Building Tribal Drinking Water and Wastewater Infrastructure with US EPA’s Drinking Water and Wastewater Tribal Set-Aside Programs: A History, How to Apply for Funds and Future Outlook

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Office of Wastewater Management
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Today’s Focus Areas

- Program Background
- Funding Levels and Allotment Process
- Eligibilities
- Federal Coordination
- Recent Program Updates
Clean Water Indian Set-Aside Grant (CWISA) Program
Clean Water Indian Set-Aside Grant Program (CWISA)

Funding for the planning, design, and construction of wastewater collection systems to Indian tribes and Alaskan Native Villages. Since inception, has funded $516 million in grants for 1,461 wastewater projects.
CWISA Program

• Currently 2% of or $30 million of the annual Clean Water State Revolving Fund (CWSRF), which ever is greater. The “2% or floor” must be included in each annual budget request

  • 1987-1990 = 0.5% of the Construction Grants Program
  • 1992-1999 = 0.5% of the CWSRF
  • 2000-2009 = 1.5% of the CWSRF
  • 2010-2015 = 2.0% of the CWSRF
  • 2016 = Either 2.0% of the CWSRF or $30M, whichever is greater
Tribal Sanitation Needs

- Current total wastewater need in Indian Country is approximately $1.3 billion

- 190,697 homes need some kind of sanitation facility improvement (IHS deficiency levels 2 through 5)

- 26,018 homes without access to safe water and/or sewage systems (IHS deficiency levels 4 and 5)
The CWISA Program is administered by EPA’s Office of Wastewater Management, and by the nine EPA Regions that have federally recognized tribes in their jurisdiction.

Since 1995 EPA has used IHS’s Sanitation Deficiency System (SDS) to rank and select eligible projects for funding.

IHS has local field presence throughout Indian Country and is able to provide onsite assistance to tribes.

Since 2012 regions have the ability to transfer funds between CWISA and EPA’s drinking water set aside program.
CWISA Funding Schematic

Funds are distributed through EPA HQ to regional offices who select projects based on prioritization ranking on the 12 IHS SDS lists.

2% or $30 Million

EPA HQ transfers CWISA funds to Regions

EPA Regions assign fund amount to projects

Tribes

Inter-agency Agreement

Expenditures for projects

Assistance Award (Grant)

IHS

Tribes can request to manage their projects through a direct grant or, request for IHS to administer on the tribes behalf.
Each year EPA submits a budget request to congress for program funding. Funding is then received through congressional appropriations that vary yearly.

* 2009 includes $60M from ARRA
Allocation of Funds

Funds are distributed by the 12 IHS Areas whose boundaries don’t match the 10 EPA regions.
Who gets funded?
The amount of funding distributed is based on the proportion of tribal wastewater need identified in IHS SDS

Percentages of funding received by any area is equal to the percentage of total need in that area

Table 1: FY 2017 Clean Water Indian Set-Aside Funding Allocations by IHS Area

<table>
<thead>
<tr>
<th>IHS Area</th>
<th>Sewer Need (1)</th>
<th>Percent of Total Need</th>
<th>Region Applicability</th>
<th>FY17 CWISA Funding Level (2)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Great Plains</td>
<td>$69,493,050</td>
<td>12.16%</td>
<td>7 &amp; 8</td>
<td>$3,404,000</td>
</tr>
<tr>
<td>Albuquerque</td>
<td>$31,644,980</td>
<td>5.54%</td>
<td>6 &amp; 8</td>
<td>$1,550,000</td>
</tr>
<tr>
<td>Anchorage</td>
<td>$139,409,047</td>
<td>24.39%</td>
<td>10</td>
<td>$6,829,000</td>
</tr>
<tr>
<td>Bemidji</td>
<td>$47,655,785</td>
<td>8.34%</td>
<td>5</td>
<td>$2,334,000</td>
</tr>
<tr>
<td>Billings</td>
<td>$37,707,429</td>
<td>6.60%</td>
<td>8</td>
<td>$1,847,000</td>
</tr>
<tr>
<td>California</td>
<td>$54,208,285</td>
<td>4.98%</td>
<td>9</td>
<td>$2,655,000</td>
</tr>
<tr>
<td>Navajo</td>
<td>$116,238,837</td>
<td>20.34%</td>
<td>9</td>
<td>$5,694,000</td>
</tr>
<tr>
<td>Nashville</td>
<td>$15,585,060</td>
<td>2.73%</td>
<td>1, 2, 4 &amp; 6</td>
<td>$763,000</td>
</tr>
<tr>
<td>Oklahoma City</td>
<td>$18,190,809</td>
<td>3.18%</td>
<td>6 &amp; 7</td>
<td>$891,000</td>
</tr>
<tr>
<td>Phoenix</td>
<td>$29,796,338</td>
<td>5.21%</td>
<td>8 &amp; 9</td>
<td>$1,460,000</td>
</tr>
<tr>
<td>Portland</td>
<td>$6,482,700</td>
<td>1.13%</td>
<td>10</td>
<td>$318,000</td>
</tr>
<tr>
<td>Tucson</td>
<td>$5,197,292</td>
<td>0.91%</td>
<td>9</td>
<td>$255,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>$571,609,612</td>
<td><strong>100.00%</strong></td>
<td></td>
<td><strong>$28,000,000</strong></td>
</tr>
</tbody>
</table>

(1) Sewer need based on the IHS SDS 1/4/17 snapshot #19655.
(2) $2 million of the $30 million to be used for training, technical assistance and education related to the operation and management of the tribal wastewater treatment works
To receive CWISA funds a project MUST be on an IHS SDS list.

Local IHS area office representatives can help a community identify their wastewater needs.

IHS personnel often meet with or contact tribal representatives to discuss or obtain specific project proposals.

Local IHS area coordinator visit: https://www.ihs.gov/dsfc/staff/

When do I apply?

- Applications are accepted on a rolling basis. Generally, it is advisable to have your wastewater needs on the SDS list by August each year.
Select Project Ineligibilities

- Application Preparation
- Does not serve tribal members
- Operator wages
- Projects that are not listed on an IHS SDS list
- Construction of wastewater treatment works that provide service only to commercial businesses
- Utility invoicing & billing

Examples of Eligible Projects

- System Sustainability and Longevity
  - Asset Management Plans
  - Inflow/infiltration planning studies
- Project Follow-up
  - Spare equipment purchase
  - Development of manuals
  - Sampling for one year
- Infrastructure Construction
  - Acquisition of land
  - Purchase of hauling vehicles
  - Major sewer rehabilitation
- Planning and Design (P&D)
  - Preparation of Preliminary Engineering Report
  - Development of P&D documentation
  - Travel cost for P&D, site inspections, and construction administration

- Does not serve tribal members
- Operator wages
- Projects that are not listed on an IHS SDS list
- Construction of wastewater treatment works that provide service only to commercial businesses
- Utility invoicing & billing
For a full list of eligible projects see CWISA Program Guidance at www.epa.gov

Types of Projects Funded
FY11 - FY16

- Wastewater Treatment Plant
- Wastewater Lagoon
- Wastewater Collection
- Planning
- Other
- Design
- Decentralized Wastewater Treatment
- Biosolids Management

NUMBER OF PROJECTS FUNDED

0  20  40  60  80  100  120  140  160  180  200
Public Health Benefits

Investing one dollar in improvements to water and wastewater infrastructure in these communities has an estimated economic return of eight to twelve dollars:

- Less illness reduces health care costs
- Improved health is linked to gains in productivity

How Our Projects Have Addressed Public Health in FY11-FY16

- Reduce the risk of failure of distribution system components (32%)
- Reduce the risk of failure of major wastewater treatment or collection system components (28%)
- Provide first service to homes that lack access to basic sanitation (28%)
- Address limited wastewater treatment capacity (11%)
- Address public exposure to untreated wastewater (1%)
Federal Coordination

Recent Products:
- Standardized PER Template
- USDA Joint O&M Utility Cost Analysis
- 3 Solid Waste Subgroup Reports
  1. IHS data
  2. Funding Sources
  3. Community Engagement

In addition to ongoing EPA & IHS HQ staff coordination, the multi-agency Infrastructure Task Force (ITF) composed of staff from EPA, IHS, USDA-RD, HUD & BIA and about 15 tribal representatives work together to improve the performance of tribal programs to meet the goal of increased access to safe drinking water and basic sanitation services.

More at: https://www.epa.gov/tribal/federal-infrastructure-task-force-improve-access-safe-drinking-water-and-basic-sanitation
Join us in Tucson, Arizona on October 27-28, 2016

The U.S. Environmental Protection Agency (EPA) is sponsoring an in-person training workshop for wastewater operators and managers to help increase participants’ skills and knowledge in the operation of wastewater treatment systems. The training is intended for wastewater system operators, utility managers, and leaders involved with wastewater utility management. Over 500 participants have attended workshops in 17 locations with positive reviews.

What You’ll Learn: This 2-day workshop series will use presentations, case studies, and group exercises to instruct on how best to operate, troubleshoot, maintain and manage wastewater collection treatment and disposal systems, covering:

- Wastewater collection system management
- Wastewater treatment system operation and maintenance (O&M)
- Operator and management roles and responsibilities
- Asset management to ensure system sustainability

Please join EPA on October 27-28, 2016 for an informal and informative workshop designed to help you operate your system safely and effectively!

Register online now at www.arleyvilled.com/wastewater or call Eric Cabral at 508-533-6600.

The workshop will be held at the State of Arizona Southern Regional Office at 400 West Congress Street in Tucson. The presentation will also be available via webinar.

There is no registration fee for the workshop. Up to 15 people can attend. Once registered, participants will receive further information on the location of the workshop and opportunities for overnight lodging if needed. All attendees are responsible for costs associated with meals and lodging.

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Roger Kohn (615) 972-3416 kohn.roger@epa.gov
Gajinder Singh (202) 564-0654 singh.gajinder@epa.gov

Utility O&M
Trainings

- Based on the UC Sacramento Ken Kerri operator training materials
- Wastewater and drinking water
- Contractor delivery
- 1 to 3 day workshops
- Initially for tribes adapted for all small systems
- Delivered 17 times since 2010
- Often provide local state CEUs
- Voice over presentations online
- Simultaneous delivery in Spanish
Recent CWISA Program Updates

- FY 17’ Presidents budget
  - 30M funding floor applied
  - $2M for training and technical assistance
- Legislative fixes
  - Planning and design
  - Onsite systems
- New one page interim report
  - Speeds project closure
Drinking Water Infrastructure Grants + Tribal Set Aside (DWIG-TSA) Program
The 1996 amendments to the Safe Drinking Water Act (SWDA), established the Drinking Water State Revolving Fund (DWSRF). The DWSRF makes funds available to drinking water systems to finance infrastructure improvements.
DWIG-TSA Program

• Section 1452(i) of the safe drinking water act authorizes EPA to set aside a portion of each year’s Drinking Water State Revolving Fund appropriation and use it to make direct grants (not loans) for capital improvements to public water systems that serve tribes
  • Authority allows EPA to provide funding for projects that
  • address the most significant threats to public health.”
  • facilitate compliance with the National Primary Drinking Water Regulations (NPDWRs)
  • Assist systems most in need on a per household basis
• DWIG-TSA Funds are **not authorized for operation and maintenance**.
Allocation of Funds

The DWIG-TSA funding formula provides a base amount of 2% of the total annual DWIG-TSA set-aside to each EPA regional office. EPA regions are responsible for working with the IHS, and tribes to identify, prioritize, and select projects to receive funding from its share of program funds.

<table>
<thead>
<tr>
<th>EPA Region</th>
<th>FY17 Data Freeze SDS Feasible Drinking Water Need</th>
<th>Percent of Total Needed</th>
<th>FY17 EPA CWISA Funding Level</th>
<th>Percent of Funding</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>$1,404,000</td>
<td>0.19%</td>
<td>$428,000</td>
<td>2.14%</td>
</tr>
<tr>
<td>2</td>
<td>$50,097,000</td>
<td>6.68%</td>
<td>$1,011,000</td>
<td>5.06%</td>
</tr>
<tr>
<td>4</td>
<td>$3,846,000</td>
<td>0.51%</td>
<td>$555,000</td>
<td>2.78%</td>
</tr>
<tr>
<td>5</td>
<td>$33,849,690</td>
<td>4.51%</td>
<td>$1,229,000</td>
<td>6.15%</td>
</tr>
<tr>
<td>6</td>
<td>$95,896,522</td>
<td>12.78%</td>
<td>$1,889,000</td>
<td>9.45%</td>
</tr>
<tr>
<td>7</td>
<td>$15,386,950</td>
<td>2.05%</td>
<td>$652,000</td>
<td>3.26%</td>
</tr>
<tr>
<td>8</td>
<td>$120,411,487</td>
<td>16.05%</td>
<td>$2,806,000</td>
<td>14.03%</td>
</tr>
<tr>
<td>9</td>
<td>$204,885,575</td>
<td>27.31%</td>
<td>$6,620,000</td>
<td>33.10%</td>
</tr>
<tr>
<td>10</td>
<td>$224,391,042</td>
<td>29.91%</td>
<td>$4,810,000</td>
<td>24.05%</td>
</tr>
<tr>
<td>Total</td>
<td>$750,168,266</td>
<td>100.00%</td>
<td>$20,000,000</td>
<td>100.00%</td>
</tr>
</tbody>
</table>
Funding History

- 1997-2009 = 1.5% of the DWSRF
- 2010-2015 = 2.0% of the DWSRF
- 2016 = The greater of 2.0% or $20 Million
- The increase to 2.0% and $20 Million floor are through to annual appropriations
Select Eligible Uses

• Address a current National primary drinking water regulations (NPDWR) health-based violation (MCL) or treatment technique violation (TT);
• Address a system deficiency;
• Address drinking water outages;
• Reduce the risk of failure of major treatment or distribution system components; and
• Provide first service to homes that lack access to safe drinking water.

Project Eligibilities

All 567 Indian tribes recognized by the Bureau of Indian Affairs

• Tribally owned and operated systems
• Non-tribally owned and operated systems with a proportion of population that is tribal
• DWIG-TSA cannot directly fund federally owned and operated systems
Select Ineligible Uses

- Monitoring;
- Operation and maintenance;
- Projects intended primarily for future growth, and
- Land acquisition (unless the land is integral to the project and is from a willing seller) (Section 1452(k)(1)(A)(i)).
- Public Water System (PWS) Consolidation or
- Development of a new PWS
Three threshold requirements apply to DWIG-TSA projects:

1. SDWA Compliance
   • The primary purpose of the DWIG-TSA program is to support construction of drinking water infrastructure that will facilitate compliance with the SDWA
   • The Enforcement Targeting Tool was developed and is supported by OECA
   • Systems with a score of eleven or greater are not eligible for DWIG-TSA funds, unless the proposed project will address existing violations that impact the ETT score

2. Project Readiness
   • Projects lacking a Preliminary Engineering Report following the ITF developed template should not be funded.
   • Except – if the IHS Area DSFC Director has determined the project’s scope is limited

3. Technical, managerial and financial (TMF) capacity
   • The utility should have adequate TMF to operate plant following construction
Project Identification

EPA Regions are to develop a quantifiable method of prioritizing projects. Per 1452(b)(3)(A), project should:

• Address the most serious risk to public health
• Be necessary to ensure compliance with requirements under SDWA
• Assist systems most in need on a per household basis

Ranking Criteria

• EPA Regions must differentiate projects based upon risk
• Acute risks should be prioritized over non-acute risks
• EPA Regions are recommended to take into account ability of tribe to self finance the project
• EPA Regions are required to take into account the project’s cost efficiency
Recent DWIG-TSA Program Updates

- FY 17’ Presidents budget included $20M funding floor and it applied
- The WIIN Act has expanded the activities that qualify for DWIG-TSA funding to include training and operator certification for operators of public water systems (PWSs) serving Indian Tribes.
- These funds can be made available to tribal organization and tribal consortia.
- Section 2112(b)(2) of the WIIN Act amends Section 1452(i) of the Safe Drinking Water Act (SDWA)
DISCUSSION

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www.epa.gov/small-and-rural
wastewater-systems/clean-water-indian-set-aside-program

www.epa.gov/tribaldrinkingwater/
/tribal-set-aside-program-drinking-water-infrastructuresgrant

www.epa.gov/sma...