

Presented by:
Assistant Utility Manager

Action Taken:
Yes____
No____
Abstain____

CITY OF NOME, ALASKA
RESOLUTION NO. R-25-04-08

**A RESOLUTION AUTHORIZING APPLICATION, APPROVAL & ACCEPTANCE OF A LOAN FROM THE
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION ALASKA DRINKING WATER FUND
TO PROVIDE LOAN FINANCING FOR IMPROVEMENTS TO COMMUNITY WATER SYSTEM
INFRASTRUCTURE**

WHEREAS, the Utility Board determined application should be submitted to the Alaska Department of Environmental Conservation (ADEC) Alaska Drinking Water Fund (ADWF) Program to finance various infrastructure improvements to the water system, including replacements, extensions and enhancements; and

WHEREAS, the ADEC's ADWF program currently offers terms up to 30 years with no prepayment penalties to provide low interest financing (currently $\approx 2.1\%$) to communities for water system projects; and

WHEREAS, NJUS requested through ADEC's questionnaire process that the NJUS' ADWF loan for the Bering Street project be amended to include like work on the pending Seppala Drive project; and

WHEREAS, The Alaska Department of Transportation & Public Facilities (ADOT&PF) plans to reconstruct Seppala Drive in 2025 / 2026 and has agreed to include the Seppala Drive Water & Sewer Utility work within the roadway project provided NJUS obtains the necessary funding and can match the road project schedule.

NOW, THEREFORE BE IT RESOLVED that the Nome City Council authorizes the application, approval and acceptance of an amended ADEC Alaska Drinking Water Fund Loan for the design and construction of drinking water related improvements located along the Seppala Drive corridor, with the additional loan amount of \$3,410,880 (beyond the \$2,433,988 previously approved), and authorizes the Utility Manager as Chief Operating Officer of the Utility to execute any and all documents that may be required by ADEC to reflect the indebtedness, the terms of its repayment, and any security thereof, including but not limited to an agreement for the loan and a promissory note.

APPROVED and **SIGNED** this 28th day of April, 2025.

JOHN K. HANDELAND, Mayor

ATTEST:

DAN GRIMMER, City Clerk



ADEC LOAN AMENDMENT REQUEST: Seppala Dr - Water System Improvements Project

During the fall of 2021, the NCC passed resolutions R-21-10-02 & R-21-10-03 authorizing NJUS to pursue scope and budget amendments to the Bering Street drinking water (ADWF) and wastewater (ACWF) loans to include similar work for the Seppala Drive rehabilitation project – which, at the time, was scheduled to be constructed in 2023 as part of a larger Department of Transportation & Public Facilities (DOT&PF) project.

The project's schedule slipped and it is now planned to advertise this summer with the majority of the construction (including the utility work for NJUS) planned to occur in 2026.

Project costs have substantially increased in the last several years and the level of funding previously approved for the proposed drinking water system (ADWF) improvements is insufficient to complete the planned work. In 2023, the Nome Joint Utility Board (NJUB) passed R-23-01 to request NCC's approval to increase the ADWF loan amount to address the inflationary trend. The purpose of this communication is to advance that effort.

Approved funding levels for the wastewater (ACWF) portion remains adequate as the initial scope proposed for the Bering Street (and now the planned Seppala Drive work) was substantially reduced from what was originally envisioned. No additional actions are needed for NJUS to pursue clean water funding for this project.

		Approx Bering St Costs	Seppala Dr Estimate	Revised Loan Request Amt.	Incremental Loan Request Amount
Loan Number	Authorized				
ADWF 627241	\$ 2,433,988	\$ 1,775,000	\$ 3,412,380	\$ 5,187,380	\$ 2,753,392
ACWF 627251	\$ 2,086,937	\$ 325,000	\$ 325,000	\$ 2,086,937	\$ -
Totals:	\$ 4,520,925	\$ 2,100,000	\$ 3,737,380	\$ 7,274,317	\$ 2,753,392

Recommendation:

Approve NCC 25-04-08 to advance NJUB R 23-01.



NOME JOINT UTILITY SYSTEM

NOME JOINT UTILITY BOARD

RESOLUTION 23-01

**A RESOLUTION REQUESTING THAT THE NOME COMMON COUNCIL APPROVE & ACCEPT
A LOAN FROM THE ALASKA DEPT. OF ENVIRONMENTAL CONSERVATION ALASKA DRINKING WATER FUND
(ADWF) TO PROVIDE LOAN FINANCING FOR IMPROVEMENTS TO COMMUNITY WATER INFRASTRUCTURE**

- WHEREAS, The Utility Board determined application should be submitted to the Alaska Department of Environmental Conservation's Revolving Loan Fund Programs to finance various infrastructure improvements constructed to the water and sewer systems, including replacements, extensions and enhancements; and,
- WHEREAS, The Alaska Department of Environmental Conservation Alaska Clean Water & Alaska Drinking Water Fund loan programs offers terms up to 20 years with no prepayment penalties to provide low interest financing to communities for water and sewer systems; and
- WHEREAS, NJUS requested through ADEC's questionnaire process that the NJUS' ADWF loan for the Bering Street project be amended to include like work on the pending Seppala Drive project; and
- WHEREAS, The Alaska Department of Transportation & Public Facilities (ADOT&PF) plans to reconstruct Seppala Drive 2024 and has agreed to include the Seppala Drive Water & Sewer Utility work within the roadway project provided NJUS obtains the necessary funding and can match the road project schedule.

NOW THEREFORE BE IT RESOLVED that the Nome Joint Utility Board requests the Nome Common Council approve and authorize acceptance of an additional \$3,410,880 (beyond the \$2,433,988 already authorized for the Bering Street project) through the ADEC Drinking Water Fund Loan Program for construction of water system improvements, and authorize the Utility Manager as Chief Operating Officer of the Utility to execute any and all documents that may be required by the Department to reflect the indebtedness, the terms of its repayment, and an security thereof, including but not limited to an agreement for the loan and a promissory note.

SIGNED THIS 22 DAY OF August, 2023 AT NOME, ALASKA.

ATTEST:


David Barron, Secretary
NOME JOINT UTILITY BOARD


Carl Emmons, Chairman
NOME JOINT UTILITY BOARD