



# Department of Environmental Conservation Senate Finance Committee

Ruth Kostik, Administrative Services Director

Randy Bates, Director, Division of Water

Carrie Bohan, Facilities Services Program Manager

February 8, 2022



# 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

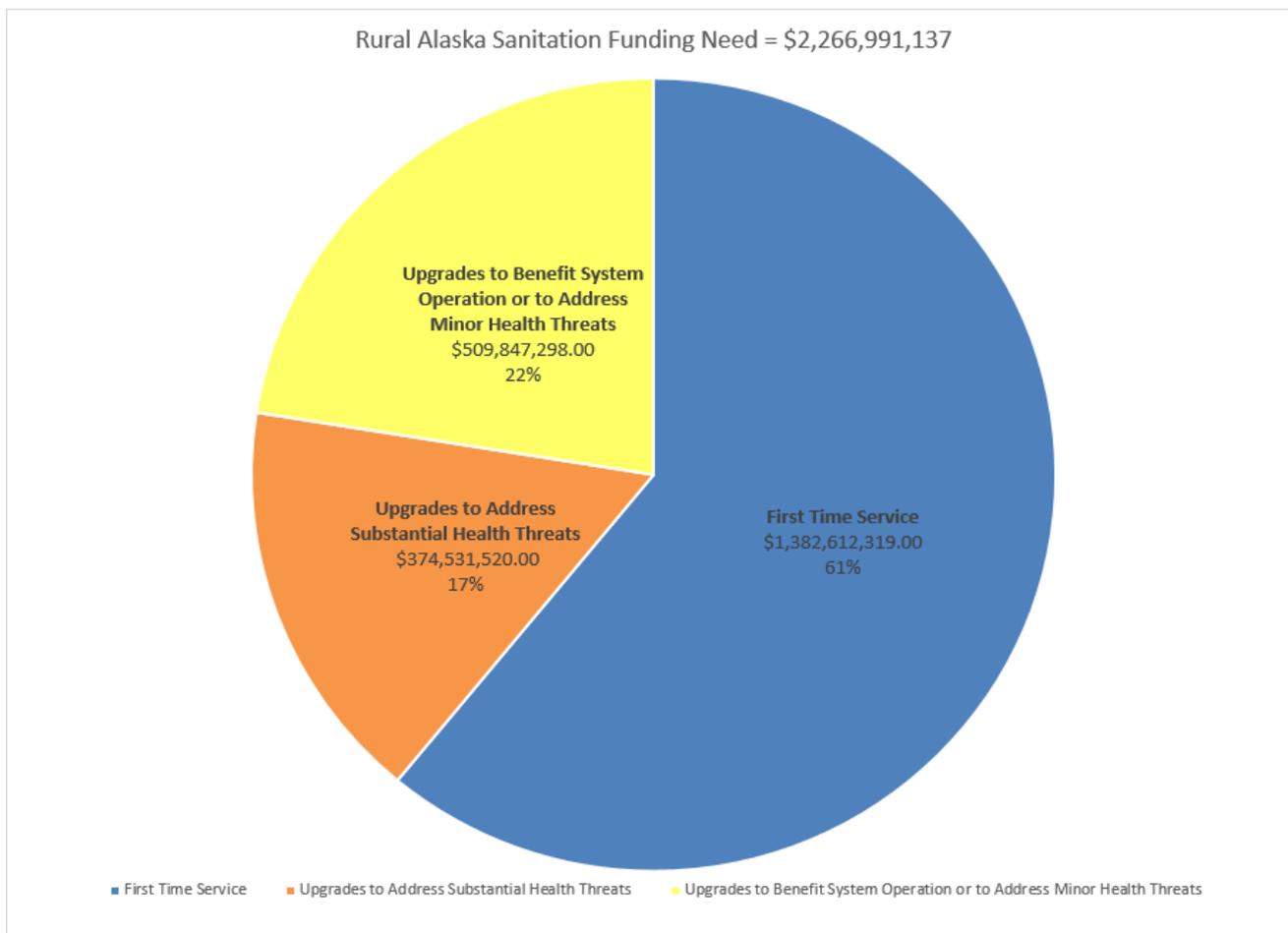
We accomplish this mission by:

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





# Rural Alaska Sanitation Funding Need





# Unserved Communities

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

\* Funded for full service



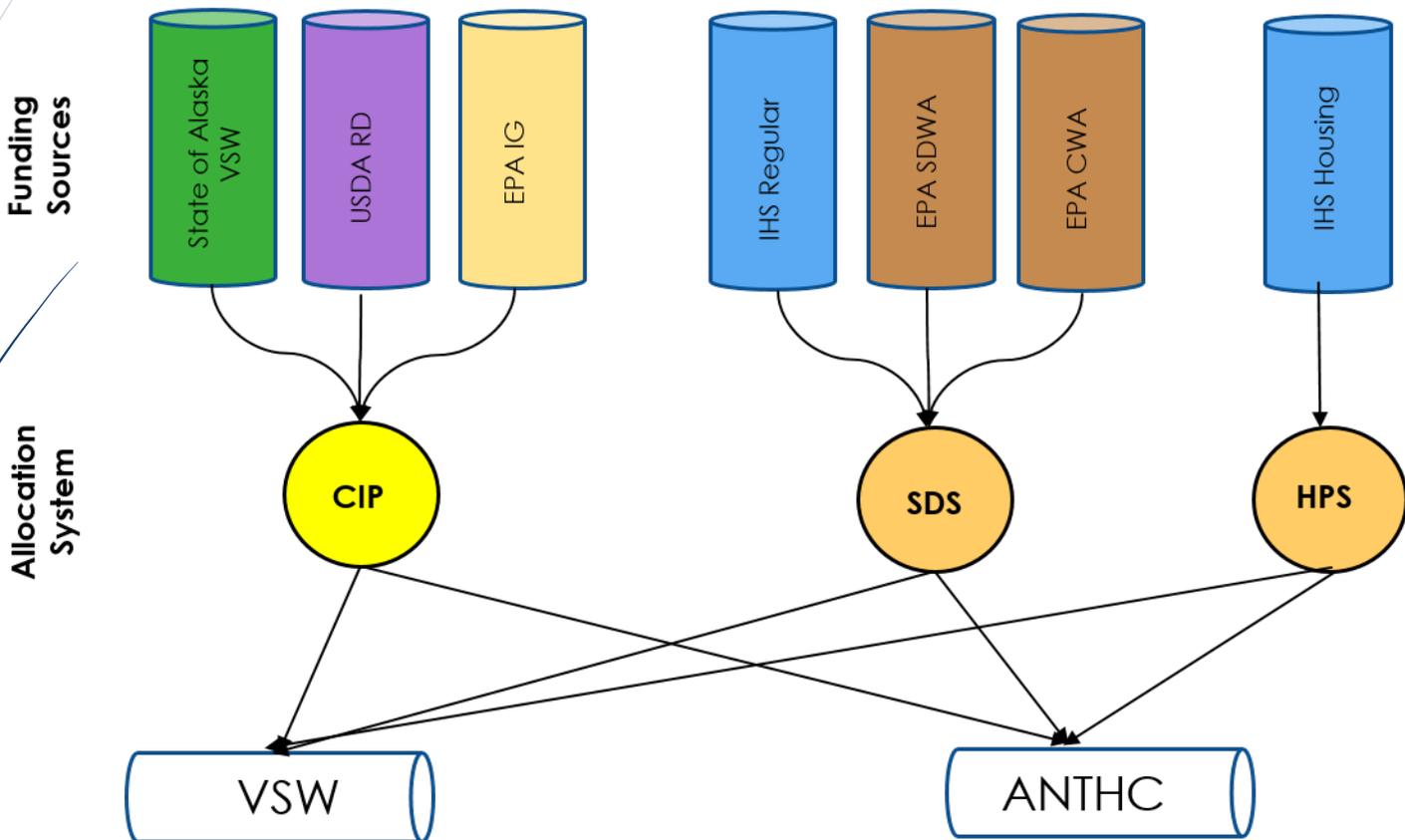
# Village Safe Water: Average Project

- ▶ 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: Funding Sources



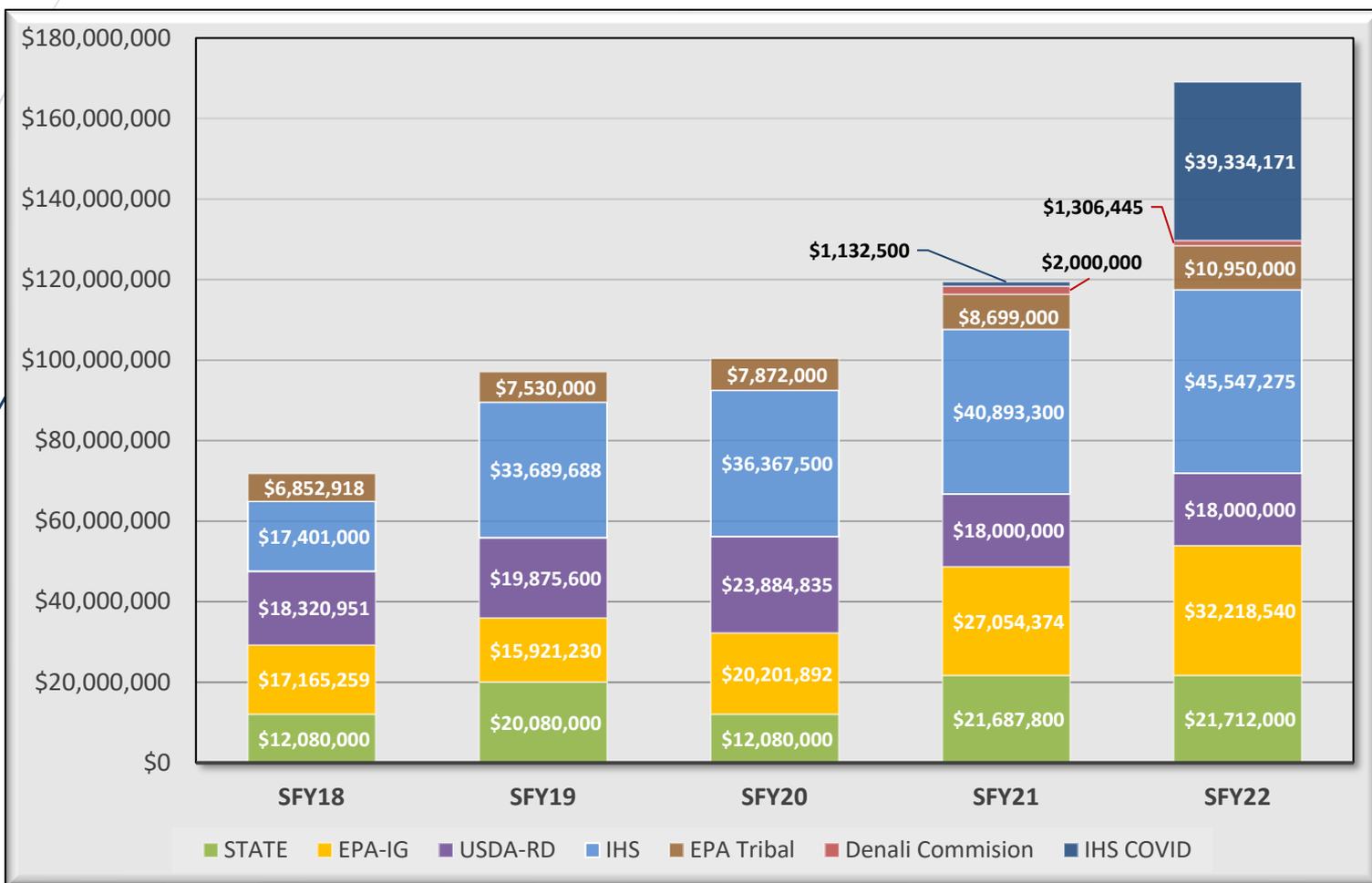
ANTHC: Alaska Native Tribal Health Consortium  
 CIP: Capital Improvement Project  
 CWA: Clean Water Act  
 EPA: Environmental Protection Agency

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

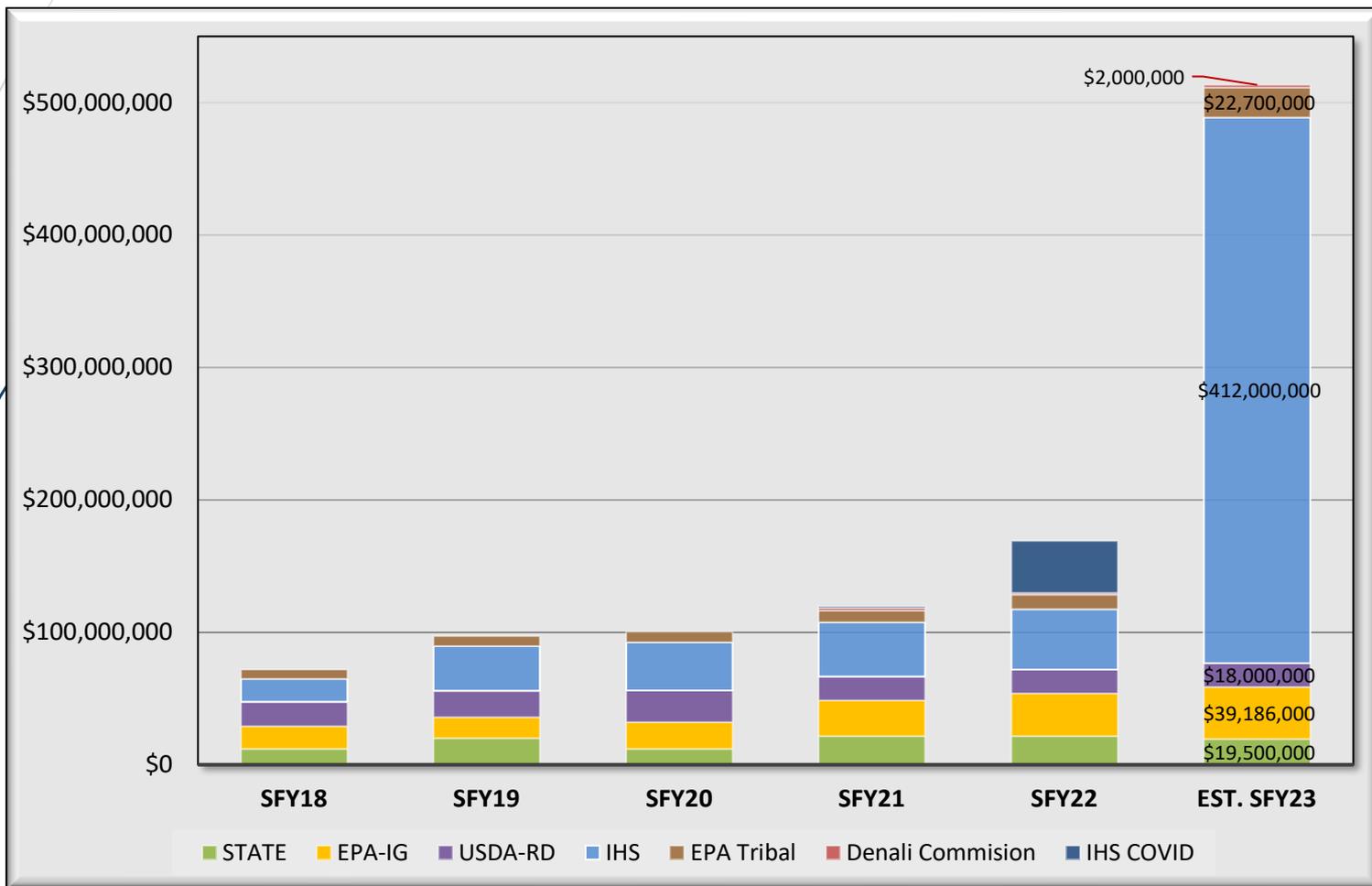


# Village Safe Water: Funding History





# Village Safe Water: Funding History





# 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: Project Assessment

Village Safe Water Program  
Capital Improvement Project  
Construction Project Scoring Criteria



## Project Scoring Criteria

Criteria	Points
<b>HEALTH IMPACT</b>	
Describes the level of service or improvement the majority of the project costs will provide	
<b>First Service:</b> Fully piped, closed haul, or onsite water and wastewater service to homes not previously served at the proposed service level	40
<b>Water Treatment Plant/Washeteria Upgrade or Replacement in Unserved Community:</b> Upgrade or replacement of a combined water treatment plant/washeteria in a community that lacks water and sewer service to a majority of homes The existing facility to be upgraded or replaced must be at least 25 years old.	40
<b>Regulatory Compliance (Drinking Water only):</b> Address "verified" facility-related regulatory compliance (DEC Drinking Water Program verification required)	35
<b>Erosion and Thawing Permafrost Impacts:</b> Protect, move or replace essential system components endangered by erosion or thawing permafrost	35
<b>Essential Upgrades:</b> Upgrade or replace existing water or wastewater system components that have exceeded their capacity or design life, resulting in present and continuous compromises in health benefits of the system and representing a clear and substantial health hazard	30
<b>Beneficial Upgrades:</b> Upgrade system components or increase operational efficiencies to address intermittent compromises affecting the health benefits of the system. Includes all solid waste improvements.	15
<b>Desired Upgrades:</b> Upgrades that are not considered "Essential Upgrades" or "Beneficial Upgrades" as defined above	0
<b>DEFICIENCY LEVEL</b>	
Describes the level of service of the majority of homes that will benefit from the project	
Never been served with running water and sewer service	10
Currently served by truck or trailer water and/or sewer service	5
<b>LOCAL CAPACITY</b>	
Reflects the community's capacity for operations and maintenance of sanitation infrastructure	
One point for every Operation and Maintenance Best Practices point above 60	0 - 40
<b>Related Projects</b>	
Coordination with other funded projects in the community will impact cost or efficiency	5
<b>APPLICATION QUALITY</b>	
Describes the level of completeness of the application and quality of the supporting documentation	
Information is complete and consistent throughout, and demonstrates community involvement in the application	5
Information is incomplete, inconsistent, and/or does not demonstrate the required level of community involvement in development of the application	0



# 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: 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
<b>Total</b>	<b>\$ 230,000,000</b>		<b>\$ 76,666,667</b>



# 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?

