

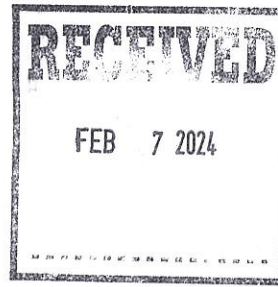


THE STATE
of **ALASKA**
GOVERNOR MIKE DUNLEAVY

Department of Environmental Conservation

DIVISION OF WATER
Facilities Programs

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February 2, 2024

Dear Community Representative,

The Department of Environmental Conservation's (DEC) Village Safe Water Program (VSW) works with rural communities to address water, sewer, and solid waste infrastructure improvement needs. Annually, federal and state funds are made available through the VSW Capital Improvement Project (CIP) competitive application process. The 2024 CIP application period will begin on February 12, 2024 for planning projects and April 1, 2024 for construction projects. This letter provides additional information about the CIP application process.

Substantial Eligibility Changes in 2024

DEC is committed to ensuring communities have access to safe sanitation and that ongoing operation and maintenance of facilities are not overly burdensome to residents. Additionally, DEC has heard the concerns expressed by communities regarding implementation of Operations and Maintenance Best Practices (O&M Best Practices) assessment tool for CIP funding eligibility. To more effectively meet the needs of communities, collaborate with our partners, and ensure efficient and timely use of available funds, ***DEC will no longer use the outcome of the O&M Best Practices as an eligibility criteria for VSW CIP funding.*** O&M Best Practices will continue to be used as a component of the CIP project scoring criteria.

During the 2022 CIP funding cycle, VSW introduced the requirement that communities pursuing funding for first time piped service will be required to submit a Sustainability Plan demonstrating a realistic plan for funding ongoing operations and maintenance while maintaining affordable user rates for customers. DEC's Technical Assistance Programs and the Department of Commerce, Community, and Economic Development's Rural Utility Business Advisor (RUBA) program are available to assist communities in development of Sustainability Plans. Additionally, as with all public water systems, communities will be required to demonstrate that they are capable of sustaining the utility before construction approval will be issued. We believe that the required Sustainability Plans and capacity assessments will provide sufficient assurance of local plans for sustainability, such that use of the O&M Best Practices for CIP eligibility is no longer necessary.

This change in procedure will provide DEC and our partners at RUBA greater opportunities to work directly with communities to develop the tools and resources necessary to successfully operate and maintain their facilities.

Planning Projects (Applications accepted February 12, 2024 through March 8, 2024)

Completing a planning project is the first step toward receiving construction project funding. Planning funds are used to produce a Preliminary Engineering Report (PER) or Technical Memorandum (Tech Memo),

which will identify and describe current sanitation issues and provide a range of possible solutions. The document includes cost estimates for design and construction, as well as long term operations and maintenance costs, for each alternative considered. Once complete, all planning documents must be reviewed and approved by the Multi-Agency Review Committee comprised of representatives from VSW and federal sanitation funding agencies, as well as DEC programs responsible for approving construction plans for water, wastewater, and solid waste projects. This review ensures that the proposed solution is fundable by various funding agencies, as well as approvable by the regulatory programs before funding is awarded. Gathering this consensus at the planning stage reduces the potential for project delays during design and construction. An approved PER or Tech Memo is required to apply for construction project funding.

The Alaska Native Tribal Health Consortium (ANTHC), with funding from the Indian Health Service, is developing comprehensive piped service planning projects for all unserved and underserved communities. *Therefore, planning project applications related to providing new piped water and sewer service in unserved communities are not being considered for CIP funding at this time.*

Each community is eligible for only one CIP funded planning project at a time. If your community has an ongoing planning project, the PER/Tech Memo must be reviewed and approved by the Multi-Agency Review Committee before a new planning application will be considered.

All planning project applications must be supported by a Tier 3 project in the Indian Health Service's Sanitation Deficiency System (SDS) database identifying the deficiencies that the planning project will address. Your assigned engineer with VSW or ANTHC can assist you with this requirement.

Construction Projects (Applications accepted April 1, 2024 – May 3, 2024)

Communities that have a complete PER or Tech Memo that has been approved for CIP funding are eligible to apply for a CIP construction project funding. In 2024, communities are invited to submit construction applications even if they have an ongoing CIP funded construction project. Additionally, communities are welcome to submit applications for multiple construction projects, as long as each project has an approved planning document.

How to Apply for CIP Funding

Your community is assigned an engineer from either VSW or ANTHC to provide assistance in obtaining funding and implementing sanitation improvement projects. It is important that your assigned engineer know about the sanitation needs in your community. Each spring, engineers enter information about construction project needs of every community into the online SDS database. All applications for CIP construction funding must be associated with a specific project in the SDS data system. If you have not already done so, please contact your assigned engineer to be sure they have information about your project needs. The Community Water and Sewer Improvements Contact List identifies the engineer assigned to assist each community and is available at: <https://dec.alaska.gov/water/village-safe-water>.

Access to all application materials and instructions is available through the VSW website at <https://dec.alaska.gov/water/village-safe-water/grant-application>. Please work closely with your assigned engineer at VSW or ANTHC when completing your applications. You can also ask for assistance by calling VSW at (907) 465-5143.

Sincerely,



Carrie Bohan
Facility Programs Manager