

Drinking Water Capitalization Grant - Subsidy Funding**FY2018 Request: \$2,041,000****Reference No: 49697****AP/AL:** Appropriation**Project Type:** Water / Sewer / Solid Waste**Category:** Health/Human Services**Location:** Statewide**House District:** Statewide (HD 1-40)**Impact House District:** Statewide (HD 1-40)**Contact:** Michelle Hale**Estimated Project Dates:** 07/01/2017 - 06/30/2022**Contact Phone:** (907)465-5135**Brief Summary and Statement of Need:**

The federal Drinking Water Capitalization Grant requires states to issue subsidies (a loan forgiveness process). The subsidy amount required was identified under the grant terms the Environmental Protection Agency has identified for Alaska. This program functioned strictly as a loan program until FY2011 when this provision was added to the federal budget. In order to implement this provision, an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Drinking Water Fund. Future funding requests will remain at a set percentage of each year's capitalization grant.

| Funding: | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 | FY2023 | Total |
|-----------------|-------------|-------------|-------------|-------------|-------------|-------------|--------------|
| 1100 ADWF | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$12,246,000 |
| Total: | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$2,041,000 | \$12,246,000 |

| | | | | |
|---|---|---------------------------------------|---|--|
| <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 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 |
| Totals: | 0 | 0 |

Prior Funding History / Additional Information:

Sec1 Ch2 SLA2016 P4 L5 SB138 \$2,526,300
 Sec1 Ch38 SLA2015 P3 L30 SB26 \$2,526,300
 Sec1 Ch18 SLA2014 P51 L12 SB119 \$2,526,300
 Sec1 Ch16 SLA2013 P63 L10 SB18 \$2,692,800
 Sec1 Ch17 SLA2012 P113 L11 SB160 \$4,634,000
 Sec1 Ch5 SLA2011 P81 L9 SB46 \$4,071,900
 Sec1 Ch43 SLA2010 P23 L19 SB230 \$4,071,900

Project Description/Justification:

The federal Drinking Water Capitalization Grant requires states to issue subsidies (a loan forgiveness process). The subsidy amount required was identified under the grant terms the Environmental Protection Agency has identified for Alaska. This program functioned strictly as a loan program until FY2011 when this provision was added to the federal budget. In order to implement this provision, an appropriation is necessary to properly record the loan forgiveness payment as an expense in the Alaska Drinking Water Fund. Future funding requests will remain at a set percentage of each year's capitalization grant. For FY2018, the amount is \$2,041,000.

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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 FY2018.

Drinking Water Loans FY2014 through FY2016

| Community/Entity | Project Description | Loan | Subsidy |
|--|--|---------------------|--------------------|
| FY2016 | | | |
| Alpat Water Utility | Sherwood Estates Water Treatment Plant Rehab | \$198,500 | \$0 |
| Anchorage Water and Wastewater Utility | 347 Zone Conversion | \$750,000 | \$0 |
| | 430 Zone Conversion | \$450,000 | \$0 |
| | 458-424 Zone Merge | \$1,000,000 | \$0 |
| | Denali Water and Rehab., Northern Lights to Fireweed | \$1,500,000 | \$0 |
| | EWTF Facility Plan | \$450,000 | \$0 |
| | Reservoir 3 & 4 Circulation Line | \$1,000,000 | \$0 |
| | Ship Creek Water Treatment Facility Upgrade | \$5,000,000 | \$0 |
| | Wesleyan Dr-Checkmate to Queen Water Rehab. | \$3,300,000 | \$0 |
| Cordova | LT2 Improvements | \$3,000,000 | \$1,156,250 |
| Haines Borough | Piedad Springs Water Source Upgrades | \$338,760 | \$118,566 |
| Homer | Water Distribution/Storage Improvements (Phase I) | \$817,000 | \$612,750 |
| Skagway | Water Well # 4 | \$262,909 | \$0 |
| | Total | \$18,067,169 | \$1,887,566 |
| FY2015 | | | |
| Alpat Water Utility | Treatment Plant Upgrade and Reservoir Construction | \$505,577 | \$379,183 |
| Craig | Replace Failing Water Transmission Main | \$272,000 | \$0 |
| Haines Borough | AC Pipe Replacement - Allen Road | \$150,000 | \$0 |
| | | \$500,000 | \$311,587 |
| Juneau | Last Chance Basin Well Field Capacity Improvements | \$2,000,000 | \$0 |
| | Salmon Creek Water Source Secondary Disinfection | \$1,000,000 | \$0 |
| Nome | East Nome Water Replacement II | \$1,563,600 | \$0 |
| Palmer | Steel Water Main Replacement | \$1,285,714 | \$964,286 |
| Sitka | DeGroff Street Water Improvements | \$1,352,100 | \$0 |
| | Jeff Davis Street Water Main Replacement | \$812,000 | \$0 |
| | Monastery & Baranof Water - SMC to DeGroff | \$497,000 | \$0 |
| | Total | \$9,937,991 | \$1,655,056 |

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| | | | |
|--|--|---------------------|--------------------|
| FY2014 | | | |
| Anchorage Water and Wastewater Utility | 22nd Ave. Wayne-Illian Water Rehabilitation | \$1,500,000 | \$0 |
| | ARRC Yard 12" Water Rehabilitation | \$2,700,000 | \$0 |
| | Calais Subdivision Water Rehab | \$3,200,000 | \$0 |
| | Ship Creek WTF Comprehensive Improvements | \$7,800,000 | \$0 |
| | Wonder Park Water Upgrade, Ph. II | \$1,300,000 | \$0 |
| College Utilities Corporation | Sherwood Forest Water Main Ext., Ph. II | \$1,540,000 | \$500,000 |
| Cordova | LT2 Improvements | \$1,081,500 | \$811,125 |
| Haines Borough | AC Pipe Replacement - Muncaster/Highland Estates | \$787,500 | \$322,875 |
| Kodiak | Monashka Pumpshouse Upgrade | \$6,000,000 | \$0 |
| Nome | East Nome Water Replacement | \$1,990,000 | \$1,333,300 |
| Oasis Water Utility | Field of View Source Dev. And Tran. Main | \$748,650 | \$561,488 |
| Palmer | Steel Water Main Replacement (100% Green) | \$862,624 | \$0 |
| Sitka | Baranof Street Water Main Replacement | \$685,000 | \$243,860 |
| | Hollywood Way Water Main Replacement | \$250,000 | \$138,217 |
| | Temporary Filtration at Indian River | \$3,113,000 | \$0 |
| | Total | \$33,558,274 | \$3,910,865 |