

Presented by:
Assistant Utility Manager

Action Taken:
Yes____
No____
Abstain____

CITY OF NOME, ALASKA
RESOLUTION NO. R-25-04-09

**A RESOLUTION AUTHORIZING APPLICATION, APPROVAL & ACCEPTANCE OF A LOAN FROM THE
ALASKA DEPARTMENT OF ENVIRONMENTAL CONSERVATION ALASKA CLEAN 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 Clean Water Fund (ACWF) Program to finance various infrastructure improvements to the wastewater system, including replacements, extensions and enhancements; and

WHEREAS, the ADEC's ACWF 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 NJUS submitted a project funding questionnaire to be included on ADEC's Intended Use Plan (IUP); and

WHEREAS, following acceptance of NJUS's application ADEC is prepared to enter into an agreement to loan NJUS \$2,500,000 to replace the Front St & E N St lift station, and by Resolution 25-01 the Nome Joint Utility Board recommends the loan be accepted; and

NOW, THEREFORE BE IT RESOLVED that the Nome City Council authorizes the application, approval and acceptance of an ADEC Alaska Clean Water Fund Loan for the design and construction of wastewater related improvements located near the intersection of Front St and E N St in the amount of \$2,500,000 with a 20-year payback, 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 REQUEST: Front & N Streets - Lift Station Project

The sanitary sewer lift station located at Front St and E N St was constructed in 1982 on Nome's east side. With a minimal 4' diameter wetwell it was sized to serve a small drainage collection area. Over the last 40+ years, the majority of growth in "Nome proper" has occurred on the east side, and the community has outgrown the lift station.

Additionally, lift station components (guide rails, piping, valves, etc.) have degraded from decades of service in a corrosive environment and the 4' diameter wetwell is too small to safely accommodate the maintenance activities needed to restore the station to normal operation. The lift station has needed significant improvement for a handful of years.

In 2024 Norton Sound Health Corporation (NSHC), the tribally owned and operated healthcare provider for the Bering Straits region, began expanding its nursing home with the intent to route its sanitary sewer discharge towards the Front St & E N St lift station – which, while handling day-to-day flow adequately, would be challenged to accommodate the increased flow in its degraded condition.

To accommodate the anticipated flow increase, and address the limitations of the existing lift station, NJUS and NSHC agreed to share in the cost of replacing the Front & N St's lift station.

Approving NJUB's R 25-01 will authorize NJUS to work with the Alaska Department of Environmental Conservation (ADEC) to fund the utility's portion of the lift station replacement effort.

Recommendation:

Approve NCC 25-04-09 to advance NJUB R 25-01.



NOME JOINT UTILITY SYSTEM

NOME JOINT UTILITY BOARD

RESOLUTION 25-01

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

- WHEREAS, The Utility Board determined applications 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 30 years with no prepayment penalties to provide low interest rate (currently $\approx 2.1\%$) financing to communities for water and sewer systems; and
- WHEREAS, NJUS requested a loan, through ADEC's questionnaire process, to help fund the Front & N Lift Station Replacement Project. The project scored favorably and ADEC added it to its *Project Priority List*; and
- WHEREAS, The *plans, specifications and estimate* (PS&E) package for the Front & N Lift Station Project is being prepared to advertise for bids in early summer 2025.

NOW THEREFORE BE IT RESOLVED that the Nome Joint Utility Board requests the Nome Common Council approve and authorize acceptance of a loan for \$2,500,000 through the ADEC Clean Water Loan Fund Program for construction of wastewater system improvements with a 20 year payback, and authorize 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 security thereof, including but not limited to an agreement for the loan and a promissory note.

SIGNED THIS 15 DAY OF April, 2025 AT NOME, ALASKA.

ATTEST:

David Barron, Secretary
NOME JOINT UTILITY BOARD

Carl Emmons, Chairman
NOME JOINT UTILITY BOARD

Beren McHardy
Board member