

**Clean Water Capitalization Grant - Subsidy Funding****FY2011 Request: \$1,826,274****Reference No: AMD 49698**

**AP/AL:** Appropriation  
**Category:** Health/Human Services  
**Location:** Statewide  
**House District:** Statewide (HD 1-40)  
**Estimated Project Dates:** 07/01/2010 - 06/30/2015

**Project Type:** Water / Sewer / Solid Waste  
**Contact:** Lynn Kent  
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**Brief Summary and Statement of Need:**

A new provision added in the recently passed Presidential budget to the federal Clean Water Capitalization Grant now requires States to issue subsidies (a loan forgiveness process). The subsidy amount required has been identified under the grant terms the Environmental Protection Agency has identified for Alaska. This program has in the past functioned strictly as a loan program. In order to implement this new provision an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Clean Water fund.

<b>Funding:</b>	<b>FY2011</b>	<b>FY2012</b>	<b>FY2013</b>	<b>FY2014</b>	<b>FY2015</b>	<b>FY2016</b>	<b>Total</b>
Clean Wtr	\$1,826,274						\$1,826,274
<b>Total:</b>	<b>\$1,826,274</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$1,826,274</b>

<input type="checkbox"/> State Match Required	<input type="checkbox"/> One-Time Project	<input type="checkbox"/> Phased - new	<input type="checkbox"/> Phased - underway	<input checked="" type="checkbox"/> On-Going
0% = Minimum State Match % Required		<input checked="" type="checkbox"/> Amendment	<input type="checkbox"/> Mental Health Bill	

**Operating & Maintenance Costs:**

	<u>Amount</u>	<u>Staff</u>
Project Development:	0	0
Ongoing Operating:	0	0
One-Time Startup:	0	0
<b>Totals:</b>	<b>0</b>	<b>0</b>

**Additional Information / Prior Funding History:**

This is a new provision. No previous capital appropriation exists in recent years.

**Project Description/Justification:**

The Clean Water Capitalization Grant is \$12,194,000. \$1,826,274 must now be used for subsidies (loan forgiveness). Without authorization this federal year to issue these subsidies, the Department will not be eligible to receive this funding and will be unable to award loan funds and principal forgiveness in FY2011 to the following communities at the top of the priority list (this list may vary depending on the communities that ultimately qualify for the project):

Palmer, Wastewater Treatment Plant Improvements Phase II  
 Anchorage, Girdwood Wastewater Treatment Facility  
 Fairbanks North Star Borough, South Cushman Landfill Expansion Cell 3 and 4