

Drinking Water Capitalization Grant - Subsidy Funding**FY2011 Request: \$4,071,900****Reference No: AMD 49697****AP/AL:** Appropriation**Project Type:** Water / Sewer / Solid Waste**Category:** Health/Human Services**Location:** Statewide**Contact:** Lynn Kent**House District:** Statewide (HD 1-40)**Contact Phone:** (907)269-7599**Estimated Project Dates:** 07/01/2010 - 06/30/2015**Brief Summary and Statement of Need:**

A new provision added in the recently passed Presidential budget to the federal Drinking Water Capitalization Grant now requires 30% to be used as a subsidy (a loan forgiveness process) to this loan program. 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 Drinking Water fund.

Funding:	FY2011	FY2012	FY2013	FY2014	FY2015	FY2016	Total
ADWF	\$4,071,900						\$4,071,900
Total:	\$4,071,900	\$0	\$0	\$0	\$0	\$0	\$4,071,900

<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	
Totals:	0	0

Additional Information / Prior Funding History:

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

Project Description/Justification:

The Drinking Water Capitalization Grant is \$13,573,000. 30% of which 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):

Petersburg, Water Treatment Plant Upgrades Phase 3
 Wasilla, Arsenic Removal
 Sitka, UV Disinfection Facility
 Juneau, Salmon Creek Water Source Secondary Disinfection
 Haines, A/C Pipe Replacement
 Haines, Barnett Water Tank Replacement
 Palmer, Steel Water Main Replacement