

**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.

<b>Funding:</b>	<b>FY2018</b>	<b>FY2019</b>	<b>FY2020</b>	<b>FY2021</b>	<b>FY2022</b>	<b>FY2023</b>	<b>Total</b>
1100 ADWF	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$2,041,000	\$12,246,000
<b>Total:</b>	\$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
<b>Totals:</b>	<b>0</b>	<b>0</b>

**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
<b>FY2016</b>			
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
	<b>Total</b>	<b>\$18,067,169</b>	<b>\$1,887,566</b>
<b>FY2015</b>			
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
	<b>Total</b>	<b>\$9,937,991</b>	<b>\$1,655,056</b>

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<b>FY2014</b>			
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
	<b>Total</b>	<b>\$33,558,274</b>	<b>\$3,910,865</b>