



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



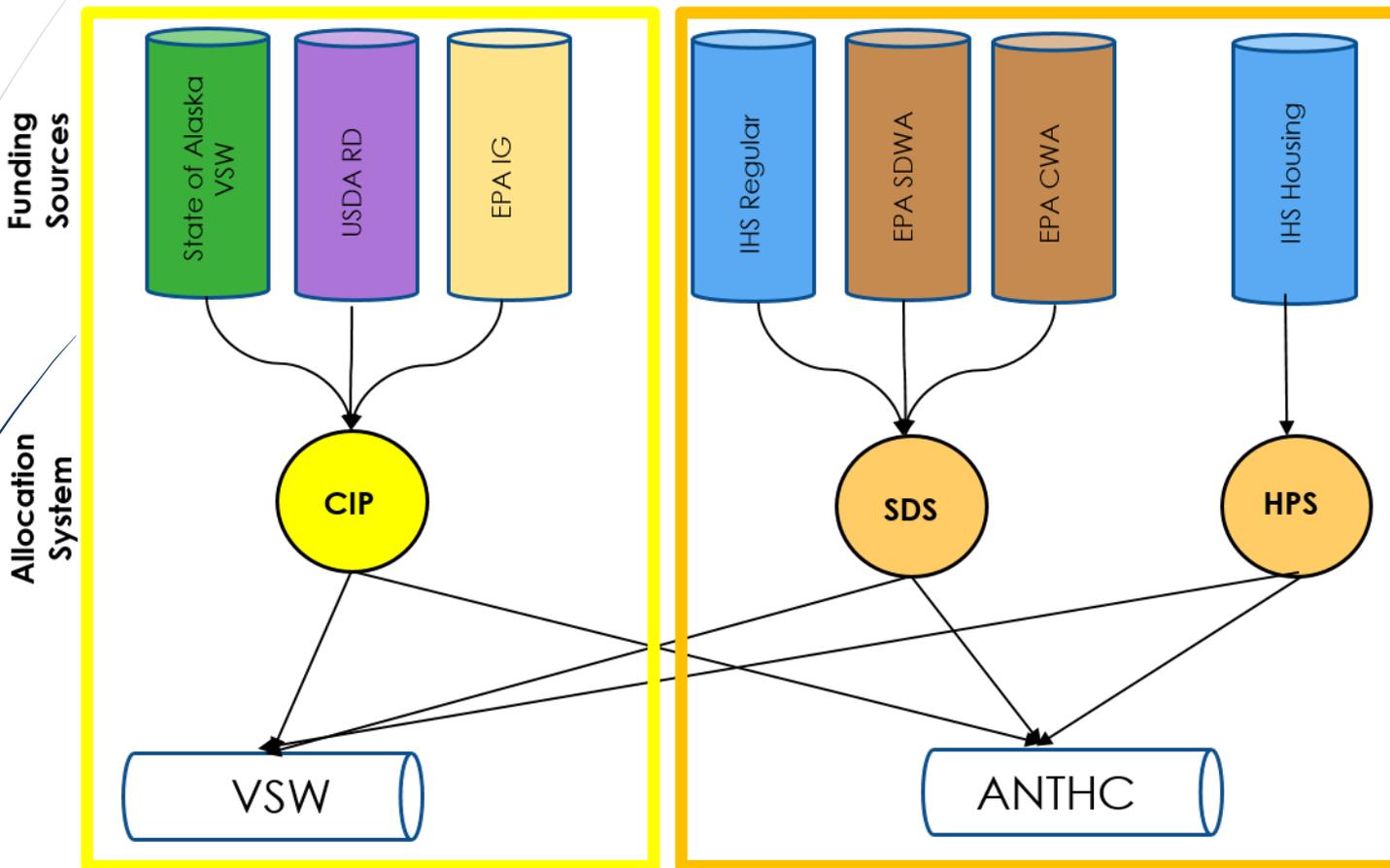


Village Safe Water

- ▶ 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
 - ▶ \$3.5B 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, 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



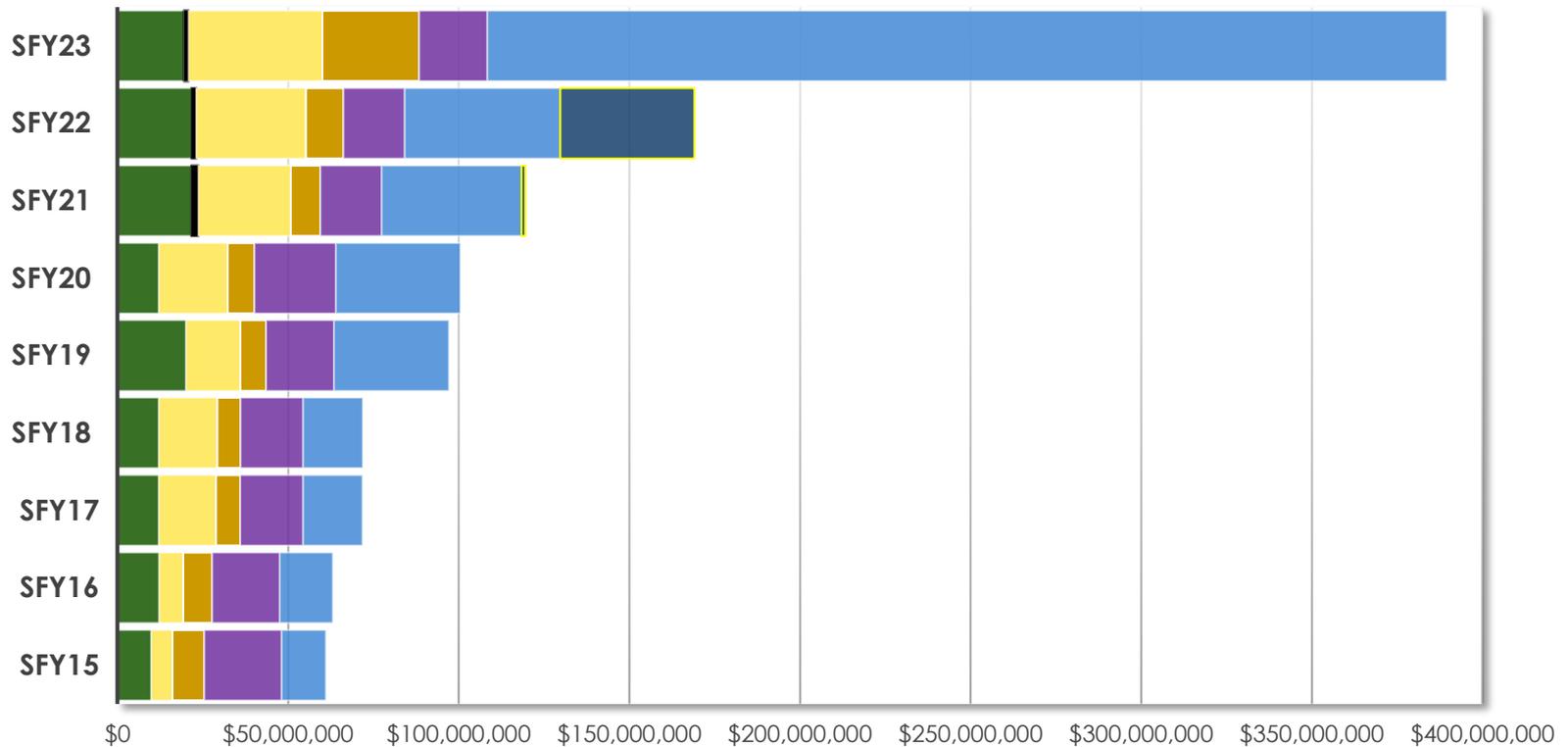
ANTHC: Alaska Native Tribal Health Consortium
 CIP: Capital Improvement Project
 CWA: Clean Water Act
 EPA: Environmental Protection Agency

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 SFY15 - SFY23



	SFY15	SFY16	SFY17	SFY18	SFY19	SFY20	SFY21	SFY22	SFY23
■ State	9,918,450	12,181,888	12,080,000	12,080,000	20,080,000	12,080,000	21,687,800	21,712,000	19,500,000
■ Denali Commission							2,000,000	1,306,445	1,349,303
■ EPA-IG	6,214,420	7,089,930	16,738,963	17,165,259	15,921,230	20,201,892	27,054,374	32,218,540	39,186,000
■ EPA Tribal	9,285,000	8,480,507	7,200,000	6,852,918	7,530,000	7,872,000	8,699,000	10,950,000	28,355,618
■ USDA	22,665,450	19,806,739	18,320,951	18,320,951	19,875,600	23,884,835	18,000,000	18,000,000	20,000,000
■ IHS	12,926,000	15,471,000	17,401,000	17,401,000	33,689,688	36,367,500	40,893,300	45,547,275	281,132,164
■ IHS COVID							1,132,500	39,334,171	

Underserved & Unserved Communities

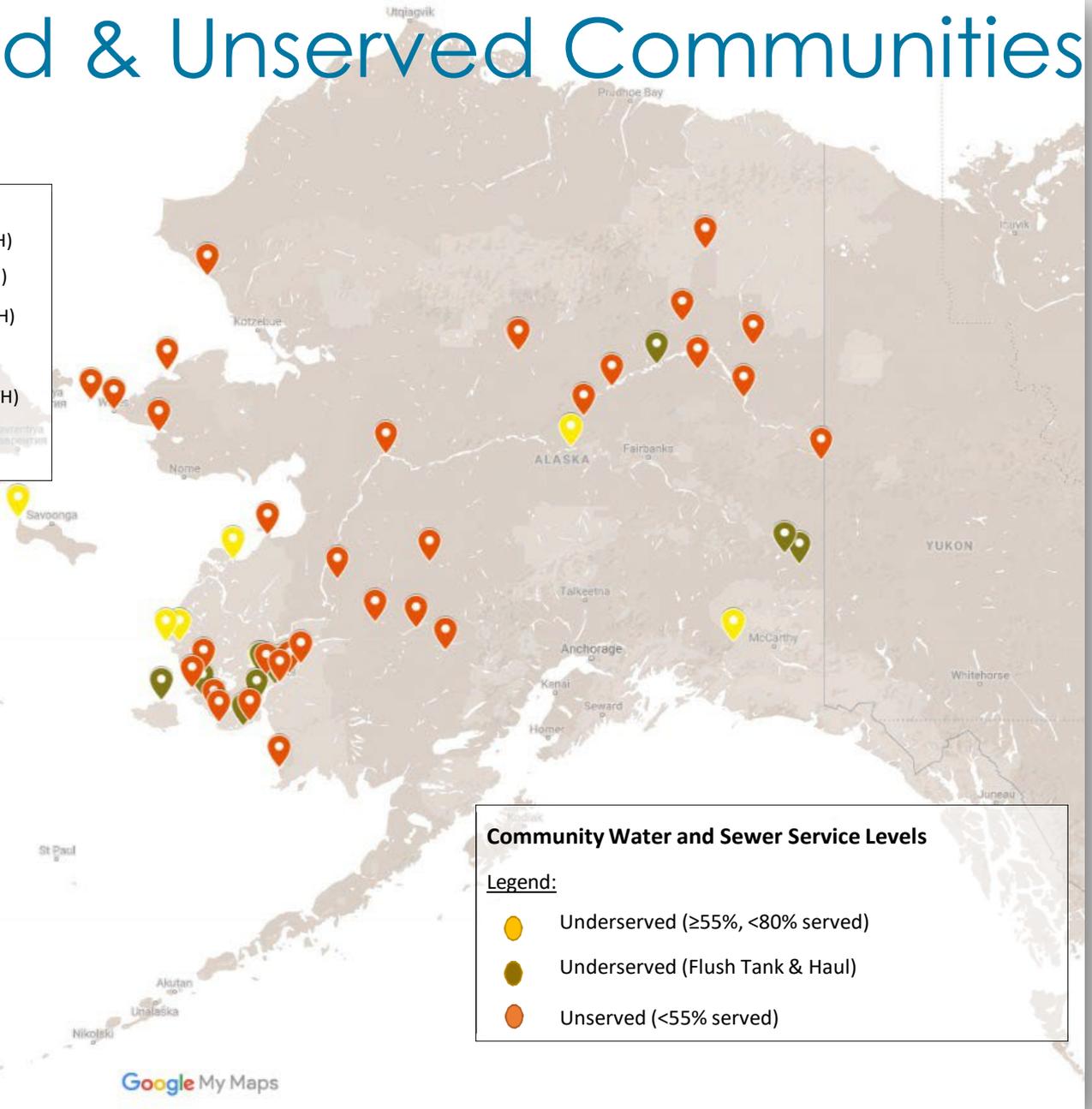
Underserved

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

Unserved

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

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



Community Water and Sewer Service Levels

Legend:

- Underserved (≥55%, <80% served)
- Underserved (Flush Tank & Haul)
- Unserved (<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

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.

- 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

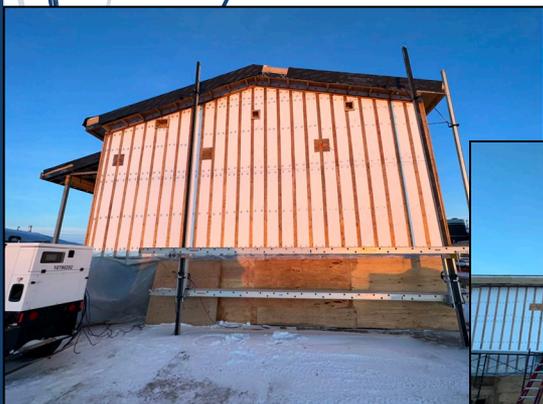




Village Safe Water

Sample of Ongoing Projects

- ▶ New water source and water distribution system replacement for Unalakleet
- ▶ New water treatment plants and 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 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

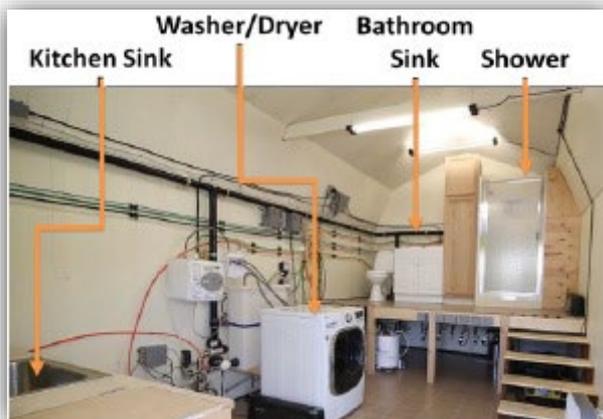
- ▶ 48 emergency trips





Village Safe Water Water & Sewer Challenge

- ▶ 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

Drinking Water SRF	SFY23	Subsidy
All eligible projects	\$18M	49%*
Lead Service Line Replacement	\$28M	49%*
Emerging Contaminants	\$7.5M	100%

Clean Water SRF	SFY23	Subsidy
All eligible projects	\$10.7M	49%*
Emerging Contaminants	\$564,000	100%

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



Questions?



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