

State of Alaska Office of Management and Budget

Village Safe Water Funding Overview
Department of Environmental Conservation
Presentation to the House Finance Committee
April 16, 2019
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THE STATE
of **ALASKA**
GOVERNOR MICHAEL J. DUNLEAVY

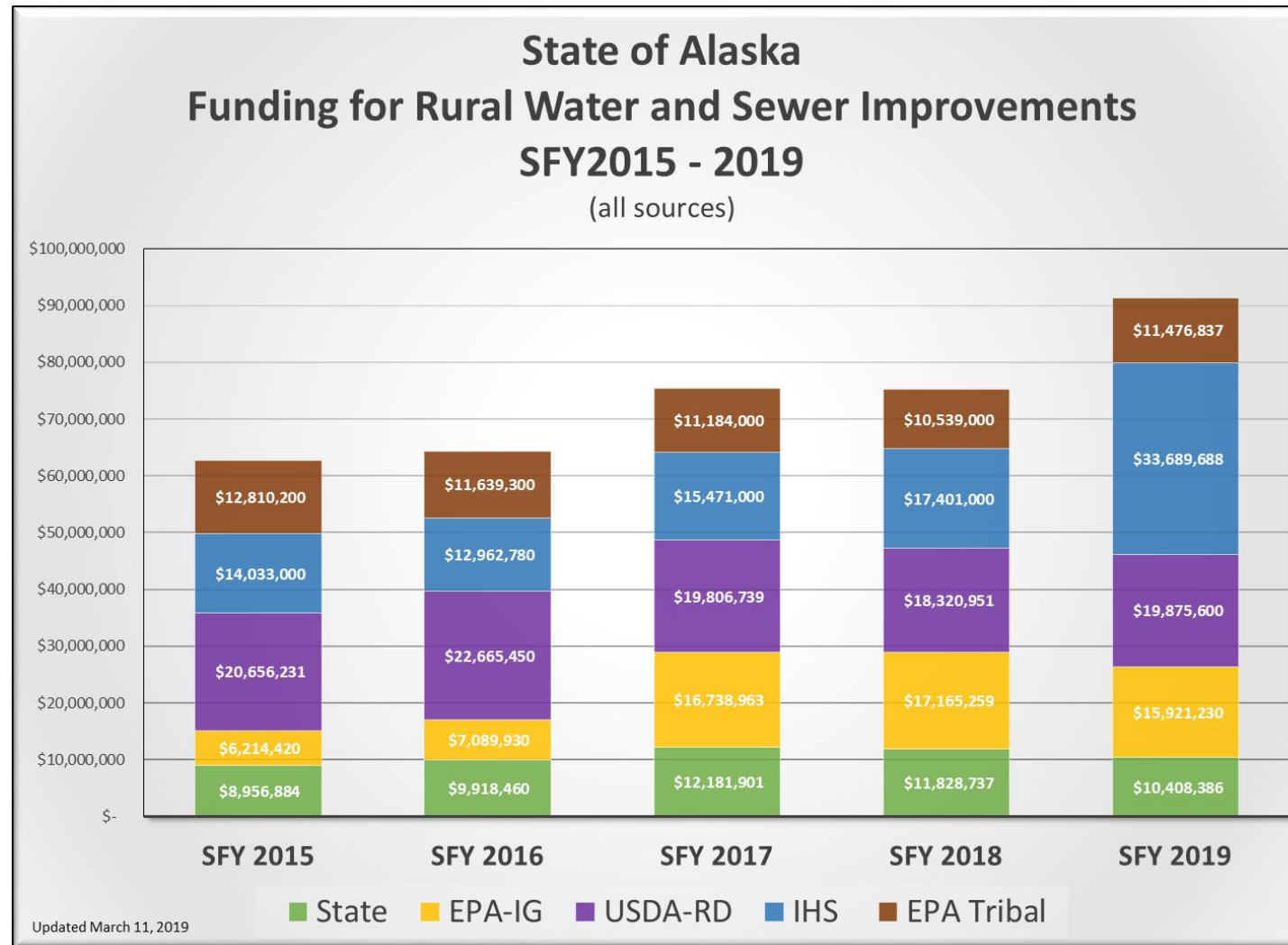
Village Safe Water Capital Request (thousands)



Rural Water and Wastewater Infrastructure Projects

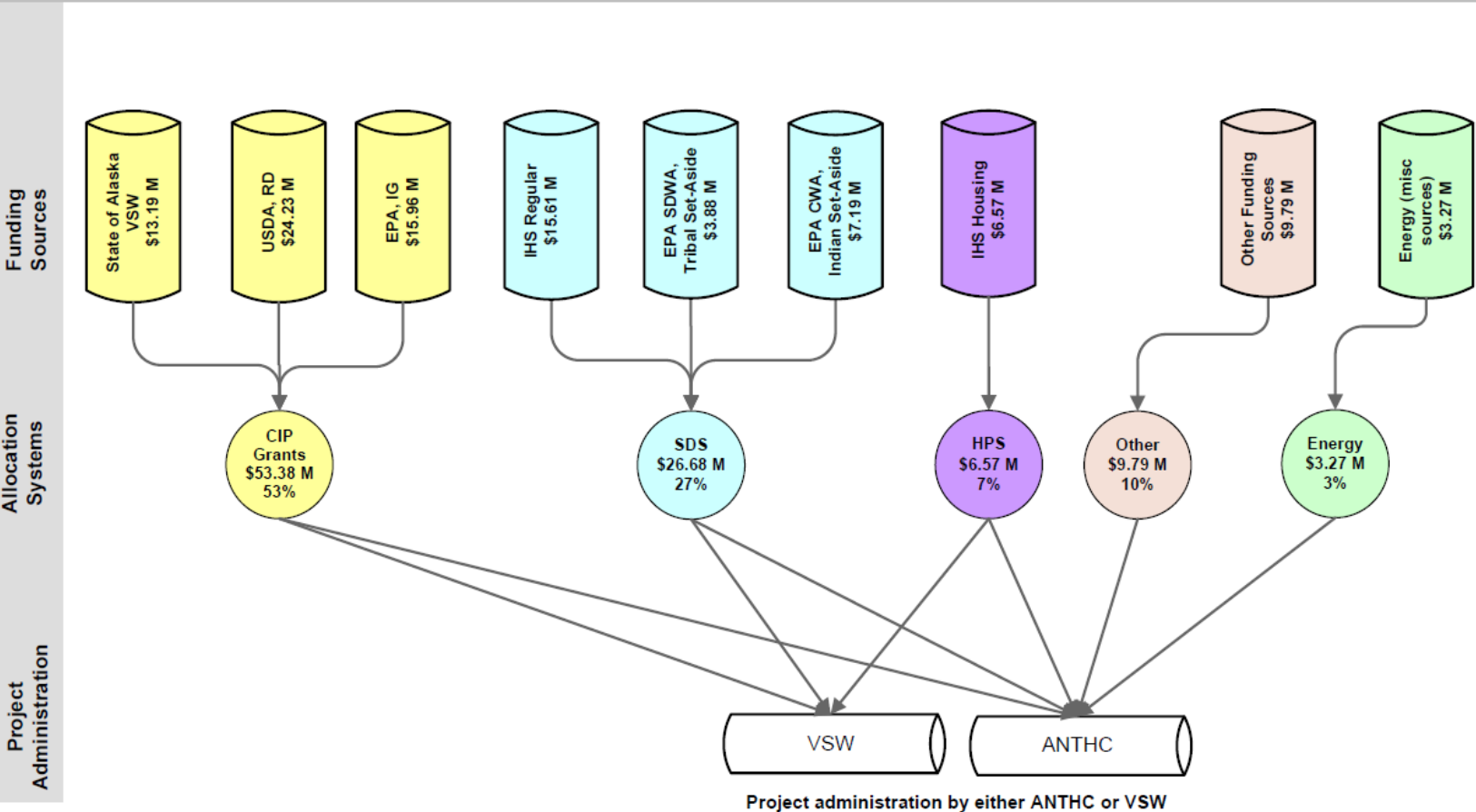
- First Time Service
- Expansion, Upgrade, and Replacement of Existing Service
- \$64,830.0 Capital Request
 - \$52,250.0 Fed
 - \$12,080.0 GF Match
 - \$500.0 SDPR

Village Safe Water Funding



Village Safe Water Funding

Primary Sources of Alaska Sanitation Rural Facility Improvement Funding:
 Three-Year Annual Average of Federal Fiscal Years 2016-2018 *(i.e., an average of \$99.7 million was annually allocated)*



- Abbreviations:**
- ANTHC: Alaska Native Tribal Health Consortium
 - CIP: Capital Improvement Project
 - CWA: Clean Water Act
 - EPA: Environmental Protection Agency
 - HPS: Housing Priority System
 - IHS: Indian Health Service
 - IG: Infrastructure Grant (Alaska Native Village Grant)
 - M&I: Maintenance and Improvement Program
 - SDS: Sanitation Deficiency System
 - SDWA: Safe Drinking Water Act
 - USDA RD: U.S. Dept. of Agriculture, Rural Development
 - VSW: Village Safe Water

Village Safe Water: Average Project

- Average cost to provide running water and sewer to individual homes in a village for the first time
 - Projects currently under construction: \$250 - \$500 thousand per/home
 - Projects not yet under construction: \$350 - \$650 thousand per/home
- Construction projects typically last 5-10 years, depending on
 - Size and complexity of the project
 - Availability of funds
 - Ability of community to meet ongoing construction funding conditions

Village Safe Water: FY2018 by the Numbers

- Planning Projects
 - \$2 million funding made available
 - 15 studies for 23 communities
 - Project range: \$25,000 - \$125,000
- Construction Projects
 - \$45 million funding made available
 - 17 construction projects
 - Project range: \$500,000 and higher
- IHS & EPA Tribal Construction Projects
 - \$36 million funding made available
 - 20 construction projects
 - Project range: \$500,000 - \$4 million



Village Safe Water: Eligibility Criteria

- Communities with a population less than 1,000 (AS 47.07.080)
- Applications for project grants scored primarily on how they address critical public health needs and the capacity to operate and maintain facilities
 - Project Need
 - Project Development Status
 - Relationship to Other Project Phases
 - Operation, Maintenance, and Management Capabilities
 - Local Project Commitment
 - Project Cost/Population Benefiting Ratio
- High scoring projects added to Multi-Year Priority List



Village Safe Water: New Initiatives



- Infrastructure Protection

- \$4 million additional general funds appropriated in FY2019 above required match
- Replacement or repair associated with existing water & sewer systems
- Work not eligible for federal funding programs
- \$1.5 million made available in FY2019
- 20 construction projects
- Project range: \$15,000 - \$150,000

- Micro-Loan Program

- Projected launch in FY2019
- Available to VSW eligible communities from the Alaska Clean Water and Drinking Water State Revolving Loan Funds
- Subsidized at 50%-90%
- Construction for upgrades associated with existing water & sewer systems
- Funding range: up to \$50,000

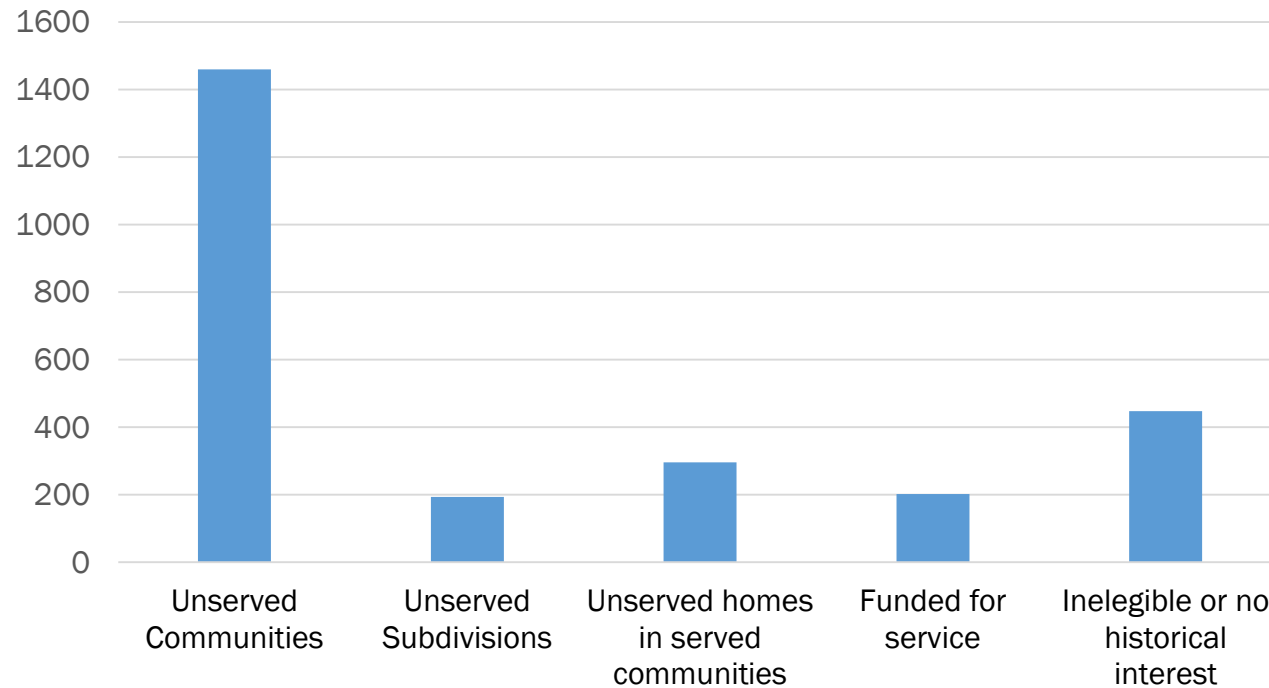


Supporting Rural Sanitation

- Village Safe Water does not provide funding for ongoing maintenance and operations of systems
- DEC provides water and wastewater system operator training and certification
- Remote Maintenance Workers
 - Funded through federal grants from EPA and USDA and associated state match in the operating budget
 - Appx. 56% of funding is passed through to regional health corporations
 - 15.5 Remote Maintenance Workers between DEC and regional health corporations provide technical assistance to rural communities
- DEC works with regional health corporations, RUBA, and community leaders to provide focused assistance to build financial and managerial capacity

Unserved Homes in 2019: Where are they?

Unserved Homes in Rural Alaska



Total Unserved Homes = 2,610

Targeted for future service = 1,960

Homes in 24 unserved communities

(eligible for VSW funding) = 1,460

Homes in 8 unserved subdivisions

(in 8 “served” communities) = 200

Individual homes in

33 served communities = 300

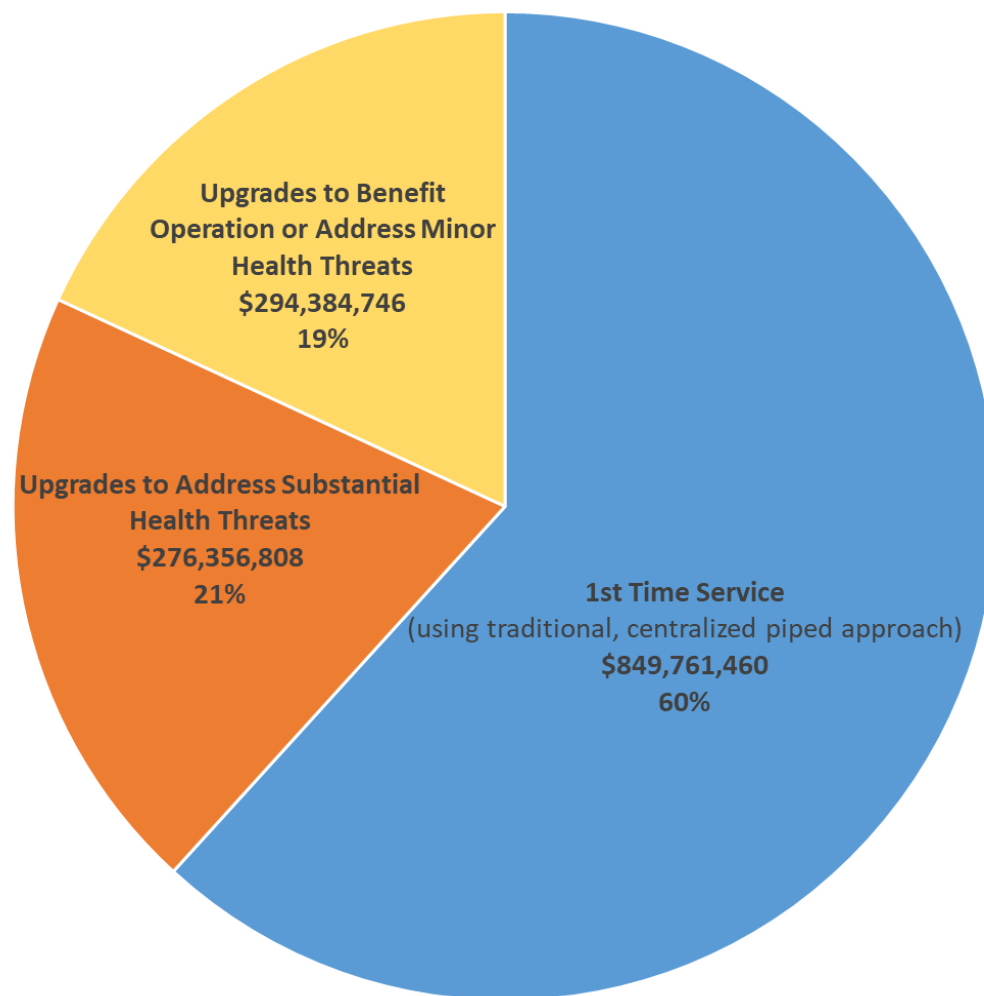
Not targeted for future service = 650

Currently funded for service

in 6 communities = 200

Ineligible or no historical interest in services
(31 communities) = 450

Rural Alaska Sanitation Funding Need = \$1,420,503,024



Updated March 11, 2019

Alaska Water & Sewer Challenge Project

- Conventional systems are expensive to construct, maintain and replace
- Many communities cannot afford the high operation and maintenance costs.
- Available funding is not adequate to serve remaining homes and make needed improvements
- Innovative approaches are needed to address health problems associated with water and sewer system deficiencies
- Focus on decentralized systems that provide treatment, recycling, and water minimization
- Currently testing pilot systems



Sustainable, Predictable, Affordable