



**CITY OF KOTZEBUE  
RESOLUTION NO. 24-14**

**A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF KOTZEBUE AUTHORIZING THE CITY MANAGER AND/OR HER DESIGNEE(S) TO APPLY TO THE STATE OF ALASKA, STATE REVOLVING FUND ("SRF") IN THE AMOUNT OF TWO MILLION, FIVE HUNDRED THOUSAND DOLLARS (\$2,500,000) FOR THE BEGINNING PHASES OF THE REPLACEMENT OF SWAN LAKE LOOP AND LAGOON LOOP**

- WHEREAS,** the State of Alaska, Department of Environmental Conservation, Division of Water ("DEC/DW"), has offered the City of Kotzebue ("City") the option of applying to the State Revolving Fund ("SRF") in the amount of \$2,500,000 for the beginning phases of the replacement of the Swan Lake Loop and Lagoon Loop as set forth in the email string attached hereto a Exhibit "A" and DEC/DW Table attached hereto as Exhibit "B" and incorporated by reference herein;
- WHEREAS,** this SRF loan application would be for the planning and design of Swan Lake Loop and Lagoon Loop replacement projects;
- WHEREAS,** this is a forgivable loan in the amount of \$2,500,000 with \$12,500 withheld from the forgivable \$2,500,000 loan amount for the 0.05% loan fee;
- WHEREAS,** this SRF loan application is due on or before April 1, 2024 as set forth in the Table attached hereto as Exhibit "B" but the City intends to submit this application as soon as possible; and,
- WHEREAS,** this SRF loan application is part of a forgivable loan program as set forth in Exhibits "A" and "B" attached hereto and therefore will not require General Fund monies from the City and will not require the City to take out a loan for these SRF monies, ergo no public vote is necessary to apply for and repay these SRF monies.



Project	VSW Planning	Possible VSW CIP Actions	VSW Design & Construction	SRF Planning & Design	SRF Construction	Possible SRF Action	Recommended Action
Swan Lake Loop Replacement	Funding awarded but insufficient to cover the full scope	Reduce scope of CIP funded planning project or non-fundamental CIP funding for full scope of planning projects.	Final design and planning project is complete and approved	Project is on the Project Priority List with up to \$2.5M in available loan forgiveness.	The maximum amount of loan forgiveness currently available to Kotebebe for drinking water loans in a given year is \$2.5M. It would be more advantageous to pursue full grant funding for construction through CIP as soon as the planning document is complete and approved.	Submit SRF loan application for planning and design of Swan Lake and Lagoon Loop replacement projects. Apply for \$2.5M in forgiven loan with \$12,500 in reimbursements withheld for 0.05% loan fee. Apply by April 1, 2024.	Submit SRF loan application for planning and design of Swan Lake and Lagoon Loop replacement projects. Apply for \$2.5M in forgiven loan with \$12,500 in reimbursements withheld for 0.05% loan fee. Apply by April 1, 2024.
Lagoon Loop Replacement			Final design and planning project is complete and approved	This project is not currently included in the SRF Project Priority List.	The maximum amount of loan forgiveness currently available to Kotebebe for wastewater water loans in a given year is \$1M. It would be more advantageous to pursue full grant funding for construction through CIP as soon as the planning document is complete and approved.	Submit a project questionnaire for planning and design funding with the potential for up to \$1M in loan forgiveness.	Rescope CIP funding to focus solely on wastewater planning efforts. Pursue CIP grant funds for design and construction when planning project is complete and approved.
Lift Station B Rehabilitation and I&I Investigation			Final design and planning project is complete and approved	This project is not currently included in the SRF Project Priority List.	This project is not currently included in the SRF Project Priority List.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024. If insufficient loan forgiveness is available, pursue CIP construction funds when planning document is complete and approved.
Sewer Main Replacement			Final design and planning project is complete and approved	This project is not currently included in the SRF Project Priority List.	This project is not currently included in the SRF Project Priority List.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024.
Vertac Lake Dam Repair or Replacement	Not applicable (funds)	Wait for completion of final design and planning project from subject to CIP for planning funds.	Final design and planning project is complete and approved	This project is not currently included in the SRF Project Priority List.	This project is not currently included in the SRF Project Priority List.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024.	Submit SRF Project Questionnaire for planning, design and construction by February 29, 2024. If insufficient loan forgiveness is available, pursue CIP construction funds when planning document is complete and approved.

## Replacement of Swan Lake Loop and Lagoon Loop

Tessa Baldwin <TBaldwin@Kotzebue.org>

Fri 2/16/2024 5:48 PM

To: City Council <CityCouncil@Kotzebue.org>

Cc: Joe Evans <Joe@jwevanslaw.com>; Russ Ferguson <RFerguson@Kotzebue.org>; Samuel Atkinson <SAtkinson@Kotzebue.org>; Chelsea Sieh <CSieh@Kotzebue.org>; Eldon Mulder <muldereldon@gmail.com>; Eldon Mulder <eldon.mulder@icloud.com>; Benjamin Mohr <benmohr@gmail.com>

📎 1 attachments (11 KB)

Kotzebue Funding Recommendation 02.15.24.xlsx;

Dear Members of the City Council and Administration,

Our team was approached by the State revolving fund (SRF) for the beginning phases of the replacement of Swan Lake Loop and Lagoon Loop.

The option that was presented was to us does **not use any public dollars**. This would be for us to apply for the State Revolving Fund, which acts as a loan in most cases, however only for the amount in which we are eligible for reimbursement. This means we would not use any public tax payer dollars for the first phase of the project which would set us up for construction as early as next year and allow us to be eligible for grant funding for the replacement.

Please see attached the Kotzebue funding recommendation that lays out the pressing necessary steps to start these phases. Please note, that since this is a recommendation that we are planning on putting this on the agenda by resolution for your review. The transparency in this is that usually with a loan we would have to go out to public vote, however, we were reassured that since we are only applying for the amount we are eligible for reimbursement that this would act more like a grant. The pressing part is, is that if we do not apply for this action before the end of this month, we will jeopardize the project funding this year and will have to wait a whole additional year to apply for funding for any beginning phase pushing the replacement of the line to 2026 or 2027.

We have this on the agenda for next week but would like have some food for through this weekend. Eldon, Chelsea and I would act as a team to push this application forward however, we need direction and okay from the council to do this. Please review documents as you are able and we will present this information in person during the city Council meeting.

Thank you,

Tessa Baldwin  
City Manager  
City of Kotzebue  
258A Third Avenue  
PO Box 46, Kotzebue, AK 99752  
Work: 907-442-5101  
Cell: 907-412-3571  
Fax: 907-442-3742



**From:** Bohan, Carrie D (DEC) <carrie.bohan@alaska.gov>  
**Sent:** Friday, February 16, 2024 2:24 PM  
**To:** Tessa Baldwin <TBaldwin@Kotzebue.org>  
**Cc:** Ben Mohr <benmohr@gmail.com>; emulder@gci.net; Hodges, Elizabeth <ehodges@anthc.org>; Hancey, Derek <dhancey@anthc.org>; Ha, Young (DEC) <young.ha@alaska.gov>; Ulman, Peggy L (DEC) <peggy.ulman@alaska.gov>; Charlie Santos <CSantos@Kotzebue.org>  
**Subject:** RE: Phone Call

I truly hope third time is the charm. The attached spreadsheet has all references to the fee amount corrected. I apologize for the repeated messages.

**From:** Bohan, Carrie D (DEC)  
**Sent:** Friday, February 16, 2024 2:18 PM  
**To:** Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
**Cc:** Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth <[ehodges@anthc.org](mailto:ehodges@anthc.org)>; Hancey, Derek <[dhancey@anthc.org](mailto:dhancey@anthc.org)>; Ha, Young (DEC) <[young.ha@alaska.gov](mailto:young.ha@alaska.gov)>; Ulman, Peggy L (DEC) <[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)>; Charlie Santos <[CSantos@Kotzebue.org](mailto:CSantos@Kotzebue.org)>  
**Subject:** RE: Phone Call

My apologies; the previous attachment included the incorrect loan fee information. Please refer to this attachment which has been corrected.  
Carrie

**From:** Bohan, Carrie D (DEC)  
**Sent:** Friday, February 16, 2024 2:07 PM  
**To:** Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
**Cc:** Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth <[ehodges@anthc.org](mailto:ehodges@anthc.org)>; Hancey, Derek <[dhancey@anthc.org](mailto:dhancey@anthc.org)>; Ha, Young (DEC) <[young.ha@alaska.gov](mailto:young.ha@alaska.gov)>; Ulman, Peggy L (DEC) <[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)>; Charlie Santos <[CSantos@Kotzebue.org](mailto:CSantos@Kotzebue.org)>  
**Subject:** RE: Phone Call

Tessa,

The City of Kotzebue would like to pursue replacement of the Swan Lake Loop as soon as possible. The City currently has a Village Safe Water (VSW) Capital Improvement Project (CIP) funded planning effort to evaluate the best path towards replacement, however that project is bundled with planning efforts for several other needed projects and there is not sufficient funding for the full scope. The City must either reduce scope or request additional funding to proceed with the CIP funded project.

The City has also previously submitted project questionnaires (letters of interest) to the State Revolving Fund (SRF) Program for low interest loans for design and construction of the Swan Lake and Lagoon Loops. The SRF is offering the City up to \$2.5M in loan forgiveness on these loans if the City applies by April 1, 2024. The City could consider

applying for a \$2.5M loan for planning and design of the Swan Lake and Lagoon Loops. This would result in a fully forgiven loan with up to \$12,500 (0.05% of disbursed funds) in fee withheld from reimbursements (note that my math was bad yesterday when I said \$125,000 in fees). Once the planning effort is complete and the funding agencies have reviewed and approved the selected alternative, the City could initiate design immediately. Then, the City could apply for VSW CIP funding for construction the following spring, even if design is ongoing. This method is likely to result in a complete design and initiation of construction more quickly than using CIP funding alone. Additionally, this would allow for the current CIP funded planning project to be rescope to focus solely on the wastewater aspects and a supplemental funding request will not be necessary.

On a related note, the City has an interest in pursuing improvements to the Vortac Lake dam. The City could submit a project questionnaire to the SRF program by February 29, 2024 for planning, design, and construction of this project. The SRF Program will publish a new Project Priority List in June 2024 which will include allocation of new subsidy. It is possible that the City may be eligible for up to \$2.5M in loan forgiveness for this project as well. Once the new Priority List is available, we could regroup to discuss how the City might proceed with this project. If the City does not submit a questionnaire by the end of February, they are still welcome to do so, however the likelihood that substantial loan forgiveness will be available is very small until as it is allocated in the spring each year.

I've attached a table containing this same information in a different format that I hope will be easy to digest. Our teams are available to answer additional questions or discuss options, so please let us know how we can be most helpful.  
Carrie

**From:** Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
**Sent:** Wednesday, February 14, 2024 5:35 PM  
**To:** Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
**Cc:** Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth <[ehodges@anthc.org](mailto:ehodges@anthc.org)>; Hancey, Derek <[dhancey@anthc.org](mailto:dhancey@anthc.org)>; Ha, Young (DEC) <[young.ha@alaska.gov](mailto:young.ha@alaska.gov)>; Ulman, Peggy L (DEC) <[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)>; Charlie Santos <[CSantos@Kotzebue.org](mailto:CSantos@Kotzebue.org)>  
**Subject:** Re: Phone Call

You don't often get email from [tbaldwin@kotzebue.org](mailto:tbaldwin@kotzebue.org). [Learn why this is important](#)

Let's do 3PM! Charlie, can you send out the calendar invite to the group with a zoom link?

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**From:** Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
**Sent:** Wednesday, February 14, 2024 5:24:51 PM  
**To:** Tessa Baldwin  
**Cc:** Ben Mohr; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth; Hancey, Derek; Ha, Young (DEC); Ulman, Peggy L (DEC)  
**Subject:** RE: Phone Call

Unfortunately, I don't think time works for our group. We are available tomorrow (Thursday) from 3pm – 430pm, or Friday from 130pm-300pm.

**From:** Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
**Sent:** Wednesday, February 14, 2024 5:16 PM  
**To:** Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
**Cc:** Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth <[ehodges@anthc.org](mailto:ehodges@anthc.org)>; Hancey, Derek <[dhancey@anthc.org](mailto:dhancey@anthc.org)>; Ha, Young (DEC) <[young.ha@alaska.gov](mailto:young.ha@alaska.gov)>; Ulman, Peggy L (DEC) <[peggy.ulman@alaska.gov](mailto:peggy.ulman@alaska.gov)>  
**Subject:** Re: Phone Call

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How does tomorrow at 11AM work for you?

Thank you,

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**From:** Tessa Baldwin  
**Sent:** Wednesday, February 14, 2024 1:02:22 PM  
**To:** Bohan, Carrie D (DEC)  
**Cc:** Ben Mohr; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth; Hancey, Derek; Ha, Young (DEC); Ulman, Peggy L (DEC)  
**Subject:** Re: Phone Call

Absolutely! I would very much appreciate this call. I am cc'ing Charlie to find a time for all of us to meeting  
I'll also extend the invite to you all for our emergency operations which Charlie can forward to you as well.

Thank you!

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**From:** Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>  
**Sent:** Wednesday, February 14, 2024 11:50:16 AM  
**To:** Tessa Baldwin  
**Cc:** Ben Mohr; [emulder@gci.net](mailto:emulder@gci.net); Hodges, Elizabeth; Hancey, Derek; Ha, Young (DEC); Ulman, Peggy L (DEC)  
**Subject:** RE: Phone Call

Good morning Tessa,

I had the opportunity to speak with Elizabeth Hodges of ANTHC this morning to brainstorm about potential paths for the City of Kotzebue to pursue funding for replacement of the Swan Lake and Lagoon loops, as well as Vortac Lake. We do have some suggestions that could move these projects along more quickly than the usual process. There are some upcoming deadlines at the end of February and it would be helpful to meet before then.

Would you be interested in meeting with us via phone or video call (Teams or Zoom) later this week? We are available tomorrow (Thursday) from 3pm – 430pm, or Friday from 130pm-300pm. If these times don't work, we can look to next week sometime. I know you have quite a lot to deal with at the moment!

Carrie



Carrie Bohan  
Facilities Programs Manager  
DIVISION OF WATER  
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**From:** Bohan, Carrie D (DEC)  
**Sent:** Friday, February 9, 2024 1:52 PM  
**To:** [emulder@gci.net](mailto:emulder@gci.net); Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
**Cc:** Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>  
**Subject:** RE: Phone Call

Good afternoon,

I am going to be out of the office starting at about 2pm today, but I am still happy participate in a call anytime this afternoon. My calendar is also completely open on Monday so I can be available to meet whenever best fits your schedules.

Carrie

**From:** [emulder@gci.net](mailto:emulder@gci.net) <[emulder@gci.net](mailto:emulder@gci.net)>  
**Sent:** Friday, February 9, 2024 1:43 PM  
**To:** Bohan, Carrie D (DEC) <[carrie.bohan@alaska.gov](mailto:carrie.bohan@alaska.gov)>; Tessa Baldwin <[TBaldwin@Kotzebue.org](mailto:TBaldwin@Kotzebue.org)>  
**Cc:** Ben Mohr <[benmohr@gmail.com](mailto:benmohr@gmail.com)>  
**Subject:** Phone Call

**CAUTION:** This email originated from outside the State of Alaska mail system. Do not click links or open attachments unless you recognize the sender and know the content is safe.

Good afternoon, Tessa and Carrie. As I mentioned on our call, Carrie, Tessa is the City Manager for Kotzebue (I believe you met last year). As I suspected, Tessa would greatly appreciate visiting with you directly, Carrie, regarding funding options. What is your earliest availability? Perhaps even this afternoon?? (I've also included my business partner, Ben Mohr, on this email.)

Also, I mentioned it might be possible to deploy a person to Kotzebue for assistance and Tessa is also interested in that opportunity if available.

Anyway, perhaps we can get the two of you together in the very near future. Carrie, many thanks for your willingness to talk about options.

Take care and hope to hear from both of you soon.

All the best,



Eldon  
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The Mulder Company  
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