



Department of Environmental Conservation

House Finance Committee

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Village Safe Water

Village Safe Water's mission is to support rural communities in their efforts to develop sustainable sanitation facilities

- ▶ Communities with a population less than 1,000 per AS 46.07.080

We accomplish this mission by:

- ▶ Funding planning, design and construction of water, wastewater and solid waste projects
- ▶ Providing project management and oversight for grant funded projects



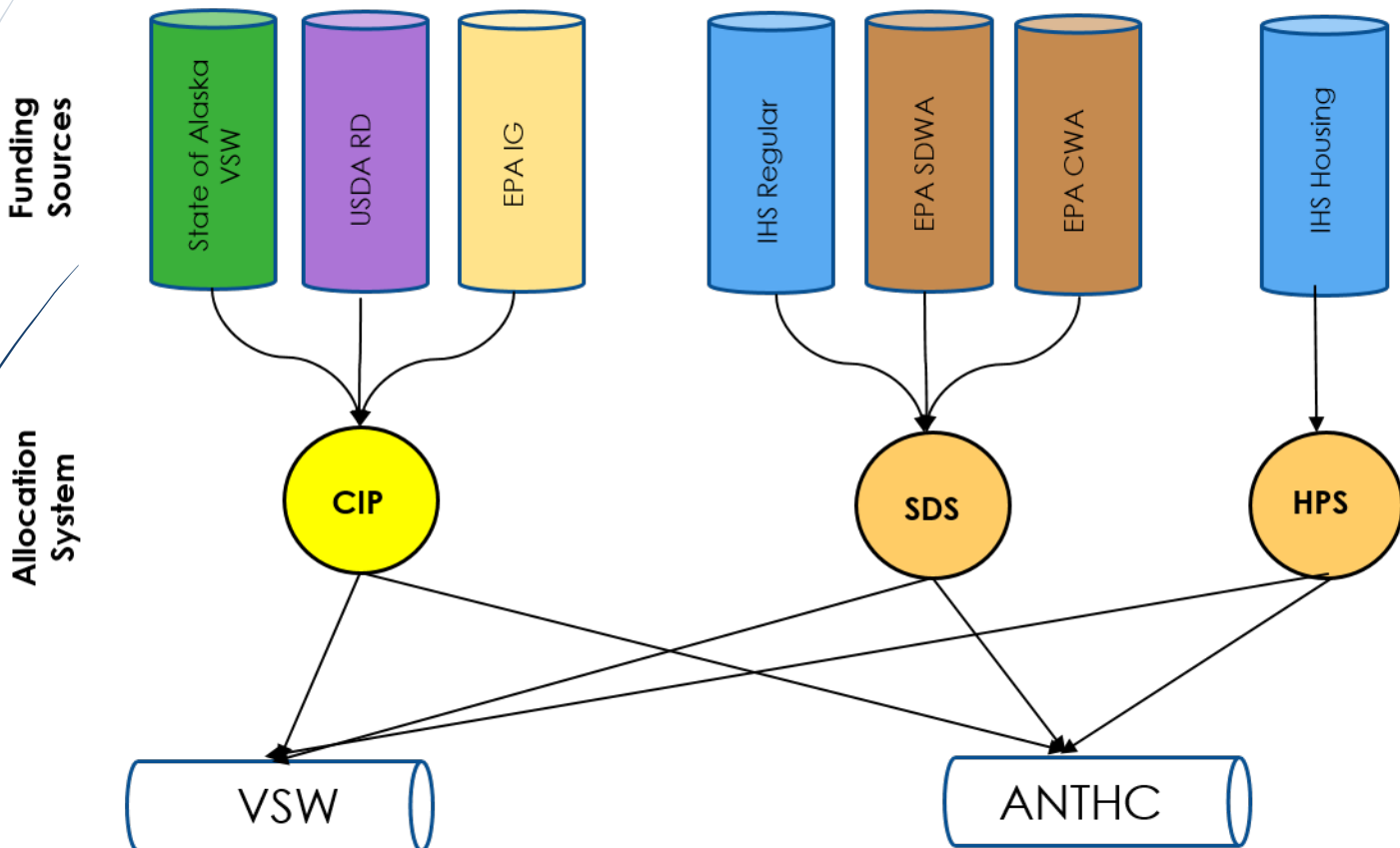


Village Safe Water: Supporting Rural Sanitation

- ▶ Work with partners to support communities in their efforts to build technical, financial, and managerial capacity
- ▶ Provide 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
 - ▶ 15 Remote Maintenance Workers at DEC and regional health corporation provide onsite training and technical assistance
 - ▶ Emergency response and support
- ▶ Fund RUBA Program to provide technical assistance regarding financial and managerial aspects of utility operations
- ▶ Village Safe Water does not provide funding for ongoing maintenance and operations of systems



Village Safe Water: Funding Sources



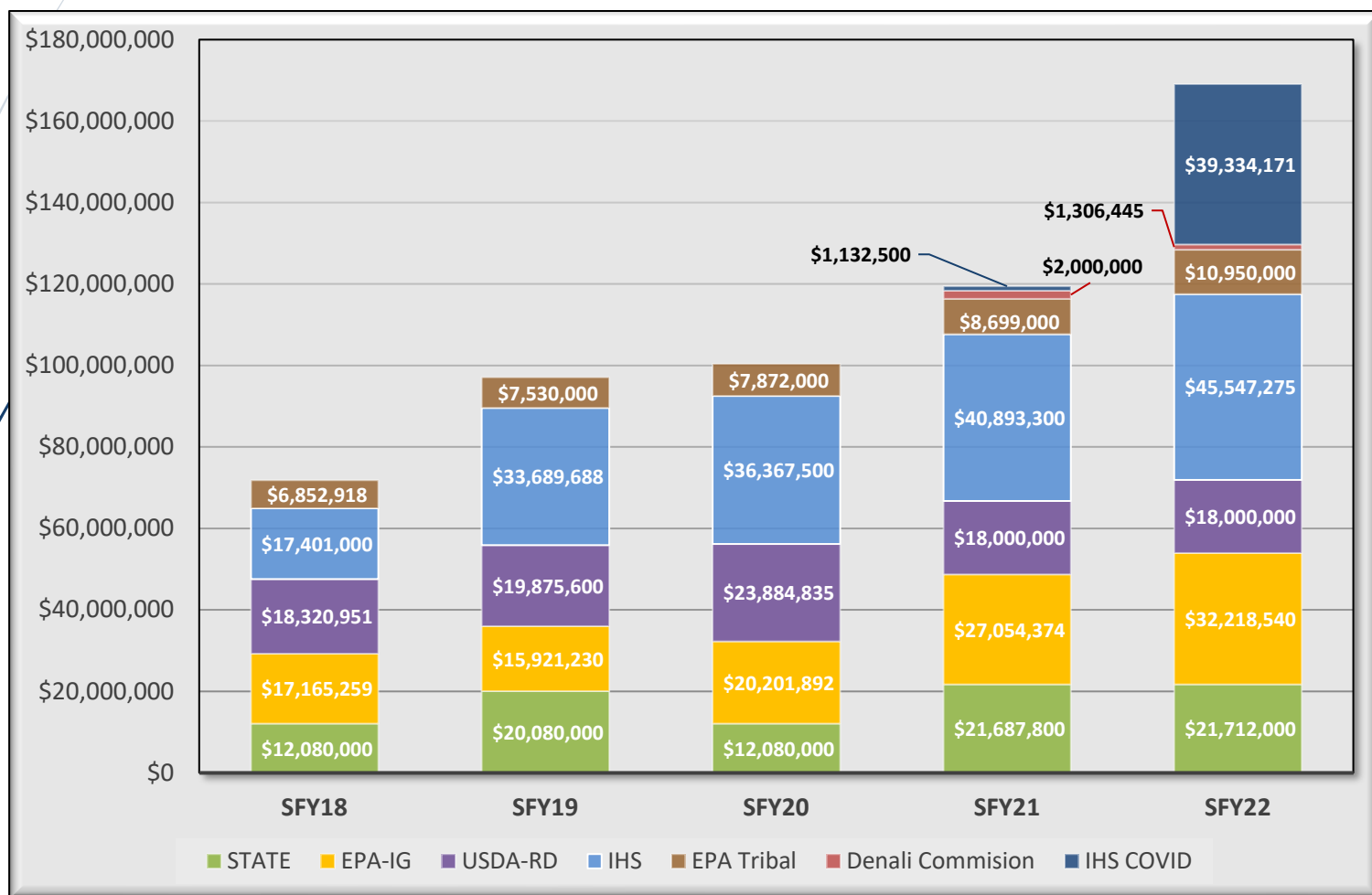
ANTHC: Alaska Native Tribal Health Consortium
CIP: Capital Improvement Project
CWA: Clean Water Act
EPA: Environmental Protection Agency

HPS: Housing Priority System
IHS: Indian Health Service
IG: Infrastructure Grant
(Alaska Native Villages Grant)

SDS: Sanitation Deficiency System
SDWA: Safe Drinking Water Act
USDA RD: U.S. Dept. of Agriculture, Rural Development
VSW: Village Safe Water

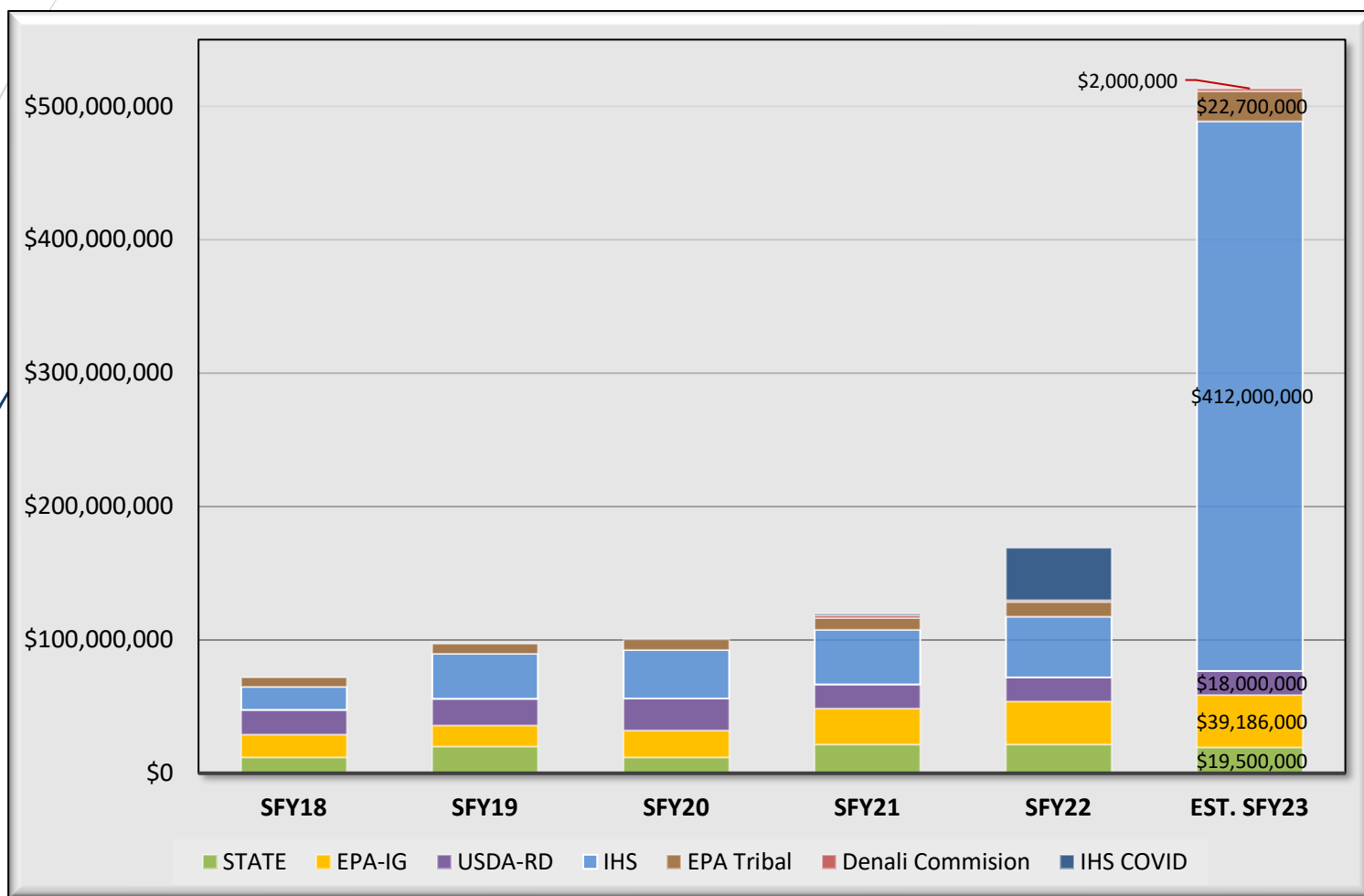


Village Safe Water: Funding History





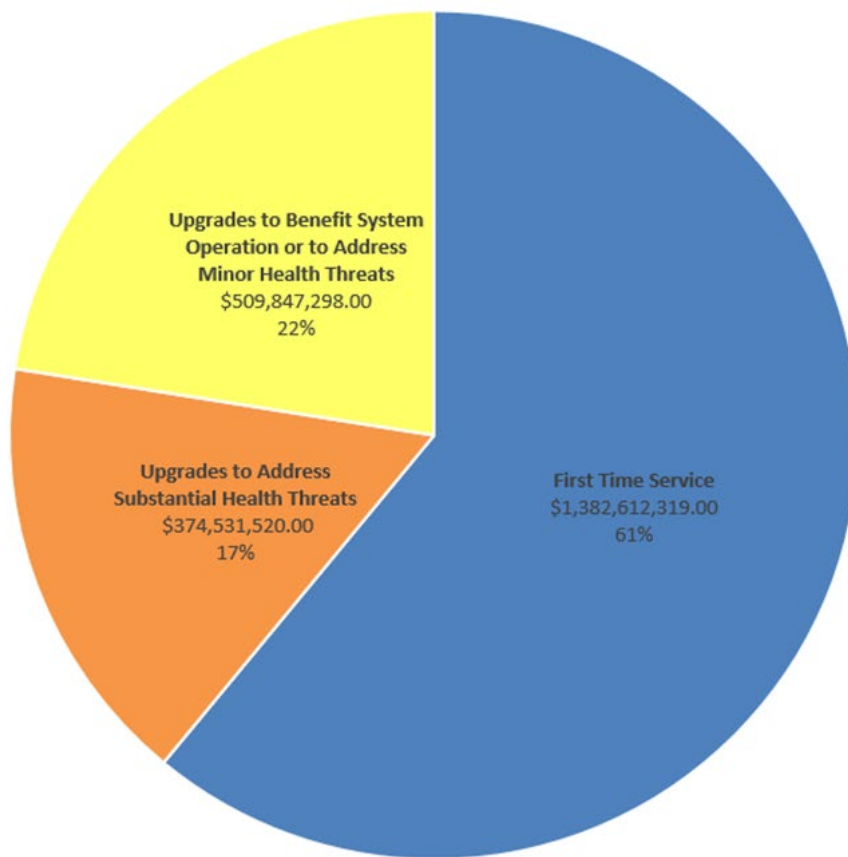
Village Safe Water: Funding History





Rural Alaska Sanitation Funding Need

Rural Alaska Sanitation Funding Need = \$2,266,991,137



■ First Time Service ■ Upgrades to Address Substantial Health Threats ■ Upgrades to Benefit System Operation or to Address Minor Health Threats



Unserved Communities

- | | | |
|-------------------|------------------|-------------------|
| ➤ Alatna | ➤ Eagle Village | ➤ Shishmaref |
| ➤ Allakaket | ➤ Kipnuk | ➤ Stebbins |
| ➤ Arctic Village | ➤ Kivalina | ➤ Stevens Village |
| ➤ Atmautluak | ➤ Kongiganak | ➤ Stony River |
| ➤ Birch Creek | ➤ Koyukuk * | ➤ Takotna |
| ➤ Chalkyitsik | ➤ Lime Village * | ➤ Teller |
| ➤ Chefnak | ➤ Newtok | ➤ Tuluksak |
| ➤ Circle | ➤ Oscarville | ➤ Tununak * |
| ➤ Crooked Creek * | ➤ Platinum | ➤ Venetie |
| ➤ Diomede | ➤ Rampart | ➤ Wales |
| | ➤ Shageluk * | |

* Funded for full service



Village Safe Water: Average Project

- ▶ Cost to provide running water and sewer to individual homes in a village for the first time
 - ▶ \$500 - \$750 thousand per/home
- ▶ Projects typically last 5 -10 years to completion, depending on
 - ▶ Size and complexity of the project
 - ▶ Availability of funds
 - ▶ Ability of community to meet ongoing construction funding conditions





Village Safe Water: FY2022 by the Numbers

- ▶ Planning Projects
 - ▶ \$1.9 million funding made available
 - ▶ 19 studies for 19 communities
 - ▶ Project range: \$75,000 - \$180,000
- ▶ Construction Projects
 - ▶ \$69.7 million funding made available
 - ▶ 9 ongoing construction projects and 10 new construction projects
 - ▶ Project range: \$80,000 - \$21.1 million
- ▶ IHS & EPA Tribal Construction Projects
 - ▶ \$55.2 million funding made available including \$1.3M from Denali Commission
 - ▶ 17 construction projects
 - ▶ Project range: \$563,000- \$8.8 million





Village Safe Water: Funding Eligibility

- ▶ Communities are eligible for one VSW funded planning project at a time
- ▶ An approved planning document and a demonstration of a minimum level of capacity are required for design and construction funding
 - ▶ Ensure the community has the technical, financial, and managerial capacity to operate and maintain the facility in the long term
 - ▶ Requirement of all new public water systems per the Safe Drinking Water Act
- ▶ First time piped service projects also require an approved Sustainability Plan



Village Safe Water: Funding Eligibility

- Operations & Maintenance Best Practices capacity assessment tool developed in conjunction with ANTHC and RUBA
- Communities are scored twice per year based on information provided to DEC and RUBA

Service Level	O&M Best Practices Score	Project Eligibility
Unserved/ Underserved	0-100	CIP Planning CIP Design and Construction of Decentralized Services SDS Design and Construction
	35+	CIP Design of Non-Core Facilities CIP Design and Construction of Core Facilities that Exceed Design Life**
	60+	CIP Construction of Non-Core Facilities
Served	0-100	CIP Planning CIP Design and Construction of Decentralized Services SDS Design and Construction
	60+	CIP Design and Construction for Community Facilities

* Requires a Technical Assistance Memorandum of Agreement

**Core Facilities include: water source and transmission, water treatment plant/washeteria and associated water storage, collection and treatment of wastewater from washeteria, and honey bucket disposal. These projects may repair or replace Core Facilities, but maintain the current level of service.



Village Safe Water: Funding Eligibility

- Technical
 - Operator Certification
 - Preventative Maintenance Plan
 - Compliance
- Managerial
 - Utility Management Training
 - Meetings of the Governing Body
- Financial
 - Budget
 - Revenue
 - Worker's Compensation Insurance
 - Payroll Liability Compliance



Village Safe Water: Project Assessment

- Project grant applications are scored primarily on how they address critical public health needs and the community's capacity to operate and maintain facilities
 - Beneficial health impact provided by the project
 - Current level of service
 - Technical, financial and managerial capacity
 - Relationship to other project phases
 - Application quality
- High scoring projects added to the Multi-Year Priority List



Village Safe Water: FY2023 Governor's Request (in thousands)

- \$72,250.0 Capital Request
 - \$52,250.0 Fed
 - \$19,500.0 General Fund Match
 - \$500.0 SDPR
- First Time Service
- Expansion, Upgrade, and Replacement of Existing Service





Village Safe Water: Federal Infrastructure Bill

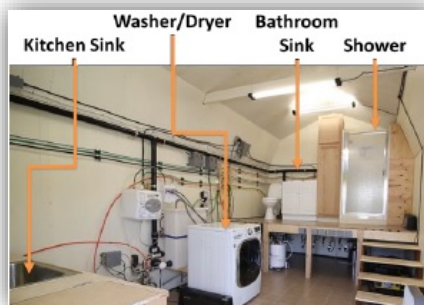
- ▶ Re-authorized Alaska Native Villages Grant
 - ▶ Did not appropriate funds
- ▶ \$3.5 billion appropriated to Indian Health Service
 - ▶ Anticipate ~\$2.0 billion will be allocated to Alaska

Alaska Native Villages Grant			
SFY	Federal Authorization	State Match	Match
2023	\$ 40,000,000	25%	\$ 13,333,333
2024	\$ 40,000,000	25%	\$ 13,333,333
2025	\$ 40,000,000	25%	\$ 13,333,333
2026	\$ 50,000,000	25%	\$ 16,666,667
2027	\$ 60,000,000	25%	\$ 20,000,000
Total	\$ 230,000,000		\$ 76,666,667



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
- Pilot testing at UAA delayed due to COVID, anticipated to begin in fall 2022





Other Water Infrastructure Funding in the IIJA

- State Revolving Loan Funds (AS 46.03.032 & AS 46.03.036)
 - Low interest loans for eligible clean water and drinking water projects
 - FY2023 Capitalization Grants
 - \$18.0m Drinking Water
 - \$20.1m Clean Water
 - 10% State match required
 - 49% subsidy as principal loan forgiveness



Other Water Infrastructure Funding in the IIJA

- ▶ Emerging Contaminants
 - ▶ Eligible projects that address contaminants such as PFAS
 - ▶ FY2023 Capitalization Grants
 - ▶ \$7.5m Drinking Water
 - ▶ \$1.1m Clean Water
 - ▶ No State match
 - ▶ 100% loan subsidy issued as loan forgiveness
- ▶ Lead Service Lines
 - ▶ Eligible projects that address lead in drinking water
 - ▶ FY2023 Capitalization Grant
 - ▶ \$28.3m Drinking Water
 - ▶ No State match
 - ▶ 49% subsidy as principal loan forgiveness



Questions?

