

ADDITIONAL REGULATION NOTICE  
INFORMATION (AS 46.03.032 & .036)

1. Adopting agency: Department of Environmental Conservation
2. General subject of regulation: Alaska Clean and Drinking Water Revolving Loan Funds
3. Citation of regulation (may be grouped): 18 AAC 76
4. Department of Law file number, if any: JU201600542
5. Reason for the proposed action:
  - ( X ) Compliance with federal law or action (identify): Comply with federal rule changes to Amendments in the Water Resources Reform and Development Act to Titles I, II, V, and the Federal Water Pollution Control Act.
  - ( ) Compliance with new or changed state statute
  - ( ) Compliance with federal or state court decision (identify):
  - ( ) Development of program standards
  - ( ) Other (identify):
6. Appropriation/Allocation: Department of Environmental Conservation/ Division of Water/ Municipal Grants & Loans
7. Estimated annual cost to comply with the proposed action to:
  - a. Private Persons: No identifiable costs to the general public. Eligible private utilities that plan to borrow from the Alaska Drinking Water Program have the potential to be impacted see "municipalities" below.
  - b. Another state agency: No additional costs.
  - c. Municipalities: There are no additional costs to current Alaska Clean Water Fund (ACWF) and or Alaska Drinking Water Fund (ADWF) borrowers. Municipal borrowers seeking ACWF and or ADWF loan funds in the future have the potential to be indirectly impacted. Due to how the finance charges are calculated, there is a potential for additional loan finance costs; the extent of additional costs would be dependent on the loan amount, terms, and changes in market conditions. The proposed rate calculation method ensures that rates remain below municipal bond market rates. This also benefits future borrowers by allowing for the continuation of funding into the future (interest rate competitiveness, affordability of debt, and revolving fund growth were all evaluated). Revisions increase flexibility, as changes will allow for longer loan terms of up to 30 years. There is a potential for additional costs in the loan application process due to additional form requirements. The main new requirement is the completion of a Fiscal Sustainability Plan (FSP). The FSP is a fully eligible expense under the program.

8. Cost of implementation to the state agency and available funding (in thousands of dollars):

	Initial Year FY <u>17</u>	Subsequent Years
Operating Cost	\$ <u>0</u>	\$ <u>0</u>
Capital Cost	\$ <u>0</u>	\$ <u>0</u>
1002 Federal receipts	\$ <u>0</u>	\$ <u>0</u>
1003 General fund match	\$ <u>0</u>	\$ <u>0</u>
1004 General fund	\$ <u>0</u>	\$ <u>0</u>
1005 General fund/program	\$ <u>0</u>	\$ <u>0</u>
Other (identify)	\$ <u>0</u>	\$ <u>0</u>

9. The name of the contact person for the regulation:

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10. The origin of the proposed action:

☐ Staff of state agency  
☒ Federal government  
☐ General public  
☐ Petition for regulation change  
☐ Other (identify): \_\_\_\_\_

11. Date: 4.13.17 Prepared by: Carrie Bohan

[signature]

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