

# House Finance Committee

## Village Safe Water Program Overview

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February 14, 2025



# Village Safe Water

## Mission

Support rural communities in their efforts to develop sustainable sanitation facilities

Accomplished 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

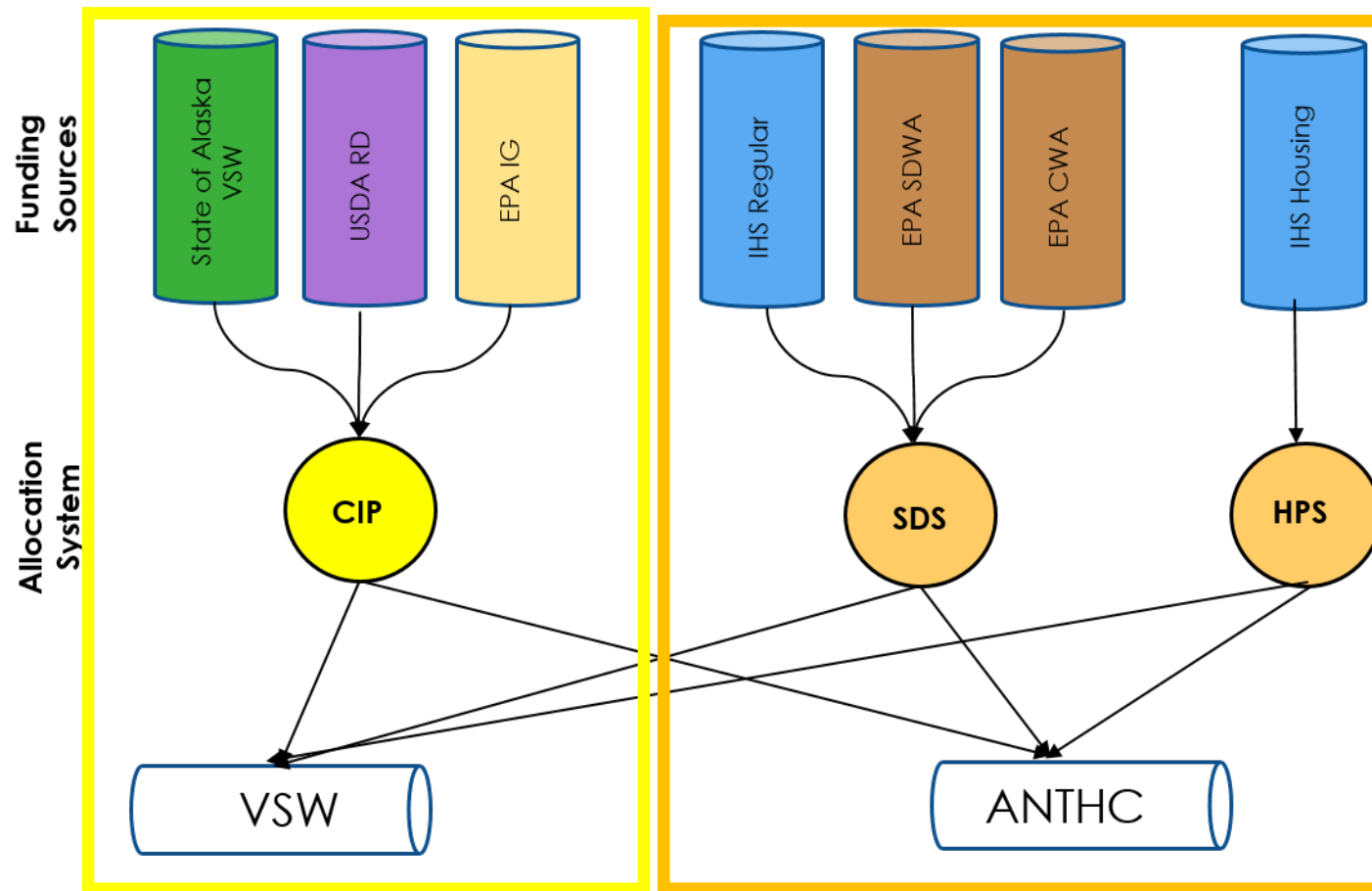
## Rural Sanitation Challenges and Opportunities

- Remoteness, climate, and ground conditions contribute to construction expense
- Need for infrastructure funding greatly exceeds available resources
- Local capacity for ongoing operations and maintenance is often lacking
- Strategies for tackling challenges
  - Partnerships and collaboration
    - Rural Utility Business Advisor, Alaska Native Tribal Health Consortium, Indian Health Service (IHS), Environmental Protection Agency (EPA), U.S. Department of Agriculture (USDA) Rural Development, Denali Commission
  - Infrastructure Investment and Jobs Act (IIJA) funding is meant to address a significant portion of Alaska's need
    - \$3.5B to IHS; \$2.1B associated with Alaskan needs



# Village Safe Water

## Funding Sources



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

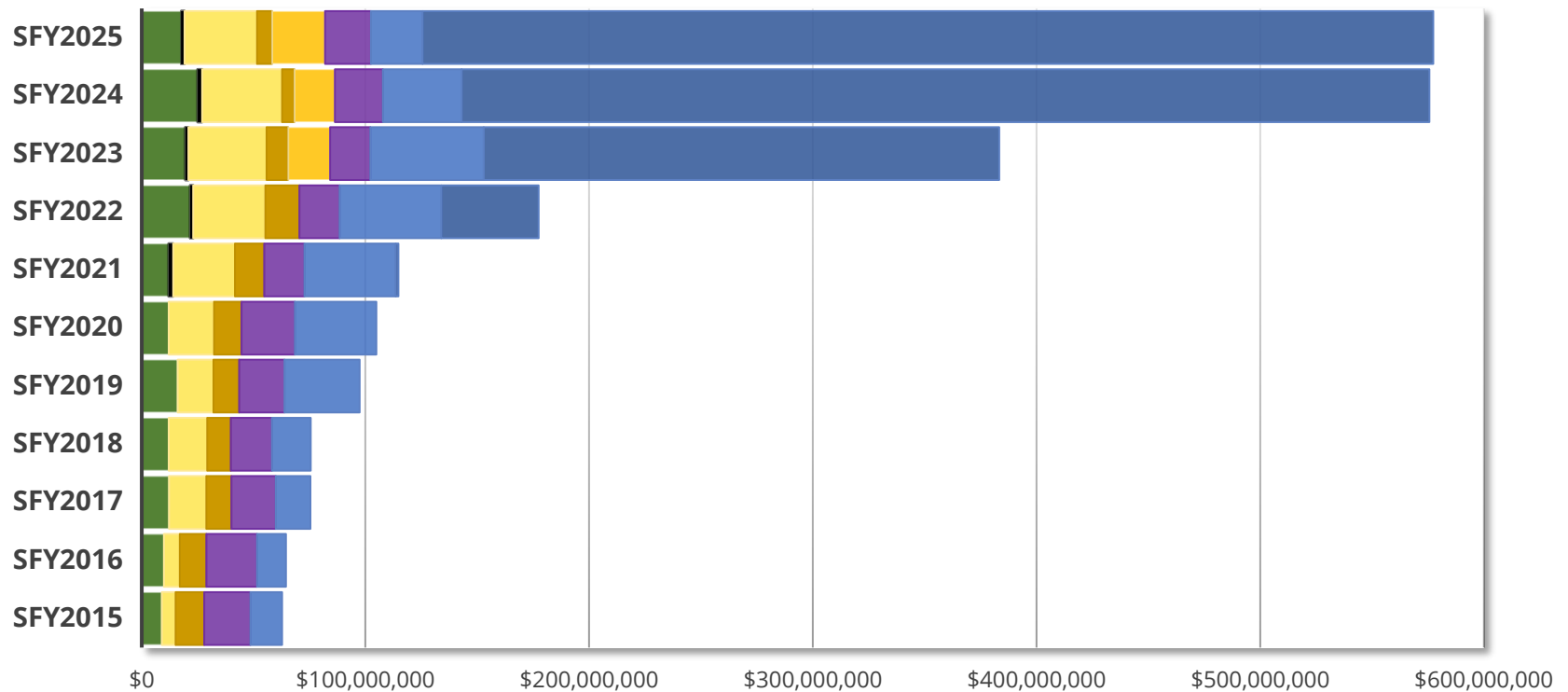
HPS: Housing Priority System  
 IHS: Indian Health Service  
 IG: Infrastructure Grant  
 (Alaska Native Villages Grant)

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 Sources (\$ in whole dollars)



	SFY2015	SFY2016	SFY2017	SFY2018	SFY2019	SFY2020	SFY2021	SFY2022	SFY2023	SFY2024	SFY2025
■ State	\$8,956,875	\$9,918,450	\$12,181,888	\$12,080,000	\$16,080,000	\$12,080,000	\$12,080,000	\$21,712,000	\$19,500,000	\$24,952,959	\$17,661,019
■ Denali Commission							\$2,000,000	\$1,306,445	\$1,349,303	\$2,100,000	\$1,500,000
■ EPA-IG	\$6,214,420	\$7,089,930	\$16,738,963	\$17,165,259	\$15,921,230	\$20,201,892	\$27,587,280	\$32,246,040	\$35,006,174	\$35,637,709	\$32,422,318
■ EPA Tribal	\$12,810,000	\$11,837,807	\$11,184,000	\$10,571,921	\$11,476,837	\$12,352,000	\$13,025,000	\$15,152,000	\$9,708,618	\$5,591,000	\$6,747,000
■ EPA Tribal IIJA									\$18,647,000	\$18,000,122	\$23,571,000
■ USDA	\$20,656,231	\$22,665,450	\$19,806,739	\$18,320,951	\$20,280,000	\$23,884,835	\$18,000,000	\$18,000,000	\$18,000,000	\$21,489,084	\$20,560,738
■ IHS	\$14,033,000	\$12,926,000	\$15,471,000	\$17,401,000	\$33,689,688	\$36,367,500	\$40,893,300	\$45,547,275	\$50,681,367	\$35,277,686	\$23,040,460
■ IHS COVID/IIJA							\$1,132,500	\$43,412,171	\$230,450,797	\$432,578,053	\$451,892,458



# Village Safe Water

## Average Project

- Cost to provide running water and sewer to individual homes in a village for the first time
  - \$500.0 - \$4,000.0 per/home, average \$1,350.0 (\$ in thousands)
- Projects typically last five - ten years depending on
  - Size and complexity of the project
  - Availability of funds



# Unserved & Underserved Communities

## Underserved

Beaver (FTH)	Kwigillingok (FTH)	Nightmute (FTH)
Chevak	Manley	<i>Northway (FTH)</i>
<b>Gambell</b>	<b>Mekoryuk (FTH)</b>	Nunapitchuk (FTH)
<b>Hooper Bay</b>	<b>Mertarvik</b>	<b>Tetlin (FTH)</b>
Kasigluk	<b>Napakiak (FTH)</b>	Tuntutuliak (FTH)
Kotlik	<b>Napaskiak (FTH)</b>	

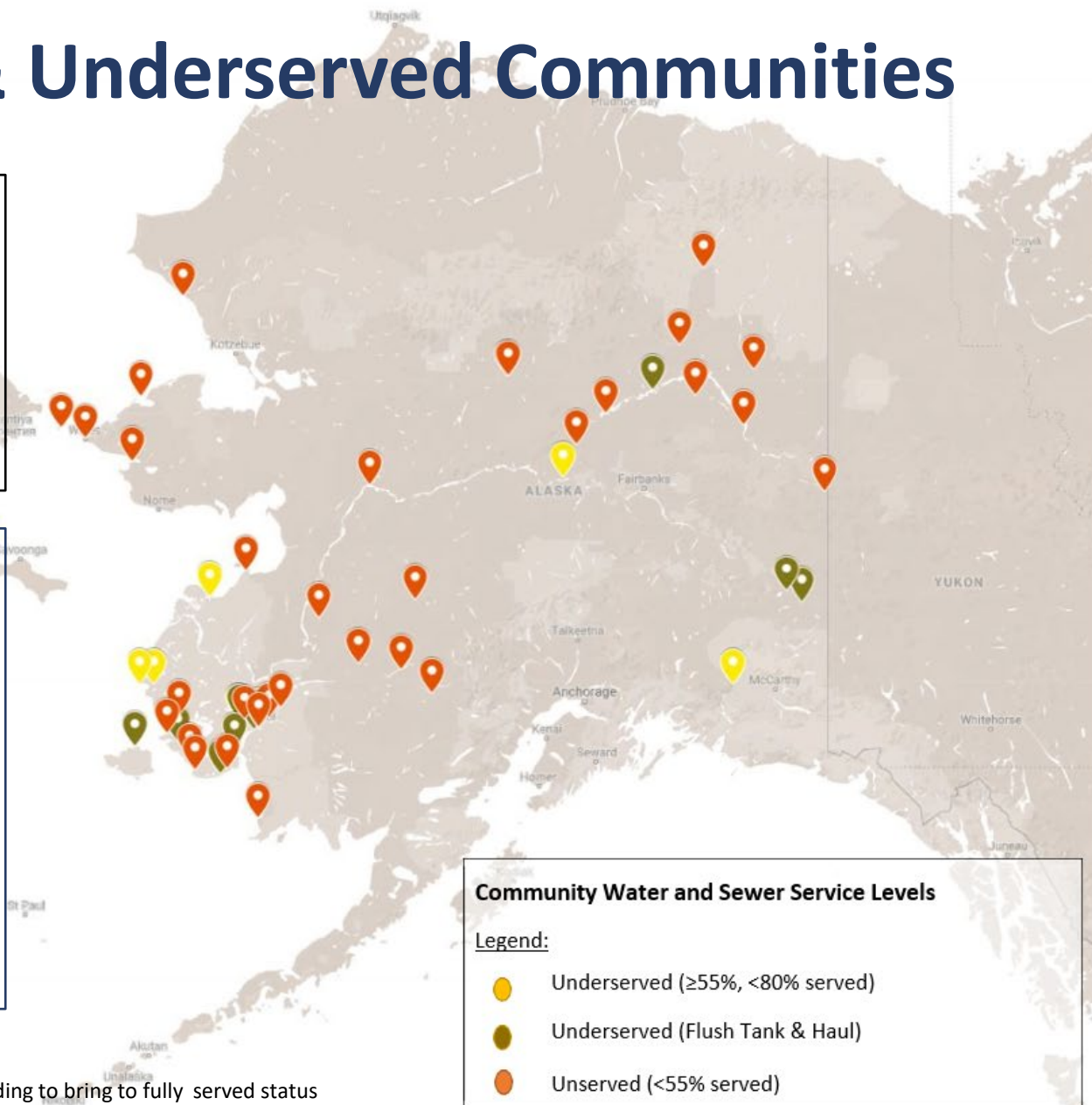
## Unserved

<b>Allakaket</b>	Eagle Village	Shishmaref
Alatna	<b>Kipnuk</b>	<b>Stebbins</b>
Arctic Village	Kivalina	Stevens Village
<b>Atmautluak</b>	Kongiganak	Stony River
Birch Creek	<b>Koyukuk</b>	Takotna
Chalkyitsik	<b>Lime Village</b>	Teller
Chefornak	Newtok	<b>Tuluksak*</b>
<b>Circle</b>	Oscarville	<b>Tununak</b>
<b>Crooked Creek</b>	Platinum	<b>Venetie</b>
Diomedes	<b>Rampart</b>	<b>Wales*</b>
	<b>Shageluk</b>	

FTH – Flush Tank Haul System

**Bold** denotes communities that have received funding to bring to fully served status

\* Indicates projects that require additional contributions



# Village Safe Water

## Funding Eligibility

- VSW Statute, 46.07.080
  - Second class city
  - First class city, municipality, or tribal council or incorporated nonprofit with a population less than 1,000
  - Metlakatla
- Planning Projects
  - Define problem, evaluate solutions, estimate costs
  - Multi-Agency review to streamline
- Design & Construction Projects
  - Approved planning document
  - Approved Sustainability Plan for new piped service





# Village Safe Water

## Project Prioritization

- Annual application process for new projects
- Scoring
  - Beneficial health impact of the project
  - Current level of service
  - Technical, financial and managerial capacity
  - Relationship to other projects
  - Application quality
- High scoring projects added to the Multi-Year Priority List
  - Commit to fund project to completion



# Village Safe Water

## Examples of Recent and Ongoing Projects

- New water source and water distribution system replacement for Unalakleet
- New water treatment plants and washeterias in Wales and Nunapichuk
- Lift station replacement in St. Paul
- New intake and water transmission line in Shaktoolik
- New water storage tank in St. George



# Village Safe Water

## Ongoing Evolution

- Removed local capacity consideration from funding eligibility criteria
- Multi-Agency Review Committee considers all projects at the conceptual stage to prevent conflict later
- Piloting modular construction of building, such as water treatment plants, to reduce construction cost and timeframes
- Piloting construction contracts rather than force account to see if construction can be completed faster
- Strive to strike a balance between automation and simplicity of systems while still meeting Safe Drinking Act and Wastewater Discharge regulations



# Village Safe Water

## SFY2026 Governor's Budget

- \$437,855.9 Capital Request (\$ in thousands)
  - \$415,516.9 Fed (\$65,516.9 CIP, \$350,000.0 IHS)
  - \$21,839.0 General Fund Match
  - \$500.0 Statutory Designated Program Receipts
- First Time Service / Expansion, Upgrade, and Replacement of Existing Service





# Village Safe Water

## Remote Maintenance Workers

- Onsite training and technical assistance
- Emergency response and support
- Co-funded by EPA, USDA, and State in the operating budget
- 15 Remote Maintenance Workers
  - 13 staff with five regional health corporation
  - Three DEC staff
- FY2024 accomplishments:
  - 2,049 hours of hands-on training and technical assistance
  - 209 routine village trips to 112 communities
  - 7,882 phone calls from communities requesting assistance
  - 59 emergency trips





# Village Safe Water

## Current Challenges

- Short term implementation
  - Availability of engineers, contractors, and laborers
  - Availability and cost of materials
  - Cost overruns due to supply chain delays and inflation
  - Build America, Buy America implementation
- Near term funding
  - IHS IIJA dollars are not sufficient to fund service to all unserved and underserved communities as originally anticipated
- Long term sustainability
  - IHS funding is awarded without consideration of local capacity



# Other Infrastructure Funding

Included in IIJA

- State Revolving Loan Funds (AS 46.03.032 & AS 46.03.036)
  - Low interest loans for eligible clean water and drinking water projects
  - Accept letters of interest throughout the year, update funding plan three times per year
  - Currently developing SFY2026 grant applications and Intended Use Plans for base funding and IIJA grants
  - Funds available to borrowers beginning July 2025



# Other Infrastructure Funding

## Included in IIJA

Drinking Water SRF	SFY2025	Match	Subsidy
All eligible projects (Base Grant)	\$4.7M	20%*	26-49%
All eligible projects (IIJA Grant)	\$21M	10%	49%*
Emerging Contaminants (IIJA Grant)	\$15.3M	0%	100%

Clean Water SRF	SFY2025	Match	Subsidy
All eligible projects (Base Grant)	\$4.9M	20%*	20-40%
All eligible projects (IIJA Grant)	\$12.5M	10%	49%*
Emerging Contaminants (IIJA Grant)	\$2.5M	0%	100%

\* Base grant match requirement is met using loan fund revenues

\*\*Percent of federal grant that must be awarded as subsidy;  
the amount of subsidy will vary by project



# Questions?



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