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**OFFICE OF THE LIEUTENANT GOVERNOR
ALASKA**

MEMORANDUM

TO: Gary Mendivil
Department of Environmental Conservation

FROM: Scott Meriwether, Office of the Lieutenant Governor 465.4081 

DATE: August 14, 2017

RE: Filed Permanent Regulations: Department of Environmental Conservation

Department of Environmental Conservation regulations re: update to Alaska Clean Water and Drinking Water Fund eligibility and reporting requirements, including amendments to allow 30-year term financing and revise finance rates (18 AAC 76.010(d); 18 AAC 76.030(a),(b); 18 AAC 76.060(a)(7); 18 AAC 76.080(a),(b); 18 AAC 76.252(a),(c); 18 AAC 76.255(a),(b); 18 AAC 76.990)

Attorney General File:	JU2016200542
Regulation Filed:	8/11/2017
Effective Date:	9/10/2017
Print:	223, October 2017

cc with enclosures: Linda Miller, Department of Law
Judy Herndon, LexisNexis

ORDER ADOPTING CHANGES TO REGULATIONS
OF DEPARTMENT OF ENVIRONMENTAL CONSERVATION

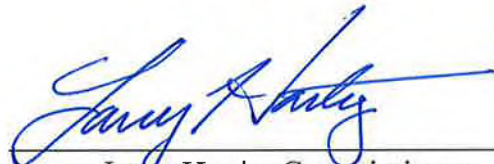
The attached 13 pages of regulations, dealing with the Alaska Clean Water Fund and the Alaska Drinking Water Fund, are adopted and certified to be a correct copy of the regulation changes that the Department of Environmental Conservation adopts under the authority of AS 46.03.020, AS 46.03.032 and AS 46.03.035 and after compliance with the Administrative Procedure Act (AS 44.62), specifically including notice under AS 44.62.190 and 44.62.200 and opportunity for public comment under AS 44.62.210.

This action is not expected to require an increased appropriation.

In considering public comments, the Department of Environmental Conservation paid special attention to the cost to private persons of the regulatory action being taken. The Department of Environmental Conservation also gave special attention to alternate practical methods in this regulatory action as required by AS 46.03.024.

The regulation changes adopted under this order take effect on the 30th day after they have been filed by the lieutenant governor, as provided in AS 44.62.180.


Date: July 27, 2017



Larry Hartig, Commissioner

FILING CERTIFICATION

I, Byron Mallott, Lieutenant Governor for the State of Alaska, certify that on August 11, 2017, at 907 a.m., I filed the attached regulations according to the provisions of AS 44.62.040 - 44.62.120.



Lieutenant Governor

Effective: September 10, 2017

Register: 223, October 2017

18 AAC 76.010(d)(11) is amended to read:

(11) reasonable landscaping costs; [AND]

18 AAC 76.010(d)(12) is amended to read:

(12) **leasing or purchase of land or surface and subsurface easements for project-related purposes, including for** [LAND ACQUISITION FOR THAT PORTION OF THE FACILITY USED]

(A) **storing equipment and materials during construction** [TO DISPOSE OF TREATED SEWAGE OF SOLID WASTE; OR]

(B) **locating eligible treatment, distribution, or collection projects;**
and

(C) **effluent application or recharge basins; and** [AS AN INTEGRAL PART OF THE TREATMENT PROCESS.]

18 AAC 76.010(d) is amended by adding a new paragraph to read:

(13) other eligible projects or components of a project as provided under 33 U.S.C. 1383 if the project applicant is determined by the department to be eligible for funding under 33 U.S.C. 1383. (Eff. 11/19/88, Register 108; am 8/2/97, Register 143; am 9 / 10 / 2017, Register 223)

Authority: AS 46.03.020 AS 46.03.032

18 AAC 76.030(a) is amended to read:

(a) The department will review and approve an application for financial assistance from the Alaska clean water fund according to criteria set out in 18 AAC 76.005 - 18 AAC 76.100. To apply for financial assistance, an applicant **must** [SHALL] submit

(1) a completed application on forms provided by the department;

(2) a resolution adopted by the applicant's governing body that authorizes the application and acceptance of the assistance;

(3) certification from the applicant's attorney that the applicant has the legal authority to incur the debt that will be created by the financial assistance sought;

(4) unless the department does not consider a project facility plan necessary in order to evaluate the project adequately, a project facility plan for a wastewater treatment facility, prepared and signed by a registered engineer, that demonstrates that

(A) for a project subject to 33 U.S.C. 1383(c)(1),

(i) the project will apply best practicable waste treatment technology as defined **in** [AT] 40 C.F.R. 35.2005(b)(7), as amended through June 25, 1997;

(ii) more than one technology was considered in selecting the project design concept;

(iii) opportunities to construct revenue-producing facilities and to make more efficient uses of energy and resources were considered;

(iv) any related wastewater collection system is not subject to excessive infiltration or inflow;

(v) innovative and alternative treatment technologies were evaluated;

(vi) potential recreational and open space opportunities were analyzed;

(vii) the selected treatment **option** [PROJECT] is the most cost-effective, feasible alternative studied; and

(viii) the proposed project will not have a significant negative environmental impact, as determined by the department, using criteria and standards set out in 18 AAC 76.040; or

(B) for a project that is not subject to 33 U.S.C. 1383(c)(1),

(i) the selected treatment **option** [PROJECT] is the most cost-effective, feasible alternative studied; and

(ii) the proposed project will not have a significant negative environmental impact, using criteria and standards set out in 18 AAC 76.040;

(5) **before proceeding with final design or construction, certification in a form provided by the department that the applicant**

(A) has studied and evaluated the cost and effectiveness of the processes, materials, techniques, and technologies for carrying out the proposed project or activity for which assistance is sought under this chapter; and

(B) has selected, to the maximum extent practicable, a project or activity that maximizes the potential for efficient water use, reuse, recapture, and conservation, and energy conservation, taking into account

(i) the cost of constructing the project or activity;

(ii) the cost of operating and maintaining the project or activity over the life of the project or activity; and

(iii) the cost of replacing the project or activity; or

(C) may alternatively seek to satisfy the information required by the department in accordance with (4) of this subsection, if the department determines it is appropriate;

(6) [(5)] documentation of the availability of, and the commitment to use, one or more dedicated sources of revenue for repayment of the financial assistance;

(7) [(6)] certification that a separate account within the applicant's accounting system has been established through which financial assistance received from the Alaska clean water fund will be administered;

(8) [(7)] a value-engineering study if total building costs will exceed \$10,000,000 [\$10 MILLION], unless the department waives this requirement;

(9) [(8)] a financial capability assessment for the proposed project, on a form provided by the department, that demonstrates the applicant's ability to repay the financial assistance as required in 18 AAC 76.050 and to operate and maintain the facility;

(10) [(9)] plans and specifications for the project, prepared and signed by a registered engineer, with a summary of design criteria;

(11) for a publicly owned treatment works proposed for repair, replacement, or expansion and that is eligible for assistance under 33 U.S.C. 1383(c)(1), a fiscal sustainability plan; the applicant must submit the plan not later than the time of

submission of the final disbursement request; the plan

(A) must include

(i) an inventory of critical assets that are a part of the treatment works;

(ii) an evaluation of the condition and performance of inventoried assets or asset groupings;

(iii) a certification that the recipient has evaluated and will be implementing water and energy conservation efforts as part of the plan; and

(iv) a plan for maintaining, repairing, and, as necessary, replacing the treatment works, including how those activities will be funded; and

(B) is subject to the department's certification that the plan meets the requirements of (A) of this paragraph;

(12) [(10)] any other information that the applicant believes will help demonstrate eligibility for financial assistance; and

(13) [(11)] any other information requested by the department.

18 AAC 76.030(b) is amended to read:

(b) An applicant may apply for financial assistance for preconstruction activities by submitting the information required under **(a)(1), (2), (6), (7), (12), and (13) [(a)(1), (2), (5), (6), (10), AND (11)]** of this section.

(Eff. 11/19/88, Register 108; am 8/2/97, Register 143; am 12/29/2000, Register 156;

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am 9 / 10 / 2017, Register 223)

Authority: AS 46.03.020 [AS 46.03.090] AS 46.03.720

AS 46.03.032

18 AAC 76.060(a)(7) is amended to read:

(7) use accounting, audit, and fiscal procedures that conform to generally accepted accounting principles, **including standards relating to the reporting of infrastructure assets;**

(Eff. 11/19/88, Register 108; am 8/2/97, Register 143; am 12/29/2000, Register 156; am 9/27/2009, Register 191; am 9 / 10 / 2017, Register 223)

Authority: AS 46.03.020 AS 46.03.032 AS 46.03.720

18 AAC 76.080(a) is amended to read:

(a) Except as provided in 18 AAC 76.035 for a loan subsidy, the amortization schedule for financial assistance from the Alaska clean water fund will be negotiated between the borrower and the department. The department will not negotiate an amortization schedule that either exceeds 30 [20] years **or the projected useful life of the project, as determined by the department.** The department will apply amortization repayments first toward any penalties owed, second toward the fees owed, third toward the interest, and fourth toward the principal.

18 AAC 76.080(b) is amended to read:

(b) When the department makes an offer of financial assistance, the department will

establish a fixed finance charge that includes both the fee specified in 18 AAC 76.085(a) and interest. The finance charge will be assessed on financial assistance as follows:

(1) for a contract term over 20 years and up to 30 years, accrual of finance charges begins one year after the date of the first payment to the borrower; the department will assess a finance charge at a rate of two percent plus 75 percent of The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity that is greater than four percent as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation $2 + [0.75 \times (\text{Bond Index} - 4)]$, where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity;

(2) for a contract term of five to 20 years, accrual of finance charges begins one year after the date of the first payment to the borrower; the department will assess a finance charge at a rate of one and one-half percent **plus 62.5 percent of The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity that is greater than four percent as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation $1.5 + [0.625 \times (\text{Bond Index} - 4)]$, where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity;**

(3) [OF THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE DISBURSED, OR 18.75 PERCENT OF THE CURRENT BOND RATE AS DEFINED BY THE MUNICIPAL BOND INDEX, WHICHEVER IS HIGHER; (2)] for a contract term of less than five years, accrual of finance charges begins one year after the date of the first payment to the borrower; the

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department will assess a finance charge of one percent plus 50 percent of The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity that is greater than four percent as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation $1 + [0.5 \times (\text{Bond Index} - 4)]$, where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity;

(4) [OF THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE DISBURSED, OR 12 1/2 PERCENT OF THE CURRENT BOND RATE AS DEFINED BY THE MUNICIPAL BOND INDEX, WHICHEVER IS HIGHER; (3)] for financial assistance that is repaid within one year after the first payment to the borrower, the department will assess a finance charge equal to one-half of one percent of the total amount of financial assistance disbursed.

(Eff. 11/19/88, Register 108; am 8/2/97, Register 143; am 12/29/2000, Register 156; am 3/14/2002, Register 161; am 4/28/2005, Register 174; am 5/8/2008, Register 186; am 9/27/2009, Register 191; am 9/10/2017, Register 223)

Authority: AS 46.03.020 AS 46.03.032 AS 46.03.035

The introductory language of 18 AAC 76.252(a) is amended to read:

(a) The department will determine an applicant to be qualified for a low-risk loan under this subsection if the applicant provides an unencumbered pledge as security for the loan. The pledge may be provided in the form of a general obligation bond from a municipality or an obligation from a privately-owned utility. An obligation from a privately-owned utility must be

rated investment grade by a rating service. The municipality's general obligation bond must be backed by the full faith and credit of the municipality and be supported by unlimited ad valorem taxing power as described in AS 29.47.200. The department will qualify a loan disbursed under this section for a discount of one half of one percent from the finance charge assessed in 18 AAC 76.255(b)(2) [18 AAC 76.255(b)(1)]. As the department determines necessary in order to adequately protect the Alaska drinking water fund, reduce the department's risk, and ensure repayment, the department will attach conditions to the loan that include

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The introductory language of 18 AAC 76.252(c) is amended to read:

(c) The department will determine an applicant to be qualified for a discretionary loan under this subsection if the applicant does not have a credit rating or if the department determines that risk factors exist with the applicant's credit. The department will not approve a loan under this subsection if the total principal amount of all the outstanding loans of the discretionary type exceeds five percent of the total assets of the Alaska drinking water fund. The department will attach to a loan disbursed under this subsection a surcharge of two and one-half percent in addition to the finance charge assessed in 18 AAC 76.255(b)(2) or (3) [18 AAC 76.255(b)(1) OR (2)], as appropriate. As the department determines necessary in order to adequately protect the Alaska drinking water fund, reduce the department's risk, and ensure repayment, the department will attach conditions to the loan that include

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(Eff. 3/14/2002, Register 161; am 9/10/2017, Register 223)

Authority: AS 37.15.575 AS 46.03.036

18 AAC 76.255(a) is amended to read:

(a) Except as provided in 18 AAC 76.230 for a disadvantaged system, the amortization schedule for financial assistance from the Alaska drinking water fund will be negotiated between the borrower and the department. The department will not negotiate an amortization schedule that exceeds 30 [20] years. Repayment of financial assistance must begin within one year after the date of initiation of operation of the facility, or within one year after the date of a refinancing under 18 AAC 76.205(a)(2). The department will apply amortization repayments first toward any penalties owed, second toward any fees owed, third toward the interest, and fourth toward the principal.

18 AAC 76.255(b) is amended to read:

(b) When the department makes an offer of financial assistance, the department will establish a fixed finance charge that includes the fee specified in 18 AAC 76.257(a), interest, and any adjustment described in 18 AAC 76.252(a) or (c), [.] as appropriate, The [, THE] finance charge will [TO] be assessed on financial assistance as follows:

(1) for a contract term over 20 years and up to 30 years, accrual of finance charges begins one year after the date of the first payment to the borrower; the department will assess a finance charge at a rate of two percent plus 75 percent of The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity that is greater than four percent

as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation $2 + [0.75 \times (\text{Bond Index} - 4)]$, where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity;

(2) for a contract term of five to 20 years, accrual of finance charges begins one year after the date of the first payment to the borrower; the department will assess a finance charge at a rate of one and one-half percent plus 62.5 percent of The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity that is greater than four percent as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation $1.5 + [0.625 \times (\text{Bond Index} - 4)]$, where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity;

(3) [OF THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE DISBURSED, OR 18.75 PERCENT OF THE CURRENT BOND RATE AS DEFINED BY THE MUNICIPAL BOND INDEX, WHICHEVER IS HIGHER; (2)] for a contract term of less than five years, accrual of finance charges begins one year after the date of the first payment to the borrower; the department will assess a finance charge of one percent plus 50 percent of The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity that is greater than four percent as published on the date that the department extends the financial assistance offer; the finance charge will be determined using the calculation $1 + [0.5 \times (\text{Bond Index} - 4)]$, where "Bond Index" is equal to The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity;

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(4) [OF THE TOTAL AMOUNT OF FINANCIAL ASSISTANCE DISBURSED, OR 12 1/2 PERCENT OF THE CURRENT BOND RATE AS DEFINED BY THE MUNICIPAL BOND INDEX, WHICHEVER IS HIGHER; (3)] for financial assistance that is repaid within one year after the first payment to the borrower, the department will assess a finance charge equal to one-half of one percent of the total amount of financial assistance disbursed.

(Eff. 8/2/97, Register 143; am 12/29/2000, Register 156; am 3/14/2002, Register 161; am 11/10/2007, Register 184; am 9 / 10 / 2017, Register 223)

Authority: AS 46.03.020 AS 46.03.039 AS 46.03.720
AS 46.03.036

18 AAC 76.990(7) is amended to read:

(7) "director" means the director of the department's division **that oversees the Alaska clean water fund and the Alaska drinking water fund programs** [OF FACILITY CONSTRUCTION AND OPERATION];

18 AAC 76.990(20) is repealed:

(20) repealed 9 / 10 / 2017;

18 AAC 76.990 is amended by adding a new paragraph to read:

(45) "The Bond Buyer's Municipal Bond Index's Current Day - Yield to Maturity" means the daily price for 40 long-term municipal bonds as published in the Bond

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Buyer Municipal Bond Index, or a similar index of tax exempt municipal securities if the index described in this paragraph is no longer available. (Eff. 8/2/97, Register 143; am 12/29/2000, Register 156; am 3/14/2002, Register 161; am 9 / 10 / 2017, Register 223)

Authority: AS 46.03.020 AS 46.03.036 AS 46.03.720
AS 46.03.032 [AS 46.03.090]

MEMORANDUM


State of Alaska
Department of Law

To: Hon. Byron Mallott
Lieutenant Governor

Date: August 7, 2017

File No.: JU2016200542

Tel. No.: 465-3600

From: Steven C. Weaver 
Sr. Assistant Attorney General
and Assistant Regulations Attorney
Legislation and Regulations Section

Re: Department of Environmental
Conservation regulations re: update to
Alaska Clean Water and Drinking
Water Fund eligibility and reporting
requirements, including amendments
to allow 30-year term financing and
revise finance rates (18 AAC
76.010(d); 18 AAC 76.030(a), (b);
18 AAC 76.060(a)(7); 18 AAC
76.080(a), (b); 18 AAC 76.252(a), (c);
18 AAC 76.255(a), (b); 18 AAC
76.990)

We have reviewed the attached regulations from the Department of Environmental Conservation against the statutory standards of the Administrative Procedure Act. I have reviewed this project under a specific delegation dated August 4, 2017 from the Regulations Attorney. The regulations update eligibility and reporting requirements for financing through the Alaska Clean Water and Drinking Water Funds, allow 30-year term financing, and revise finance rates.

We find no legal problems. This memorandum constitutes the written statement of approval under AS 44.62.060(b) and (c) that authorizes your office to file the attached regulations.

Hon. Byron Mallott, Lieutenant Governor
Our file: JU2016200542

August 7, 2017
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The April 16, 2017 public notice, and the July 27, 2017 adoption order both state that this action is not expected to require an increased appropriation. Therefore, a fiscal note under AS 44.62.195 is not required.

SCW

cc w/enc: (via email)

Hon. Larry Hartig, Commissioner
Department of Environmental Conservation

Gary Mendivil, Regulations Contact
Department of Environmental Conservation

Michelle Hale, Director
Division of Water
Department of Environmental Conservation

Carrie Bohan
Division of Water
Department of Environmental Conservation

Chris Peloso, Assistant Attorney General
Environmental Section

MEMORANDUM

State of Alaska Department of Law

TO: Hon. Byron Mallott
Lieutenant Governor

DATE: August 4, 2017

FILE NO.: JU2016200542

TELEPHONE NO.: (907) 465-3600

FROM: Susan R. Pollard *SRP*
Chief Assistant Attorney General
and Regulations Attorney
Legislation/Regulations Section

SUBJECT: Specific delegation of authority regarding regulations review on Department of Environmental Conservation regulations to update Alaska Clean Water and Drinking Water Fund eligibility and reporting requirements, allow 30-year term financing, and revise finance rates (18 AAC 76.010(d); 18 AAC 76.030(a), (b); 18 AAC 76.060(a)(7); 18 AAC 76.080(a), (b); 18 AAC 76.252(a), (c); 18 AAC 76.255(a), (b); 18 AAC 76.990)

By this memorandum, I am delegating my authority as Regulations Attorney under AS 44.62 to Assistant Attorney General Steven C. Weaver for the above-referenced regulations project. Under this delegation of authority, Steven Weaver has my full authority under AS 44.62 to conduct the legal review under AS 44.62 and take necessary actions on this regulations project.

If you have questions, please let me know.

SRP

cc w/enc: Scott C. Meriwether, AAC Coordinator
Office of the Lieutenant Governor

Steven C. Weaver
Sr. Assistant Attorney General and
Assistant Regulations Attorney
Legislation/Regulations Section

**ALASKA CLEAN WATER AND DRINKING WATER REVOLVING LOAN FUNDS:
NOTICE OF PROPOSED CHANGES
IN THE REGULATIONS OF DEPARTMENT OF ENVIRONMENTAL CONSERVATION**

BRIEF DESCRIPTION

The Alaska Department of Environmental Conservation (ADEC) proposes to adopt changes to the Alaska Clean Water and Drinking Water Revolving Loan Funds regulations at 18 AAC 76, primarily to comply with federal rule changes resulting from the Water Resources Reform and Development Act of 2014. In addition, proposed changes would allow financing terms of up to 30 years, and revise finance rates to reflect fluctuations in the municipal bond market. The proposed changes include the following

- (1) Amend 18 AAC 76.010 to clarify loan eligibility requirements;
- (2) Amend 18 AAC 76.030 to clarify loan application requirements;
- (3) Amend 18 AAC 76.060 to clarify loan accounting standards;
- (4) Amend 18 AAC 76.080 to clarify loan contract terms;
- (5) Amend 18 AAC 76.255 to clarify loan contract terms;
- (6) Amend 18 AAC 76.990 to amend definitions.

You may comment on the proposed regulation changes, including the potential costs to private persons of complying with the proposed changes, by submitting written comments to Carrie Bohan at ADEC Division of Water, 410 Willoughby Ave., Ste. 303, P.O. Box 111800, Juneau, AK 99811. Additionally, ADEC will accept comments by facsimile at 907-465-5177 and by electronic mail at carrie.bohan@alaska.gov. Comments may also be submitted through the Alaska Online Public Notice System by accessing this notice on the system and using the comment link. The comments must be received not later than 5:00 pm on May 17, 2017.

You may submit written questions relevant to the proposed action to Carrie Bohan by e-mail to carrie.bohan@alaska.gov and by mail 410 Willoughby Ave., Ste. 303, P.O. Box 111800, Juneau, AK 99811. Questions must be received at least 10 days before the end of the public comment period. The ADEC will aggregate its responses to substantially similar questions and make the questions and responses available on the Division of Water's, Municipal Grant & Loans homepage at <http://dec.alaska.gov/water/MuniGrantsLoans/index.htm>.

If you are a person with a disability who needs a special accommodation in order to participate in this process, please contact Natalie Wolfe at (907) 269-0291 or TDD Relay Service 1-800-770-8973/TTY or dial 711 seven days prior to the comment deadline to ensure that any necessary accommodations can be provided.

A copy of the proposed regulation changes is available on the Alaska Online Public Notice System and by contacting Carrie Bohan at carrie.bohan@alaska.gov or (907) 465-5143.

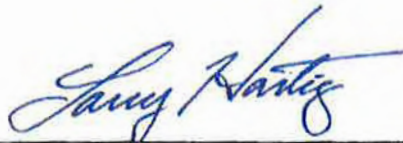
After the public comment period ends, the ADEC will either adopt the proposed regulation changes or other provisions dealing with the same subject, without further notice, or decide to take no action. The language of the final regulation may be different from that of the proposed regulation. **YOU SHOULD COMMENT DURING THE TIME ALLOWED IF YOUR INTERESTS COULD BE AFFECTED.** Written comments received are public records and are subject to public inspection.

Statutory authority: AS 37.10.052; AS 37.10.054; AS 40.25.110; AS 44.46.020; AS 46.03.020;
AS 46.03.032; AS 46.03.036

Statutes being implemented, interpreted, or made specific:
AS 46.03.032; AS 46.03.036

Fiscal information: The proposed regulation changes are not expected to require an increased appropriation.

Date: April 13, 2017



Larry Hartig, ADEC Commissioner

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	Subsequent
	FY <u>17</u>	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:

Name: Carrie Bohan
Title: Environmental Program Manager II
Address: 410 Willoughby Ave., Ste. 303, Juneau, AK 99811
Telephone: 907-465-5143
E-mail address: carrie.bohan@alaska.gov

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]

Name (printed): Carrie Bohan
Title (printed): Environmental Program Manager II
Telephone: 907-465-5143

AFFIDAVIT OF NOTICE OF PROPOSED REGULATION
AND FURNISHING OF ADDITIONAL INFORMATION

I, Carrie Bohan, Environmental Program Manager II, of the Department of Environmental Conservation, being sworn, state the following:

As required by AS 44.62.190, notice of the proposed adoption of changes to 18 AAC 76, Alaska Clean Water and Drinking Water Revolving Loan Funds has been given by being

- (1) published in a newspaper or trade publication;
- (2) furnished to interested persons;
- (3) furnished to appropriate state officials;
- (4) furnished to the Department of Law, along with a copy of the proposed regulation;
- (5) furnished electronically to incumbent State of Alaska legislators;
- (6) furnished to the Legislative Affairs Agency, Division of Legal and Research Services;
- (7) posted on the Alaska Online Public Notice System as required by AS 44.62.175(a)(1) and (b) and 44.62.190(a)(1);
- (8) furnished electronically, along with a copy of the proposed regulation, to the Legislative Affairs Agency, the chair of the Resource Committee of the Alaska Senate and House of Representatives, the Administrative Regulation Review Committee, and the legislative council.

As required by AS 44.62.190, additional regulation notice information regarding the proposed adoption of the regulation changes described above has been furnished to interested persons and those in (5) and (6) of the list above. The additional regulation notice information also has been posted on the Alaska Online Public Notice System.

Date: June 6, 2017



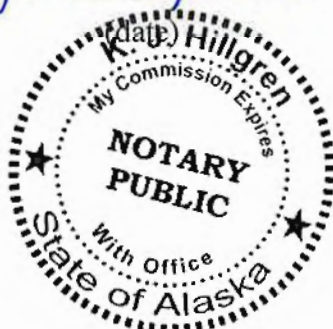
Carrie Bohan, Env. Program Manager II

Subscribed and sworn to before me at

Juneau Alaska

on

June 6, 2017



Notary Public in and for the State of Alaska

AFFIDAVIT OF AGENCY RECORD OF PUBLIC COMMENT

I, Carrie Bohan, Environmental Program Manager II for the Department of Environmental Conservation, being duly sworn, state the following:

In compliance with AS 44.62.215, the Department of Environmental Conservation has kept a record of its use or rejection of factual or other substantive information that was submitted in writing as public comment and that was relevant to the accuracy, coverage, or other aspect of the Department of Environmental Conservation regulation on the Alaska Clean Water and Drinking Water Revolving Loan Funds.

Date: May 24, 2017

Carrie Bohan
Carrie Bohan, Environmental Program Manager II

Subscribed and sworn to before me at Juneau, Alaska on
May 24, 2017
(date)

Hillgren
Notary Public in and for the State of Alaska



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AFFIDAVIT OF PUBLICATION

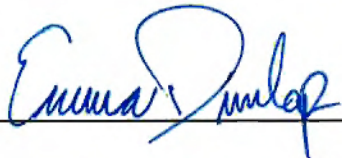
STATE OF ALASKA
THIRD JUDICIAL DISTRICT

Emma Dunlap
being first duly sworn on oath deposes and
says that he/she is a representative of the
Alaska Dispatch News, a daily newspaper.
That said newspaper has been approved
by the Third Judicial Court, Anchorage,
Alaska, and it now and has been published
in the English language continually as a
daily newspaper in Anchorage, Alaska, and
it is now and during all said time was
printed in an office maintained at the
aforesaid place of publication of said
newspaper. That the annexed is a copy of
an advertisement as it was published in
regular issues (and not in supplemental
form) of said newspaper on

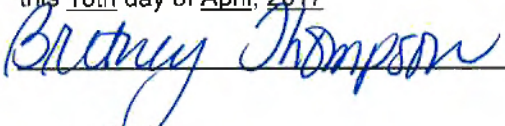
April 16, 2017

and that such newspaper was regularly
distributed to its subscribers during all of
said period. That the full amount of the fee
charged for the foregoing publication is not
in excess of the rate charged private
individuals.

Signed



Subscribed and sworn to before me
this 18th day of April, 2017



Notary Public in and for
The State of Alaska.
Third Division
Anchorage, Alaska
MY COMMISSION EXPIRES

2/23/2019

ALASKA CLEAN WATER IN THE REGULATION	or bids and material quotes from including qualified Disadvantaged by the Alaska Department of Civil Rights Office, for the following
The Alaska Department of Environmental Protection Water and Drinking Water Revolving Fund changes resulting from the Water and Drinking Water changes would allow financing of water treatment and public facilities municipal bond market. The proposed	
P 58-59 Rehabilitation (14) / Z549900000 State of Alaska Water Treatment & Public Facilities	
1017 @ 2:00 PM (AKDT) 6, 2017 @ 9:00 AM (AKDT)	
RUHS, A JV 410 Willoughby Ave., Ste C-6 Anchorage, AK 99502 FAX: (907) 222-9380 persen@kiewit.com	
You may comment on the proposed changes by Water, 410 Willoughby Ave., Ste C-6 comments by facsimile at 907-222-9380. Comments also be submitted through the APS, wildlife enhancement structures, using the comment link. The comment link is: http://dec.alaska.gov/water/MunicipalBids	
You may submit written questions to Carrie Bohan at carrie.bohan@alaska.gov and also be accessed from ADOT&PF's Questions must be received at http://dec.alaska.gov/water/MunicipalBids the Division of Water. Questions must be received at http://dec.alaska.gov/water/MunicipalBids http://dec.alaska.gov/water/MunicipalBids	
If you are a person with a disability, please contact Natalie Wolfe at natalie.wolfe@alaska.gov days prior to the comment deadline.	
A copy of the proposed regulation is available. Business Enterprise contacting Carrie Bohan at carrie.bohan@alaska.gov or by email at carrie.bohan@alaska.gov establish delivery and construction	
After the public comment period, the final regulation may be different. The final regulation may be different. The final regulation may be different. provisions dealing with the same. The final regulation may be different. The final regulation may be different. THE TIME ALLOWED IF YOUR INTENT IS TO PARTICIPATE IN THE BIDDING PROCESS IS 10 DAYS. THE TIME ALLOWED IF YOUR INTENT IS TO PARTICIPATE IN THE BIDDING PROCESS IS 10 DAYS. and are subject to public inspection or "Material Contract". We require t, or Supply Bonds. If you have agreements, please contact us for a AS 46.03.032; AS 46.03.036	
Statutory authority: AS 37.10.010, AS 46.03.032, AS 46.03.036	
Statutes Being Implemented: AS 37.10.010, AS 46.03.032, AS 46.03.036	
Fiscal Information: The project is funded by the State of Alaska, Department of Transportation, Division of Water. The project is funded by the State of Alaska, Department of Transportation, Division of Water.	
Date: April 13, 2017	
Published: April 16, 2017	
INTENT FOR BIDS School District LEARNING ACADEMY	

Notary Public
BRITNEY L. THOMPSON
State of Alaska
My Commission Expires Feb 23, 2019