

### Department of Environmental Conservation

DIVISION OF WATER Technical Assistance and Financing

555 Cordova Street Anchorage, Alaska 99501 Main: 907.269.7502 Fax 907.269.7509 dec.alaska.gov

August 1, 2023

Teressa Baldwin, City Manager City of Kotzebue PO Box 46 Kotzebue, AK 99758

Dear Ms. Baldwin:

The Alaska State Revolving Fund (SRF) Program State Fiscal Year 2024 (SFY24) Intended Use Plans for the Alaska Clean Water Fund (ACWF) and the Alaska Drinking Water Fund (ADWF) have been finalized. The Intended Use Plans can be found online at: <a href="https://dec.alaska.gov/water/technical-assistance-and-financing/state-revolving-fund/intended-use-plans/">https://dec.alaska.gov/water/technical-assistance-and-financing/state-revolving-fund/intended-use-plans/</a>. The following City of Kotzebue projects are included on the Project Priority Lists:

### Alaska Clean Water Fund

Score	Project Name	Requested Loan Amount	Principal Forgiveness	Estimated Construction Start Date
120	Fire Hall Lift Station and Sewer System	\$2,662,000		9/1/2022
97	Storm Drain Planning, Design and Construction	\$2,456,000	\$1,000,000	9/1/2022

### Alaska Drinking Water Fund

Score	Project Name	Requested Loan Amount	Principal Forgiveness	Estimated Construction Start Date
111	Lagoon Water Service Loop Replacement	\$10,244,000	\$2,500,000	9/1/2022
111	Swan Lake Water Service Loop Replacement	\$5,482,000		9/1/2022

The proposed Storm Drain Planning, Design and Construction project has been identified to receive \$1,000,000 in loan forgiveness. In addition, the Lagoon Water Service Loop Replacement project has been identified to receive \$2,500,000 in loan forgiveness. In order to retain eligibility for this loan forgiveness, Kotzebue must enter into loan agreements for these projects by February 29, 2024. If loan agreements cannot be executed by the end of February 2024, the loan forgiveness funds for these projects may be made available to the next highest ranked eligible project on the SFY24 Project Priority List that is ready to move forward.

As mentioned in the Intended Use Plan, projects may remain on the Project Priority List for a maximum of two years. These projects will retain the same score originally assigned unless a revised questionnaire is submitted and reviewed. If an application has not been submitted for this project within two years from the date that the project

questionnaire was submitted, the project will be removed from the list and a new questionnaire will be required to relist the project.

If you interested in moving forward with loan applications, I would suggest setting up a phone meeting so that we can provide more information about the financing projects through the SRF Program and discuss the next steps in the loan application process. Please let me know if you are interested in meeting with the SRF Program.

Peggy Ulman, SRF Program Coordinator peggy.ulman@alaska.gov 907-334-2681

Sincerely,

Department of Environmental Conservation

## DEC Online Application System (OASys) Alaska Drinking Water Fund Loan Questionnaire

Submitted: 5/31/2022

Tracking #:

2023ADWF0034

Facility:

Replacement of the Swan Lake Water Service Loop

Type:

Alaska Drinking Water Fund Loan Questionnaire

•	Lake Water Oct vice Loop
Borrower Information	Details
Project Title	Replacement of the Swan Lake Water Service Loop
Municipality or Drinking Water System Represented	City of Kotzebue
Contacts	Details
Questionnaire Contact	Tom Atkinson City Manager, City of Kotzebue P.O. Box 46 Kotzebue, AK, 99752 US Phone: 907-442-5101 tatkinson@kotzebue.org www.cityofkotzebue.org
Project Information	Details
Project Scope	7. Rehabilitation of Existing Water Transmission Pipes
If you selected other, please describe	
Project Type	Design and Construction
Is the proposed project an amendment to an existing SF loan?	RF No

If yes, existing SRF Loan Number

Please indicate the type of amendment:

### **Project Need:**

Kotzebue is the hub and largest community in the Northwest Arctic Borough, providing important functions both to residents of Kotzebue and the surrounding villages. The Swan Lake Water Service Loop was originally constructed in 1990 using 6-inch insulated HDPE pipe. Isolated sections of the Swan Lake loop have deteriorated and have been replaced with 8-inch insulated HDPE over the years. Leakage and breakage of old pipe is the main cause for major maintenance on the water loop.

The aging infrastructure and difficult Arctic conditions necessitate the upgrading and replacement of various water system components. Service connections run to each customer in twin pipes which allows for circulation of the water between the house and the water main to keep the water service from freezing. Water is circulated using pit orifices installed in the water main and by circulation pumps installed in many of the homes serviced.

Much of the water service requires significant maintenance resulting in loss of service. Every time the City has to repair a part of the Swan Lake loop, the entire circulation loop must be taken out of service- which creates a significant risk to human health with the water pressure dropping to 0psi and potentially allowing for contaminated/untreated water to enter the water main. The City releases boil water notices after these events. Every time there is a boil water notice posted, the City flushes the Swan Lake loop, which is a loss of 20,000 gallons of water. DOWL's field investigations for the City's Sanitation Utilities Master Plan identified this project as a priority (March 16, 2022). The City Council identified this project in its top Capital Improvement Project CY-22 Priorities.

**Project Description:** 

Design: The PER will investigate and provide recommendations to improve the hydraulic efficiency of the water loops and reduce the prevalence of emergency repairs. In particular, the PER will provide recommendations on how to upgrade the existing 6-inch insulated HDPE with to 8-inch insulated HDPE.

Construction: Freeze protection and essential upgrades are needed for the 1980-1990s era infrastructure. The majority of the loop, with the exception of 1600 linear feet, will be converted to 8-inch insulated HDPE, for a total replacement of 11,524 LF of pipe. No additional service connections are expected to be added.

### Public Health Benefit(s):

This project provides a significant health benefit to residents and maintenance staff who have to address the emergencies. Every time the City has to repair a part of Swan Lake loop, the entire circulation loop must be taken out

of service- which creates a significant risk to human health with the water pressure dropping to 0psi and allowing the possibility for contaminated/ untreated water to enter the water main. Rehabilitation of this Water Loop will prevent these high-risk conditions to residents in their homes and to City maintenance workers providing repairs in extreme weather conditions and at all hours of the night or day.

Benefits also include:

- · Improved reliability of water distribution to customers
- · Greatly improved water system safety and reliability
- · Decreased water loss through leaking and broken piping
- · Improved utility maintenance efficiency
- · Decreased utility maintenance and repair costs

### Providing fire protection?

No

Expand the drinking water system to attract future population growth?

No

Expand the drinking water system to an undeveloped

No

Does this project include one of the green project

Yes

categories defined below?

Identify the most appropriate "Green" category type.

Energy Efficiency - the use of improved technologies and practices to reduce the energy consumption of water quality projects. Examples: water utility energy audits; clean power for publicly owned facilities; leak detection equipment; retrofits/upgrades to pumps & treatment processes; and, replace/rehabilitation of high distribution leakage.

Green Project/Component Description:

The Swan Lake Water Service Loop project will increase the size of the water main and eliminate water leaks. Increasing the water main size will decrease frictional head losses and result in operational cost savings because the circulation pumps will not need to work so hard. Furthermore, the City is likely to save money and energy by eliminating water leaks and not treating and distributing water that doesn't make it to customers. It is unknown at this time what the Green Project Component will cost; the City will work with the engineer during the PER process to determine these costs.

### **Green Project Component Estimate:**

1

### Public Health (0 - 100 Pts)

### Details

### Type of Public Health Project

4. This project will eliminate potential health hazards, provide treatment of secondary contaminants such as iron or manganese, or enhance system operations. (30 Pts.) (Documentation Required – An explanation of how the project eliminates potential public health hazards must be included in the text box below to be awarded these points)

Description

Replacement of pipe or facilities that are suspected to leak or constructed of inferior materials; Two of the communities water circulation loops, this project, Swan Lake Water Service Loop and another project, Lagoon Water Service Loop, account for the majority of the utility's emergency maintenance efforts, many of which have led to service disruptions.

Current conditions represent a clear and substantial environmental and human health hazard from continued and prolonged loss of service along multiple sections of the water and wastewater systems. System failures endanger health and safety due to lack of water and sewer services in homes and sewage spills and flooding in the community. The City releases boil water notices after these events, per ADEC requirement to post a boil water notice whenever loop pressure dropped below 20 psi.

### Compliance with Safe Drinking Water Act (0 - 35 Pts)

Details

### **Project Compliance**

2. This project will resolve a significant compliance issue. (25

(Documentation Required – A copy of an Enforcement Targeting Tool (ETT) violation, Notice of Violation (NOV), Boil Water Notice(s), or RTCR Level 2 Assessment must be attached to guestionnaire to be awarded these points.)

### Description

Notice of Violations (NOV's) and Repeated or long term Boil Water Notices; The City has attached the following documents for review: 1) an ADEC notice of violation issued for rule during CY2021; 2) Public Service Announcement

regarding Precautionary Boil Water Notice for Swan Lake Water Service Loop; and 3) 2020 Kotzebue Water Quality Report.

Source Water Protection (0-10 Pts.)	Details
Drinking Water Protection Plan	2. This project specifically addresses system vulnerabilities or potential sources of contamination that are identified in the Drinking Water Protection Plan. (10 Pts.) (Documentation must be provided, and will be verified by ADEC)
Affordability (3 - 10 Pts)	Details
Median Household Income/Month (MHI)	7,107
Average Monthly Household Water Rate after project completion (AMHWR)	68
Percentage (AMHWR / MHI * 100):	0.96
Lead Water System Operator (0 - 5 Pts)	Details
Is the primary operator certified to the level of the system?	Yes
Name	Matthew Lazarus
Certification Level	Water Distribution 3
Number	23112
Ability to Repay (0 - 5 Pts)	Details
Please identify the source of funds that will be used to repay the proposed SRF loan for this project. 10 points assigned if a source of repayment has been identified. 0 points assigned if the source of repayment is currently unknown.	User Fees
If you selected other, please describe	
Project Readiness (0 - 15 Pts)	Details
Have construction documents been prepared (under 18 AAC 80) and submitted to the appropriate DEC Drinking Water Program office? (Documentation Required)	No
If yes, please provide the date submitted	
Office Location Submitted	
Has an engineering feasibility study, including detailed cost estimates, been prepared? If so, please submit a copy.	Yes
(Documentation Required - A copy of the study must be provided. If available online, a link that provides access to the document may be provided.)	
Will this project combine or consolidate two or more existing public water systems? (Documentation Required - An explanation of the consolidation plan must be provided as well as the coordination between the two existing public water systems.)	No
Further Explanation	
Sustainability Projects (0 – 50 Pts)	Details
Identify the appropriate category, if applicable:	Fix It First Projects (50 Pts.)

# Identify the appropriate category, if applicable: Fix It First Projects (50 Pts.) These are projects currently located in an established area, which is still suitable for use, and should be encouraged over projects in undeveloped areas. The repair, replacement and upgrade of infrastructure in these types of areas are

encouraged.	
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Project Costs	Delails	
Estimate attached:	Yes	
Administration		
Engineering Design		
Engineering Construction		
Construction		
Equipment		
Contingencies		
Other (Identify Cost):		
Other		
Other (Identify Cost):		
Other		
Other (Identify Cost):		
Other		
Total Costs (Sum of above)	0	The second secon
Name		
Title or Position		
Organization		
Phone Number		
Email		
Other Project Information	Details	.,
Requested Loan Amount:	5,482,000	

Other Project Information	Details
Requested Loan Amount:	5,482,000
Select requested loan term:	5 to 20 years
Loan application submittal date	05/31/2022
Project start date	09/01/2022
Please estimate the population which will benefit from this project.	2000

Attachments	Title (Туре), Description
ADEC Compliance Report 2021.pdf	ADEC Compliance Report 2021 (SDWA Compliance Documents - STEP 5) Kotzebue is listed and highlighted
PSA for Swan Lake Loop Boil Water Notice.pdf	PSA for Swan Lake Loop Boil Water Notice (SDWA Compliance Documents - STEP 5)
Kotzebue Water_Quality_Report_2020.pdf	Kotzebue Water Quality Report 2020 (SDWA Compliance Documents - STEP 5)
Kotzebue Drinking Water Protection Plan 2017.pdf	2017 Kotzebue Drinking Water Protection Plan (Source Water Protection - STEP 6) This resolution and plan were prepared and adopted in 2017. There are updates in the current Sanitation Utilities Master Plan (March 2022), attached with another section.
Summary of Sanitation Utilities Master Plan.pdf	Summary of Sanitation Utilities Master Plan (Public Health Considerations - STEP 4) Complete March 16, 2022, this comprehensive plan provides detailed data and information about the water/sewer projects for the community of Kotzebue. This document only includes Table

of Contents and one page discussing the water services loops for this request. Kotzebue Sanitation Utilities Master Plan 2022 (Engineering Kotzebue Sanitation Utilities Master Plan.pdf Feasibility Study - STEP 10) This Master Plan was finalized in March 2022. It is a comprehensive plan for this project and other top priority projects for the City of Kotzebue. It was prepared by DOWL (engineering firm). Summary of Sanitation Utilities Master Plan (Engineering Summary of Sanitation Utilities Master Plan.pdf Feasibility Study - STEP 10) Includes a brief summary of information from the full Master Plan document and the cost estimate for this project. Completed March 2022. Resolution 22-002 Priorities (Other) Resolution\_22-02\_Priorities.pdf Resolution 22-02 established the City's Capital Improvement Priorities. The #3 Priority is Water and Sewer Line Improvements. Cost Estimate - Swan Lake Water Service Loop (Cost Estimate -Cost Estimate - Swan Lake Water Service Loop.pdf STEP 12) Includes the cost estimate for construction of the Swan Lake Water Service Loop; additional cost for the design (PER) is \$75,000, for a total project cost estimate of\$5,482,000. Kotzebue Water and Sewer Utility Ordinances (Loan Kotzebue Water and Sewer Utility Ordinances.pdf Repayment Information - STEP 9) A viable repayment source has been identified and ordinances are in place to assure repayment.

Department of Environmental Conservation

## **DEC Online Application System (OASys) Alaska Drinking Water Fund Loan Questionnaire**

Submitted: 5/31/2022

Tracking #:

2023ADWF0032

Facility:

Replacement of the Lagoon Water Service Loop

Type:

Alaska Drinking Water Fund Loan Questionnaire

Borrower Information	Details
Project Title	Replacement of the Lagoon Water Service Loop
Municipality or Drinking Water System Represented	City of Kotzebue
Contacts	Details
Questionnaire Contact	Tom Atkinson City Manager, City of Kotzebue P.O. Box 46 Kotzebue, AK, 99752 US Phone: 907-442-5101 tatkinson@kotzebue.org www.cityofkotzebue.org
Project Information	Details
Project Scope	7. Rehabilitation of Existing Water Transmission Pipes
If you selected other, please describe	
Project Type	Design and Construction
is the proposed project an amendment to an existing SRF loan?	No

If yes, existing SRF Loan Number

Please indicate the type of amendment:

### Project Need:

Kotzebue is the hub and largest community in the Northwest Arctic Borough, providing important functions both to residents of Kotzebue and the surrounding villages. The Lagoon Water Service Loop was originally constructed in 1995 using 6-inch insulated HDPE pipe. Isolated sections of the Lagoon Water Service Loop have deteriorated and have been replaced with 8-inch insulated HDPE over the years. Leakage and breakage of old pipe is the main cause for major maintenance on the water loop.

The aging infrastructure and difficult Arctic conditions necessitate the upgrading and replacement of various water system components. Service connections run to each customer in twin pipes which allows for circulation of the water between the house and the water main to keep the water service from freezing. Water is circulated using pit orifices installed in the water main and by circulation pumps installed in many of the homes serviced.

Much of the water service requires significant maintenance resulting in loss of service. Every time the City has to repair a part of Lagoon loop, the entire circulation loop must be taken out of service- which creates a significant risk to human health with the water pressure dropping to 0psi and allowing the possibility for contaminated/ untreated water to enter the water main. The City releases boil water notices after these events. The City also flushes the loop when there are boil water notices, which represents a loss of 32,000 gallons of water. DOWL's field investigations for the City's Sanitation Utilities Master Plan identified this project as a priority (March 16, 2022). The City Council identified this project in its top Capital Improvement Project CY-22 Priorities.

### **Project Description:**

Design: The PER will investigate and provide recommendations to improve the hydraulic efficiency of the water loops and reduce the prevalence of emergency repairs. In particular, the PER will provide recommendations on how to upgrade the existing 6-inch insulated HDPE with to 8-inch insulated HDPE.

Construction: Freeze protection and essential upgrades are needed for the 1980-1990s era infrastructure. The entire loop will be converted to 8-inch insulated HDPE for a total of 22,735 LF of pipe. No additional service connections are expected to be added.

### Public Health Benefit(s):

This project provides a significant health benefit to residents and maintenance staff who have to address the emergencies. Every time the City has to repair a part of Lagoon loop, the entire circulation loop must be taken out of

service- which creates a significant risk to human health with the water pressure dropping to 0psi and allowing the possibility for contaminated/ untreated water to enter the water main. Rehabilitation of this Water Loop will prevent these high-risk conditions to residents in their homes and to City maintenance workers providing repairs in extreme weather conditions and at all hours of the night or day.

- Benefits also include:
- · Improved reliability of water distribution to customers
- · Greatly improved water system safety and reliability
- Decreased water loss through leaking and broken piping
- · Improved utility maintenance efficiency
- · Decreased utility maintenance and repair costs

### Providing fire protection?

No

Expand the drinking water system to attract future population growth?

No

Expand the drinking water system to an undeveloped

Νo

Does this project include one of the green project

Yes

categories defined below?

es

Identify the most appropriate "Green" category type.

Energy Efficiency - the use of improved technologies and practices to reduce the energy consumption of water quality projects. Examples: water utility energy audits; clean power for publicly owned facilities; leak detection equipment; retrofits/upgrades to pumps & treatment processes; and, replace/rehabilitation of high distribution leakage.

Green Project/Component Description:

The Lagoon Water Service Loop project will increase the size of the water main and eliminate water leaks. Increasing the water main size will decrease frictional head losses and result in operational cost savings because the circulation pumps will not need to work so hard. Furthermore, the City is likely to save money and energy by eliminating water leaks and not treating and distributing water that doesn't make it to customers. It is unknown at this time what the Green Project Component will cost; the City will work with the engineer during the PER process to determine these costs.

### **Green Project Component Estimate:**

1

### Public Health (0 - 100 Pts)

### Details

### Type of Public Health Project

4. This project will eliminate potential health hazards, provide treatment of secondary contaminants such as iron or manganese, or enhance system operations. (30 Pts.)

(Documentation Required – An explanation of how the project eliminates potential public health hazards must be included in the text box below to be awarded these points)

Description

Replacement of pipe or facilities that are suspected to leak or constructed of inferior materials; Two of the communities water circulation loops, this project, Lagoon Water Service Loop and another project, Swan Lake Water Service Loop, account for the majority of the utility's emergency maintenance efforts, many of which have led to service disruptions.

Current conditions represent a clear and substantial environmental and human health hazard from continued and prolonged loss of service along multiple sections of the water and wastewater systems. System failures endanger health and safety due to lack of water and sewer services in homes and sewage spills and flooding in the community. The City releases boil water notices after these events, per ADEC requirement to post a boil water notice whenever loop pressure dropped below 20 psi.

### Compliance with Safe Drinking Water Act (0 - 35 Pts)

Details

### **Project Compliance**

2. This project will resolve a significant compliance issue. (25 Pts.)

(Documentation Required — A copy of an Enforcement Targeting Tool (ETT) violation, Notice of Violation (NOV), Boil Water Notice(s), or RTCR Level 2 Assessment must be attached to questionnaire to be awarded these points.)

### Description

Notice of Violations (NOV's) and Repeated or long term Boil Water Notices; The City has attached the following documents for review: 1) an ADEC notice of violation issued for rule during CY2021; 2) City of Kotzebue Public

Service Announcement regarding Precautionary Boil Water Notice for Lagoon Loop; and 3) 2020 Kotzebue Water Quality Report.

Source Water Protection (0-10 Pts.)	Details
Drinking Water Protection Plan	2. This project specifically addresses system vulnerabilities or potential sources of contamination that are identified in the Drinking Water Protection Plan. (10 Pts.) (Documentation must be provided, and will be verified by ADEC)
Affordability (3 - 10 Pts)	Details
Median Household Income/Month (MHI)	7,107
Average Monthly Household Water Rate after project completion (AMHWR)	68
Percentage (AMHWR / MHI * 100):	0.96
Lead Water System Operator (0 - 5 Pts)	Details
Is the primary operator certified to the level of the system?	Yes
Name	Matthew Lazarus
Certification Level	Water Distribution 3
Number	23112
Ability to Repay (0 - 5 Pts)	Details
Please identify the source of funds that will be used to repay the proposed SRF loan for this project. 10 points assigned if a source of repayment has been identified. 0 points assigned if the source of repayment is currently unknown.  If you selected other, please describe	User Fees
Project Readiness (0 - 15 Pts)	Details
Have construction documents been prepared (under 18 AAC 80) and submitted to the appropriate DEC Drinking Water Program office? (Documentation Required)  If yes, please provide the date submitted	No
Office Location Submitted	
Has an engineering feasibility study, including detailed cost estimates, been prepared? If so, please submit a copy.  (Documentation Required - A copy of the study must be provided. If available online, a link that provides access to the document may be provided.)	Yes
Will this project combine or consolidate two or more existing public water systems? (Documentation Required - An explanation of the consolidation plan must be provided as well as the coordination between the two existing public water systems.)	No
Further Explanation	

Sustainability Projects (0 – 50 Pts)	Details
Identify the appropriate category, if applicable:	Fix It First Projects (50 Pts.)  These are projects currently located in an established area, which is still suitable for use, and should be encouraged over projects in undeveloped areas. The repair, replacement and upgrade of infrastructure in these types of areas are

encouraged.

	encouraged.
Project Costs	Details
Estimate attached:	Yes
Administration	
Engineering Design	
Engineering Construction	
Construction	
Equipment	
Contingencies	
Other (Identify Cost):	
Other	
Other (Identify Cost):	
Other	
Other (Identify Cost):	
Other	
Total Costs (Sum of above)	0
Name	
Title or Position	
Organization	
Phone Number	
Email	
Other Project Information	Details
Requested Loan Amount:	10,244,000
Select requested loan term:	5 to 20 years
Loan application submittal date	05/31/2022
Project start date	09/01/2022
Please estimate the population which will benefit from this project.	1000
Attachments	Title (Type), Description
Compliance documents.pdf	Compliance Documents (SDWA Compliance Documents - STEP 5) ADEC Annual Compliance Report 2021; PSA Boil Notice for Lagoon Loop; 2020 Water Quality Report
Kotzebue Drinking Water Protection Plan 2017.pdf	2017 Kotzebue Drinking Water Protection Plan (Source Water Protection - STEP 6)  This plan and resolution were prepared and adopted in 2017.  There are updates in the current Sanitation Utilities Master Pla (March 2022), attached with another section.
Summary of Sanitation Utilities Master Plan.pdf	Summary of Sanitation Utilities Master Plan (Engineering Feasibility Study - STEP 10) Includes brief summary of information included in the full document and the cost estimate for this project. Completed March 2022.
Cost Estimate-Lagoon Water Service Loop.pdf	Cost Estimate - Lagoon Water Service Loop (Cost Estimate - STEP 12) Includes the cost estimate for construction of the Lagoon Water Service Loop; additional cost for the PER is \$75,000, for a total

project cost estimate of \$10,244,000. Resolution\_22-02\_Priorities.pdf City of Kotzebue Resolution (Other) Resolution 22-02 established the City's Capital Improvement Priorities. The #3 Priority is Water and Sewer Line Improvements. Kotzebue Sanitation Utilities Master Plan.pdf Kotzebue Sanitation Utilities Master Plan (Engineering Feasibility Study - STEP 10) This Master Plan was finalized in March 2022. It is a comprehensive plan for this project and other top priority projects for the City of Kotzebue. It was prepared by DOWL. (engineering firm). PSA for Lagoon Loop Boil Water Notice.pdf PSA for Lagoon Loop Boil Water Notice (SDWA Compliance Documents - STEP 5) Water\_Quality\_Report\_2020.pdf 2020 Kotzebue Water Quality Report (SDWA Compliance Documents - STEP 5) Summary of Sanitation Utilities Master Plan.pdf Summary of Sanitation Utilities Master Plan (Public Health Considerations - STEP 4) Completed March 16, 2022, this comprehensive plan provides detailed data and information about the water/sewer projects for the community of Kotzebue. This document only includes the Table of Contents and one page discussing the water service loop for this request. Kotzebue Water and Sewer Utility Ordinances.pdf Kotzebue Water and Sewer Utility Ordinances (Loan Repayment Information - STEP 9) A viable repayment source has been identified and ordinances are in place to assure repayment.