Department of Environmental Conservation
House Community and Regional Affairs Committee

Randy Bates, Director, Division of Water
Carrie Bohan, Facilities Services Program Manager
April 20, 2023
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
Historically, need has greatly exceeded available resources

Funding provided by the Infrastructure Investment and Jobs Act (IIJA) is meant to address a significant portion of Alaska’s need

- $3.5 B to Indian Health Service (IHS)
- $2.1B associated with Alaskan needs

Longstanding partnerships between VSW, Rural Utility Business Advisor, Alaska Native Tribal Health Consortium, IHS, Environmental Protection Agency, and USDA Rural Development

- Meet regularly to collaborate and coordinate efforts and resources to ensure the needs of all communities are addressed
Village Safe Water Funding Sources

Funding Sources:
- State of Alaska VSW
- USDA RD
- EPA IG

Allocation System:
- CIP
- VSW

- IHS Regular
- EPA SDWA
- EPA CWA

- SDS
- ANTHC

- HPS

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
SDS: Sanitation Deficiency System
SDWA: Safe Drinking Water Act
USDA RD: U.S. Dept. of Agriculture, Rural Development
VSW: Village Safe Water [Alaska Native Villages Grant]
Village Safe Water
Funding Sources SFY15 - SFY23

<table>
<thead>
<tr>
<th>Year</th>
<th>State</th>
<th>Denali Commission</th>
<th>EPA-IG</th>
<th>EPA Tribal</th>
<th>USDA</th>
<th>IHS</th>
<th>IHS COVID</th>
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<td>15,921,230</td>
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<td>33,689,688</td>
<td>40,893,300</td>
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<td>20,201,892</td>
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<td>39,186,000</td>
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<td>20,000,000</td>
<td>281,132,164</td>
<td>281,132,164</td>
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Underserved & Unserviced Communities

**Underserved**
- Beaver (FTH)
- Chevak
- Gambell
- Hooper Bay
- Kasigluk
- Kotlik
- Alatna
- Arctic Village
- Atmautluak
- Birch Creek
- Chalkyitsik
- Chepernak
- Circle
- Crooked Creek*
- Diomede

- Kwagillingok (FTH) Nightmute (FTH)
- Manley
- Mekoryuk (FTH) Nunapitchuk (FTH)
- Mertarvik
- Napakiak (FTH)
- Napaskiak (FTH)
- Eagle Village
- Kipnuk
- Kivalina
- Kongiganak
- Koyukuk*
- Lime Village*
- Newtok
- Oscarville
- Rampart*
- Shageluk*

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

**Unserviced**
- Beaver (FTH)
- Chevak
- Gambell
- Hooper Bay
- Kasigluk
- Kotlik
- Allakaket
- Alatna
- Arctic Village
- Atmautluak
- Birch Creek
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- Newtok
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- Rampart*
- Shageluk*

**Community Water and Sewer Service Levels**

- Underserved (≥55%, <80% served)
- Underserved (Flush, Tank & Haul)
- Unserviced (<55% served)
Village Safe Water
Average Project

- Cost to provide running water and sewer to individual homes in a village for the first time
  - $750,000 - $1M 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 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
- Criteria fall into three categories
  - Technical
  - Managerial
  - Financial
- Based on Safe Drinking Water Act requirement for all new systems to demonstrate adequate capacity prior to construction
- Most criteria are based on actions municipalities and tribal entities are required to take for other purposes
Village Safe Water Funding Eligibility

<table>
<thead>
<tr>
<th>Service Level</th>
<th>O&amp;M Best Practices Score</th>
<th>Project Eligibility</th>
</tr>
</thead>
</table>
| 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.

- Unserved communities must develop a Sustainability Plan  
- Affordability Indicator is a tool developed to provide insight about the affordability of user rates
Village Safe Water Project Prioritization

- Annual application process for new projects
- Community must have an approved planning document
- 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 projects
  - Application quality
- High scoring projects added to the Multi-Year Priority List
  - Commit to fund project to completion
Village Safe Water
Sample of Ongoing Projects

- New water source and water distribution system replacement for Unalakleet
- New water treatment plants and washterias 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
SFY24 Governor’s Budget

- $247,703.0 Capital Request
  - $222,250.0 Fed ($52,250.0 CIP, $170,000 IHS)
  - $24,953.0 General Fund Match
  - $500.0 SDPR

- First Time Service
- Expansion, Upgrade, and Replacement of Existing Service
Village Safe Water
Supporting Rural Sanitation

- Remote Maintenance Workers
  - Funded through federal grants from EPA and USDA and associated state GF match in the operating budget
  - 15 Remote Maintenance Workers at DEC and 5 regional health corporation provide onsite training and technical assistance
- Emergency response and support
- FY22 accomplishments:
  - 2,126 hours of hands-on training and technical assistance
  - 135 routine village trips to 84 communities
  - 7,190 phone calls from communities requesting assistance
  - 48 emergency trips
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.
Village Safe Water
Current Challenges

- Indian Health Service funding is awarded without consideration of local capacity
- IHS funded project will need additional funds to cover aspects not eligible for IHS funding
- Availability of engineers, contractors, and laborers
- Availability and cost of materials
- Cost overruns due to COVID delays and inflation
- Build America, Buy America requirements lack federal guidance
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
- SFY24 Annual Capitalization Grants
  - $4.9m Drinking Water
  - $4.5m Clean Water
  - 20% State match using fund revenues
- Accept letters of interest throughout the year, update funding plan three times per year
- Currently developing SFY24 grant applications and Intended Use Plans for base funding and IIJA grants
- Funds available to borrowers beginning July 2023
### Other Infrastructure Funding Included in IIJA

#### Year 1 IIJA Funding

<table>
<thead>
<tr>
<th>Drinking Water SRF</th>
<th>SFY23</th>
<th>Subsidy</th>
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<tbody>
<tr>
<td>All eligible projects</td>
<td>$18M</td>
<td>49%*</td>
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<tr>
<td>Lead Service Line Replacement</td>
<td>$28M</td>
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</tr>
<tr>
<td>Emerging Contaminants</td>
<td>$7.5M</td>
<td>100%</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Clean Water SRF</th>
<th>SFY23</th>
<th>Subsidy</th>
</tr>
</thead>
<tbody>
<tr>
<td>All eligible projects</td>
<td>$10.7M</td>
<td>49%*</td>
</tr>
<tr>
<td>Emerging Contaminants</td>
<td>$564,000</td>
<td>100%</td>
</tr>
</tbody>
</table>

*49% of federal grant must be awarded as subsidy; the amount of subsidy will vary by project*
Questions?

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