



NOME JOINT UTILITY SYSTEM

ADEC LOAN REQUESTS: Amending the Bering Street water / wastewater loan scopes & funding amendment request to include similar work for the Seppala Drive project.

During the fall of 2021, the NJUB requested (R 21-04) and the NCC passed resolutions R-21-10-03 & R-21-10-04 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 was scheduled to be constructed in 2023.

The cost of materials and the cost of work has substantially increased in the last couple of years and the level of funding approved to borrow is now insufficient to construct the waterline (ADWF) improvements proposed to occur with the (now planned) 2024 Seppala Drive rehab project.

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 by NJUB or NCC for NJUS to pursue clean water funding for this project.

In late February of this year, NJUS submitted updated funding questionnaires to ADEC (as indicated with the table below) to address the funding shortfall – and also to keep the project from lapsing from DEC's project priority lists due to delivery delays.

| Loan Number | Authorized | * Approx Bering St Costs | Pessimistic Seppala Dr Estimate | Revised Loan Request Amt. | Incremental Loan Request Amount |
|-------------|--------------|--------------------------|---------------------------------|---------------------------|---------------------------------|
| ADWF 627241 | \$ 2,433,988 | \$ 1,776,500 | \$ 3,410,880 | \$ 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 |

* Bering Street project in close-out phase by DOT.

Recommendation:

Approve R 23-01 and request NCC's authorization for NJUS to apply to and accept ADWF funding for the Seppala Drive water and wastewater work to be constructed (in 2024 as part of DOT's road project.

Presented by:
Assistant Utility Manager

Action Taken:
Yes _____
No _____
Abstain _____

CITY OF NOME, ALASKA
RESOLUTION NO. R-23-08-03

**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 20 years with no prepayment penalties to provide low interest financing 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 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 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 August, 2023.

JOHN K. HANDELAND, Mayor

ATTEST:

JEREMY JACOBSON, DEPUTY Clerk



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.



Carl Emmons, Chairman
NOME JOINT UTILITY BOARD

ATTEST:



David Barron, Secretary
NOME JOINT UTILITY BOARD