for equivalency, additional subsidy, and Green Project Reserve. 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.

Emergency Procedures

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. Upon issuance of an emergency declaration by a federal or state emergency response official, or upon a finding by ADEC, funds may be made available for projects not currently described in an IUP. 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.

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 (eight quarters). Projects will retain the same score originally assigned unless a revised questionnaire is submitted and reviewed. If an application has not been submitted for a project within eight quarters, the project will be removed from the list and a new questionnaire will be required to relist the project.

FUNDING ALLOCATIONS

Each year, ADEC identifies funding levels for Green Project Reserve and additional subsidization based on administrative and funding requirements.

Green Project Reserve (GPR)

The FFY19 capitalization grant requires ADEC to use at least 10% of the grant for eligible projects as specified by the 2012 EPA Green Project Reserve Guidance. Alaska's required SY20 GPR amount is \$950,600. To incentivize borrowers to include such aspects in their projects, ADEC awards 25 additional points in the project questionnaire scoring process for eligible GPR

work. GPR projects are listed on the PPL by green project type: green infrastructure; water or energy efficiency improvements; or other environmentally innovative activities.

At the time this IUP was drafted, three projects have been initially identified to satisfy the federal grant GPR requirement (see Table 5). These projects will be further reviewed during the loan application process to ensure that each project, in whole or in part, qualifies for the GPR. Applicants will be required to provide to ADEC a Green Project Assessment form with applicable backup documentation

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

Table 5. SFY19 GPR Projects

Applicant - Project Name	Loan Request	Green Component
Haines-Wastewater Influent & Lift Station Pump Upgrade	\$579,867	\$355,000
King Cove-Downtown Wastewater System Upgrade	\$735,000	\$690,000
Bristol Bay-Naknek Sewer Improvements	\$12,978,900	\$10,941,200

Additional Subsidy – Disadvantaged Community Assistance

Under the FFY19 federal capitalization grant, a minimum of 10% of the grant must be offered in the form of additional subsidy for any project or borrower. An additional 30% of the grant may be offered as subsidy for projects that meet specific criteria. ADEC has chosen to offer 15% of the capitalization grant as additional subsidy in the form of principal forgiveness to disadvantaged communities and 15% to Micro Loan borrowers.

A utility is considered disadvantaged if it meets one or more of the following criteria:

- Median Household Income (MHI) is less than the state average MHI that is currently published by the Alaska Department of Labor and Workforce Development, Research and Analysis.
- Rate of unemployment is above the state average unemployment rate that is currently published by the Alaska Department of Labor and Workforce Development, Research and Analysis.
- The five year population trend for the community is outside the range defined by the state five year population trend, plus or minus 5%. Data is provided from the Alaska Department of Labor and Workforce Development, Research and Analysis Section.
- The activity to be carried out in an economically distressed area as described in section 301 of the Public Works and Economic Development Act of 1965 (42 U.S. Code 3161).

Subsidy funding will be awarded to disadvantaged entities proposing traditional projects according to overall project ranking on the PPL, from highest to lowest, until all funding is utilized. ADEC will offer borrowers that meet the disadvantaged community criteria subsidy of 50% of the total project costs, up to a cumulative maximum of \$500,000 per utility. The PPL

prepared for the first quarter of the SFY20 funding year shows that all available subsidy for traditional drinking water projects has been allocated.

Subsidy allocations for Micro Loan projects will range from 50% to 90% of the total project cost. The amount of subsidy offered will be determined based on the community's capacity as demonstrated by the Operation and Maintenance Best Practices score and the affordability of the utility's current user rates. The Operation and Maintenance Best Practices is a criteria developed in 2015 by the ADEC Facilities Programs in collaboration with the Rural Utility Business Advisor Program and the Alaska Native Tribal Health Consortium. The Best Practices criteria is used to assess operations and maintenance capacity of rural water and wastewater utility.

A portion of the available subsidy for Micro Loan projects has been allocated, as noted on the PPL. The remainder will be allocated to other Micro Loan projects submitted during subsequent quarters in SFY20.

In 2018, ADEC developed an affordability indicator for use in determining whether a community's users can afford the annual operation, maintenance, repair, equipment and capital replacement costs of their water, wastewater, or solid waste facilities. This Alaska Village Rate Affordability Index will be used as a factor in determining the amount of subsidy to be allocated to Micro Loan projects.

		Best Practices Score	
		Medium (50-75)	High (75-100)
Affordability	Unaffordable	70%	90%
	Mid Affordable	50%	70%

Figure 1. Micro Loan Subsidy Matrix

Projects that are initially identified to receive principal forgiveness must meet the following milestones in order to retain the subsidy allocation:

- Submission of a loan application within six months of issuance of the IUP, or subsidy funds may be made available to the next highest ranked eligible project.
- Submission of disbursement requests equal to at least the amount of the loan subsidy within one year of the signed loan agreement. If a utility is unable to expend the full subsidy within one year, the subsidy may be reduced to match the expenses incurred to date.

Any uncommitted subsidies that exist after one year of publication of the IUP will be distributed to projects with existing subsidies, or to those projects which are the furthest along in completion of construction. The SRF Program will aim to allocate required subsidy as quickly as reasonably

possible; all required subsidy will be allocated within three years of the grant award to ensure compliance with the federal grant conditions.

PROGRAM ADMINISTRATION

Loan Terms and Interest Rates for Eligible Projects

From April 28, 2005 through September 9, 2017, loans with a contract term of five to 20 years were assessed an effective finance charge rate of 1.5% or 18.75% of the current bond rate as defined by the Municipal Bond Index. Loans with a contract term of one to five years were assessed an effective interest rate of 1% or 12.5% of the current bond rate as defined by the Municipal Bond Index. Any loan term less than one year were assessed a 0.5% finance charge. However, the Municipal Bond Index was defined as the Merrill Lynch 500 Municipal Bond Index, which ceased to exist several years ago. Therefore, the effective finance charges have been 1.5%, 1% and 0.5% for many years.

ADEC adopted revisions to the finance charge calculations in Alaska Administrative Code (AAC), Title 18, Chapter 76 (18 AAC 76) on September 10, 2017. The revised regulations modified the calculation of finance charges to reflect current market trends based on the Bond Buyer's Municipal Bond Index, as shown in Table 7. The revised regulations also increase the allowable financing term from 20 years to 30 years.

Table 7. Finance Rates (effective September 10, 2017)

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

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

ASSURANCES AND SPECIFIC PROPOSALS

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

Expeditious and Timely Expenditure

ADEC will enter into binding commitments to provide assistance in an amount equal to 120% of the FFY19 federal capitalization grant within one year after receipt of the grant payment. The PPL includes an estimated date for the beginning of construction for each project to indicate a proposed project schedule.

Additionally, to assure expeditious and timely expenditure of funds, ADEC continues to require that applicants initiate the project within one year of execution of the loan agreement and submit the first disbursement request within two years of execution of the loan agreement. If either

condition is not met, ADEC may take action to recall the loan; however, an extension may be granted upon an applicant's request, if there is reasonable justification.

Equivalency Requirements and Equivalency Projects

Per EPA's Standard Operating Procedures for the CWSRF and DWSRF, specific requirements, often referred to as federal equivalency requirements, apply only to a subset of loans equal to the amount of the capitalization grant, rather than to all loans funded by the SRF Program. In SFY20, ADEC intends to take full advantage of the flexibility offered by equivalency to reduce the burden of the federal grant conditions, listed above, for most applicants. For SFY20, the Anchorage Water Wastewater Utility (AWWU) Pro Fi loan will be required to meet all federal grant conditions. The SFY20 Pro Fi loan request is greater than the FFY19 capitalization grant; therefore, the Pro Fi loan will fulfill the equivalency requirements.

For the CWSRF, these specific equivalency requirements are:

- Architectural and engineering (A/E) services procurement
- Disadvantaged Business Enterprises (DBE)
- Federal cross-cutters
- Signage to enhance public awareness of SRF assistance agreements
- Single Audit
- Federal Funding Accountability and Transparency Act (FFATA)

Architectural and Engineering Services Procurement

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

Disadvantaged Business Enterprise (DBE)

Loan recipients and their contractors must comply with the federal DBE requirements throughout the life of equivalency projects.

Federal Cross-cutters – Environmental Review

At a minimum, CWSRF projects funded to an amount equal to the federal capitalization grant must comply with the federal cross cutter laws including the environmental cross cutters.

Signage to Enhance Public Awareness

To enhance public awareness of EPA assistance agreements in Alaska, ADEC posts detailed project notices on the following ADEC web site: <https://dec.alaska.gov/water/technical-assistance-and-financing/state-revolving-fund/project-posting-notice>.

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. ADEC monitors borrowers' compliance with those requirements in an amount equal to the capitalization grant.

Federal Funding Accountability Transparency Act (FFATA)

FFATA reporting requirements apply in an amount equal to the capitalization grant. ADEC will select projects with a dollar value equaling or marginally exceeding the most recent federal capitalization grant award to comply with FFATA requirements. Information will be reported no later than the end of the month following the date of the finalized loan agreement. Additionally, FFATA reporting will be conducted for set-aside contracts that equal or exceed \$30,000.

ADDITIONAL INFORMATION / REQUIREMENTS

American Iron and Steel

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

Cost and Effectiveness Certification

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

Davis-Bacon Act Wages

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

Environmental Review

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

Federal Reporting

EPA's Clean Water Benefits Reporting (CBR) database collects project level information and anticipated environmental benefits associated with the CWSRF projects, while the CWSRF National Information Management System (NIMS) produces annual reports that provide a record of progress and accountability for the program. EPA uses the information provided to oversee the CWSRF State programs and develop reports to the US Congress concerning activities funded by the CWSRF program. ADEC commits to entering benefits information on all projects into CBR by the end of the quarter in which the assistance agreement is signed. ADEC also commits to entering all program information into NIMS on an annual basis as EPA requests.

Generally Accepted Accounting Principles

Amendments to Section 602(b)(9) of the CWA, effective June 10, 2014, require States to have loan recipients maintain project accounts per Generally Accepted Accounting Principles as

issued by the Governmental Accounting Standards Board. This provision requires assistance recipients to use standards relating to the reporting of infrastructure assets. ADEC includes this information in the loan agreements and reviews compliance annually during Single Audit reviews.

Fiscal Sustainability Plans

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

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

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

Sustainability Policy

ADEC is committed to promoting sustainable design and management of wastewater utilities and clean water resources. Projects that meet ADEC's sustainability criteria are eligible for up to 50 bonus points in the priority ranking system.

PUBLIC REVIEW AND COMMENTS

A notice of the draft IUP was provided to all potential borrowers that submitted a project questionnaire and published in the Anchorage Daily News on May 22, 2019. The notice was also posted on the ADEC Public Notice website. The draft IUP was available on the ADEC SRF Program website throughout the 30 day public comment period. Interested parties were invited to review the IUP and submit written comments within 30 days.

The EPA provided review comments on the draft document. No other comments were received.

Appendix 1

Priority Criteria for SFY20 Point Source and Nonpoint Source Projects

Alaska Clean Water State Revolving Fund - Priority Criteria for SFY20 Point Source Projects

PUBLIC HEALTH CONSIDERATIONS (only one):		Points
1	This project will correct the cause of a human disease event documented by ADEC or a recognized public health organization. Documentation required to receive 350 points. <i>Examples:</i> <i>Outbreaks of Hepatitis, Giardiasis or Cryptosporidiosis.</i> <i>Upgrading facilities to meet new EPA/ADEC regulations or resolve violation(s) of a wastewater permit with short term compliance deadline (≤ 1 year).</i> <i>Installation of new sewer mains in an area where there is documented well contamination resulting from sewer main leaks.</i>	350
2	This project will correct conditions severe enough that a disease event may occur, although an event may have not yet been reported. <i>Examples:</i> <i>Violations of a wastewater permit with longer term compliance deadlines (> 1 year).</i> <i>Documented failure of on-site disposal systems.</i> <i>Correction of documented I&I issues that prevent the WWTP from meeting permit limits.</i> <i>Construction to address documented surface water contamination violation.</i>	300
3	This project will minimize public health threats where the potential for a disease event exists. <i>Examples:</i> <i>Correction of documented issues with a high potential to violate a wastewater permit condition.</i> <i>Replacement of pipes or facilities that are documented as leaking or constructed of inferior materials (example - asbestos cement pipe, structurally impaired lift station wet well).</i> <i>Improvements to a collection system prone to freeze-up.</i> <i>Installation of new sewer mains to an area that is currently served by on-site systems and, has a high potential of regulated contaminants exceeding safe standards.</i>	200
4	This project will minimize potential future public health problems. There is no current threat of a disease event. <i>Examples:</i> <i>Replacement of collection system components that are at end of life, but no documentation of significant failure</i> <i>Wastewater Treatment Facility upgrades to increase capacity and/or replace obsolete equipment that is not related to a permit violation correction.</i> <i>Improve system security, such as fencing, remote monitoring, access cards, etc.</i> <i>SCADA upgrades</i>	100
5	This project will not address any significant health related issues. <i>Examples:</i> <i>Sewer main alignment changes (rerouting mains that have little to no improvement on operation).</i> <i>Sewer main expansion for future development.</i> <i>Wastewater treatment plant or collection system studies, unless required by compliance conditions.</i> <i>Master Plans.</i>	0
WATER QUALITY CONSIDERATIONS (only one)		
1	This project will correct a documented pollution event in a:	
	Non-303(d) listed Water Body	250
	303(d) Category 4a Listed Water Body (impaired with final/approved Total Maximum Daily Load (TMDL)	240
	303(d) Category 4b Listed Water Body (impaired with other pollution controls)	230
	303(d) Category 4c Listed Water Body (impairment not caused by a pollutant, e.g., invasive species, flow modifications)	230
	303(d) Category 5 Listed Water Body (Impaired, requires TMDL)	220
2	Current conditions are severe enough that a pollution event can occur; however one has not been reported or documented. This project will correct a problem in a	
	Non-303(d) listed Water Body	230
	303(d) Category 4a Listed Water Body (impaired with final/approved TMDL)	220
	303(d) Category 4b Listed Water Body (impaired with other pollution controls)	210
	303(d) Category 4c Listed Water Body (impairment not caused by a pollutant, e.g., invasive species, flow modifications)	210
	303(d) Category 5 Listed Water Body (Impaired, requires TMDL)	200
3	This project will minimize the potential for future pollution events.	100
4	This project has minimal impact on future pollution events.	0

Alaska Clean Water State Revolving Fund - Priority Criteria for SFY20 Point Source Projects

RECEIVING WATERS (Only one) – This project addresses the following adverse impacts to receiving waters:		
1	Direct impacts to surface water or groundwater	10
2	Direct impacts to marine waters or estuaries	5
3	Indirect impacts to surface water or groundwater	5
4	This project will not address adverse impacts to receiving waters.	0
PROJECT READINESS (Only one)		
1	This project will complete work that has already begun construction and has an environmental review completed by the ADEC SRF Program. Documentation is required.	50
2	Engineering plans and specifications have been approved by the ADEC Engineering Support and Plan Review (ESPR) Program. Documentation is required.	40
3	Substantial engineering plans and specification (at least 65% complete) have been prepared and provided to ADEC ESPR Program. Documentation is required.	30
4	A feasibility study, facility plan and/or set of engineering plans and specifications (at least 35% complete) have been prepared and are attached. Documentation is required.	20
5	An up-to-date comprehensive study, master plan, and/or a current project cost estimate has been prepared and is attached. Documentation required.	10
6	No project development has been accomplished.	0
FUNDING COORDINATION (Only one)		
1	This loan will be used to match other state or federal funds, or this project will be coordinated with another municipal/state/federally funded project, e.g. DOT road construction. Documentation is required to identify each funding source.	15
2	Other funding sources have not been identified.	0
ABILITY TO REPAY (Only one)		
1	The source, amount and year of repayment funds has been identified and are available now. This does not include anticipated funds from future year funding or appropriations. Documentation required.	10
2	Repayment funds have not yet been identified.	0
SUSTAINABILITY PROJECTS (Only one)		
1	Fix it First Projects – These are projects currently located in an established area which is still suitable for use and should be encouraged over project in undeveloped areas. The repair, replacement and upgrade of infrastructure in these types of areas are encouraged.	50
2	Effective Utility Management – Plans, studies and projects that improve the technical, managerial and financial capacity of assistance recipients to operate, maintain and upgrade their infrastructure. Improved stewardship of the existing infrastructure will help improve sustainability and extend the useful life of the system.	25
3	Planning – Preliminary planning, development of alternatives, and capital projects that reflect the full life cycle cost of infrastructure, conserve natural resources or use alternative approaches to integrate natural systems in the built environment.	25
4	Not applicable.	0
OPERATOR CERTIFICATION (Only one)		
1	The system employs, or has on contract, an operator certified to the level of the system.	5
2	The system does not employ, or have on contract, an operator certified to the level of the system.	0
AFFORDABILITY CRITERIA (Only one)		
1	Loan cost to population benefitting ratio:\$0 - \$400 per person	15
2	Loan cost to population benefitting ratio: 400 - \$4,000 per person	10
3	Loan cost to population benefitting ratio:> \$4,000 per person	5
GREEN PROJECT (Determined by ADEC)		
	The applicant has sufficiently demonstrated eligible Green components under the project.	25

Alaska Clean Water State Revolving Fund - Priority Criteria for SFY20 Nonpoint Source Projects

WATER QUALITY CONSIDERATIONS (only one)		
1	PROTECTION: This project's main emphasis is prevention of nonpoint source pollution in a: Non-303(d) listed Water Body	100
	303(d) Category 4a Listed Water Body (impaired with final/approved Total Maximum Daily Load (TMDL)	90
	303(d) Category 4b Listed Water Body (impaired with other pollution controls)	90
	303(d) Category 4c Listed Water Body (impairment not caused by a pollutant, e.g., invasive species, flow modifications)	90
	303(d) Category 5 Listed Water Body (Impaired, requires TMDL)	90
2	RESTORATION: The goal of the proposed project is to restore water quality in a water body identified as impaired or polluted in the most recent 303(d) list. This project implements a TMDL or load allocation, or otherwise addresses a water quality problem that has resulted in a water body designated as impaired in a : Non-303(d) listed Water Body	100
	303(d) Category 4a Listed Water Body (impaired with final/approved TMDL	90
	303(d) Category 4b Listed Water Body (impaired with other pollution controls)	90
	303(d) Category 4c Listed Water Body (impairment not caused by a pollutant, e.g., invasive species, flow modifications)	90
	303(d) Category 5 Listed Water Body (Impaired, requires TMDL)	80
3	STEWARDSHIP: The proposed project will improve or maintain water quality in a: Non-303(d) listed Water Body	100
4	This project has minimal impact on future pollution events.	0
PROJECT READINESS (Only one)		
1	Engineering documents have been completed. Documentation is attached.	25
2	Preliminary engineering documents have been completed. Documentation is attached.	20
3	Key planning document(s) (such as TMDL, Corrective Action plan, Comprehensive Plan) have been completed. Documentation is attached.	15
4	A feasibility study that demonstrates the need and costs for the project has been completed. Documentation is attached.	5
5	No action has been taken.	0
FUNDING COORDINATION (Only one)		
1	This loan will be used to match other state or federal funds. Documentation is required to identify each funding source.	15
2	Other funding sources have not been identified.	0
ABILITY TO REPAY (Only one)		
1	A viable repayment source has been identified. Documentation is attached.	10
2	Repayment funds have not yet been identified.	0
NONPOINT SOURCE STRATEGY IDENTIFIED PRIORITIES - Coordination with Alaska Clean Water Five-Year Strategic Plan Goals - Determined by ADEC (Only one)		
1	Increase the amount known about Alaska's waters	10
2	Standardize how ADEC evaluates information for the purpose of listing and delisting a waterbody on the impaired waterbody list by developing listing methodologies and policy.	20
3	Increase of continue collaboration with other programs, agencies and community based organizations.	10
4	Restore waters that are impaired and keep them healthy once restored.	30
5	Conduct research on BMPs so that urban and industrial development sustains water quality.	20
6	Keep our waters clean – highlight and protect healthy waters that are at risk.	40
7	Keep our waters clean – Educate the public on water quality and smart practices to prevent pollution.	10
GREEN PROJECT (Determined by ADEC)		
	The applicant has sufficiently demonstrated eligible Green components under the project.	25

Appendix 2

SFY20

Project Priority List

Alaska Clean Water Fund - State Fiscal Year 2020 (SFY20) Project Priority List - 1st Quarter

Note: Available funding for SFY20 projects is \$56.4 million.

(1) Subsidy is subject to change depending on the readiness of projects to proceed. Subsidy listed in this table is shown based on the year when allocated: SFY19 or SFY20.

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

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

Rank	Score	APDES Permit Number	Clean Water Needs Category	Applicant	Project Name and Description	Requested Loan Amount	Estimated Subsidy ⁽¹⁾ (SFY19)	Estimated Subsidy ⁽¹⁾ (SFY20)	Disadvantaged Community	Requested Loan Term ⁽²⁾ (years)	Green Project Amount (Type)	Sustainability Policy	Estimated Construction Start	Quarter Added to PPL
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POINT SOURCE PROJECT QUESTIONNAIRES

1	645	AKG573004	I	Dillingham	Wastewater System Upgrades - Construct an aeration system to replace the existing damaged aeration system and ensure that the discharge meets water quality standards and permit requirements. This project will also construct a separate septage pond to manage winter loadings from occasional household pumping.	\$670,000		\$335,000	X	20 to 30		Fix It First	5/1/2019	SFY19 -Q3
2	645	2003-DB0096	III-B	Sand Point	Sewer Upgrade - Replace two lift stations that are at the end of their serviceable life. This will eliminate the need to manually pump out wastewater on a near daily basis. The lid on the settling tank will also be replaced.	\$1,050,680		\$500,000	X	5 to 20		Fix It First	7/1/2019	SFY19-Q3
3	595	AK0021385	III-B	Haines Borough	Wastewater Influent and Lift Station Pump Upgrade - Design of the wastewater treatment plant influent and 1-mile lift station upgrade, and design and construction of improvements for wastewater lift stations at Beach Road and Skyline Drive.	\$579,867		\$289,934	X	20	\$355,000 (Energy Efficiency)	Fix It First	6/1/2020	SFY20-Q1
4	440		III-B	King Cove	Downtown Wastewater System Upgrade - Replace an existing 50-year-old lift station that has ongoing maintenance and safety issues.	\$735,000	\$170,000	\$197,500	X	20	\$690,000 (Energy Efficiency)	Fix It First	7/15/2019	SFY20-Q1
5	415	AKG573010	III-B	Bristol Bay Borough	Naknek Sewer System Improvements Phase II - Replace three aging wastewater lift stations and extend two sewer force mains.	\$12,978,900				20	\$10,941,200 (Energy Efficiency)	Fix It First	9/1/2019	SFY20-Q1
6	265	AK0022551	IV-A	Matanuska-Susitna Borough	Landfill Cell Maintenance Equipment, 7 year loan - Purchase equipment used to compact waste, manage daily facility operations and maintain the facility in support of the containment of leachate to protect the aquifer.	\$3,374,000			X	7				SFY19-Q3
7	265	AK0022551	IV-A	Matanuska-Susitna Borough	Landfill Cell Maintenance Equipment, 10 year loan - Purchase equipment used to compact waste, manage daily facility operations and maintain the facility in support of the containment of leachate to protect the aquifer.	\$746,000			X	10				SFY19-Q3
8	166 ⁽³⁾	AK0022551	I, III-A, III-B	Anchorage AWWU	SFY20 Pro Fi Questionnaire - The applicant has provided a list of eligible projects including planning, design, engineering, and construction activities for wastewater infrastructure projects (see attached list).	\$15,000,000		---		20	\$450,000 (Energy Efficiency)	Fix It First		SFY20-Q1
POINT SOURCE SUBTOTAL						\$35,134,447	\$170,000	\$1,322,434						

NONPOINT SOURCE PROJECT QUESTIONNAIRES

1	160	---	VII	King Cove	Landfill Cell Capping Closure - Install a partial closure system as required by closure standards for a Class III municipal solid waste landfill found in Alaska Administrative Code (18 AAC 60.390) to stabilize slopes, minimize soil erosion, minimize water infiltration, and protect against the release of hazardous constituents to the environment.	\$51,030		\$25,515	X	20 to 30				SFY19-Q2
2	140	---	VII	Municipality of Anchorage	Anchorage Regional Landfill Cell 9A - Procurement, construction and construction oversight of Cell 9A project to provide air space for management of municipal solid wastes. The project includes approximately 6 acres of liner including leachate and storm water collection and control systems.	\$7,600,000				20 to 30				SFY19-Q4
NONPOINT SOURCE SUBTOTAL						\$7,651,030	\$0	\$25,515						

AMENDMENT TO EXISTING LOANS

Alaska Clean Water Fund - State Fiscal Year 2020 (SFY20) Project Priority List - 1st Quarter

Note: Available funding for SFY20 projects is \$56.4 million.

(1) Subsidy is subject to change depending on the readiness of projects to proceed. Subsidy listed in this table is shown based on the year when allocated: SFY19 or SFY20.

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

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

Rank	Score	APDES Permit Number	Clean Water Needs Category	Applicant	Project Name and Description	Requested Loan Amount	Estimated Subsidy ⁽¹⁾ (SFY19)	Estimated Subsidy ⁽¹⁾ (SFY20)	Disadvantaged Community	Requested Loan Term ⁽²⁾ (years)	Green Project Amount (Type)	Sustainability Policy	Estimated Construction Start	Quarter Added to PPL
1		AK0022551	III-B	Anchorage AWWU	Pump Station 12 Force Main - Interceptor C Gravity Junction Rehabilitation - Loan Amendment to increase existing loan amount by \$2,584,456. Project scope: Assess and rehabilitate the 45-year-old pump station, force mains, gravity junction box and the receiving 48-inch gravity sewer to meet current standards, enhance operation efficiency and provide continued service.	\$2,584,456		---		20	---	Fix It First	12/3/2019	SFY20-Q1
LOAN AMENDMENT SUBTOTAL						\$2,584,456	\$0	\$0						
MICRO LOAN QUESTIONNAIRES														
1	420	AKG573035	III-B	Noorvik	Utilidor Replacement Phase 2 - Replace approximately 300 linear feet of aboveground water and sewer utilidor. This project will include installing new aluminum rectangle utilidor insulation and adjustable supports.	\$75,000		\$52,500	X	< 5 years	---	Fix It First		SFY20-Q1
2	415	---	III-B	Kotlik	Sewer Connections - Renovate five sewer service connections by removing the arctic boxes and installing flexible service connections. Install a circulating pump and a through wall shut-off valve at each home.	\$75,000		\$37,500	X	< 5 years	---	Fix It First		SFY20-Q1
MICRO LOAN SUBTOTAL						\$150,000	\$0	\$90,000						
TOTAL FUNDING REQUESTED (ALL CATEGORIES)						\$45,519,933	\$170,000	\$1,437,949						

Alaska Clean Water Fund - State Fiscal Year 2020 (SFY20)
Programmatic Financing (Pro Fi) Projects

Applicant: Anchorage Water and Wastewater Utility

Loan Request: \$15,000,000

Loan Term: 20 years

The Pro Fi questionnaire includes the following improvements included in AWWU's capital improvement plans for the wastewater utility.

Number	Project Name	Description
C-20-01	Farm Ave Sewer Rehab	Replace 1,100 feet of gravity sewer with larger-diameter pipe to accommodate pump station flow and future development upstream. The existing 8" ductile iron pipe was installed in 1983.
C-20-02	Pump Station 52 Improvements	Evaluate, provide recommendations, and prepare construction documents for constructing improvements to pump station.
C-20-03	West 8th, N-P Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-04	M Street Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-05	West 2nd Ave Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-06	D & E Street Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-07	H & I Street Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-08	C & D Street Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-09	5th-6th Ave Cordova-C Upgrade Sewer	Rehabilitate sewer main in downtown Anchorage.
C-20-10	Flower Park Glenn 4th Upgrade Sewer	Rehabilitate over 1,900 linear feet of 8-inch sewer pipe with multiple deficiencies including fractures, cracks, offsets, and joint separations.
C-20-11	D-2-4 Trunk Improvements	Abandon in place approximately 1,100 feet of sewer main and add approximately 1,670 feet of new sewer main with a new alignment. In addition, provide access for maintenance vehicles to manholes along Chester Creek.
C-20-12	King Street Backup Power Upgrade	Provide backup power to existing King Street O&M Main Building Headquarters and the existing King Street Warm Storage Building that houses all the critical equipment that the AWWU O&M Division utilizes to maintain and operate the water and sewer infrastructure during planned activities as well as emergency response
C-20-13	King Street Septage Receiving Station	Upgrade existing Septage Receiving Station with pretreatment equipment and increase user access. The pretreatment equipment will prevent sanitary sewer overflows in the collection system.
C-20-14	King Street Warm Vehicle Storage	Develop a new low cost stand alone building to house equipment, necessary to operate and maintain the AWWU water and sewer infrastructure. Operations include planned maintenance as well as emergency maintenance in events such as sanitary sewer overflows, water and sewer main breaks, etc.
C-20-15	King Street Main Building Upgrade	This project proposes various improvements to AWWU's King Street O&M Facility Administrative Building. Improvements include expanding and remodeling interior spaces and systems, and enclosing covered areas to increase the capacity, productivity, and efficiency of AWWU's support maintenance group.
C-20-16	Asplund Wastewater Treatment Facility Storage	Construct additional warm storage for equipment, materials and sodium hypochlorite. This project is associated with the AWWTF disinfection process.
C-20-17	Asplund Wastewater Treatment Facility Scum Lines	Construct improvements to the scum handling system from the clarifiers to the incinerator including piping, pumps, heating, insulation, and controls.
C-20-18	W 72nd Ave Trunk Rehab	Either line with cured-in-place pipe or directly replace a 15-inch corrugated metal pipe sewer trunk that has failed as a result of corrosion.
C-20-19	Mills Drive Sewer Rehab	Replace/rehabilitate AC sewer main and rehabilitate and realign at least one manhole in a state of failure to reduce sanitary sewer overflows and groundwater infiltration and inflow.
C-20-21	Girdwood Infiltration and Inflow (I&I) MH Ph IX	The Girdwood I & I project is an ongoing program to reduce groundwater infiltration by replacing leaking sewer services and lining existing sewer lines with a cured in place pipe (CIPP) identified through closed circuit television (CCTV) inspection and other means.
C-20-22	Asplund Wastewater Treatment Facility Combined Heat and Power Conversion	Investigate, design and construction of a combined heat and power system at the Asplund Wastewater Treatment Facility.
C-20-23	Asplund Wastewater Treatment Facility Disinfection Safety Improvements	Upgrade or rehabilitate process equipment associated with Asplund Wastewater Treatment Facility disinfection system for safety or functionality.
C-20-24	Asplund Wastewater Treatment Facility Raw Sludge Pumps Replacement	Replace the existing raw sludge pumps at Asplund Wastewater Treatment Facility that are at the end of their useful life and experience frequent maintenance issues.
C-20-25	Pump Station 2 Rehabilitation	Replace high voltage electrical system, aging and corroding piping, valves, control systems, and various site improvements within Pump Station 2. These improvements will help increase safety, reduce the risk of sanitary sewer overflows, emergency repairs, service interruptions and operation and maintenance costs.
C-20-26	King Street Campus Expansion	The expansion project will involve acquisition of approximately 6.86 acres of land adjacent to the existing King Street facility, the headquarters for AWWU's operations and maintenance activities. In addition to land acquisition, site improvements will include clearing, grading, backfilling, and fencing the property. In addition to the site improvement work, the Municipality of Anchorage requires AWWU to complete paved roadway improvements and water main extension within 94th Avenue from Gambell Street to the proposed land acquisition. Completion of this land purchase will allow the space required for needed expansion of operations including the construction of the warm storage facility and other needed improvements identified in the King Street Facility Plan.
C-20-27	King Street Fuel Storage Improvements	The existing fuel storage and dispensing system will be relocated to make room for other site improvements at the King Street facility, AWWU's headquarters for operations and maintenance activities. This project will also streamline the traffic pattern within the King Street facility.
C-20-28	Pump Station 58 Improvements	The purpose of this project is to upgrade Pump Station 58 to meet current and future demands as well as address maintenance issues.
C-20-29	Wastewater Master Plan	Update the Wastewater Master Plan used to guide system upgrades and expansions.

Appendix 3

Revised Public Notice Procedure for Categorical Exclusion Determinations Amendment to the State Environmental Review Process

The Alaska Department of Environmental Conservation (ADEC) proposes a revision in the public notice procedure for Categorical Exclusions as identified in the State Environmental Review Process (SERP) for both the Alaska Clean Water Fund (ACWF) and the Alaska Drinking Water Fund (ADWF). The Clean Water State Revolving Fund and the Drinking Water State Revolving Fund federal rules require an environmental review of all construction projects that receive funding assistance through these programs. In Alaska, the process for complying with the federal environmental review requirement is described in the SERP.

The SERP for both the ACWF and ADWF currently states that Categorical Exclusion determinations will be posted in a newspaper of community wide circulation as noted below:

Issue Notices. The Department will issue public notices in a newspaper of community wide circulation. Determinations for which public notice will be issued include Records of Decision, Findings of No Significant Impact, and Eligibility for Categorical Exclusion.

The ADEC proposes to revise the Categorical Exclusion public notice requirement to require posting the determination on the DEC Public Notice web page at <https://dec.alaska.gov/commish/public-notice/> and discontinue publishing the Categorical Exclusion notice in the newspaper. The proposed revision to the Categorical Exclusion process would state the following:

Issue Notices. Determinations for which public notice will be issued include Records of Decision, Findings of No Significant Impact, and Eligibility of a Categorical Exclusion. The Department will issue public notices in a newspaper of community wide circulation as well as on the DEC Public Notice web page for Records of Decision and Findings of No Significant Impact. The Department will issue public notices for Categorical Exclusion determinations on the DEC Public Notice web page.

Posting Categorical Exclusion determinations on DEC Public Notice web page will not only reduce administrative costs for the SRF Program, it will also streamline the public notice process for those projects that do not have a significant effect on the environment.

Public notices for projects that require a Finding of No Significant Impact or a Record of Decision will continue to be posted in a newspaper of community wide circulation as well as on the DEC Public Notice web page.