Clean Water Indian Set-Aside Program Guidance

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TABLE OF CONTENTS

List of Figures

List of Tables

List of Acronyms

AAA.....Assistance Agreement Almanac
ANV .....Alaska Native Villages
BIA ..... Bureau of Indian Affairs
CE ..... Categorical Exclusion
CFDA..... Catalog of Federal Domestic Assistance
CWA ..... Clean Water Act
CWISA..... Clean Water Indian Set-Aside
CWSRF .....Clean Water State Revolving Fund
DL .....Deficiency Level
DOI ..... Department of the Interior
DWIG-TSA..... Drinking Water Infrastructure Grants Tribal Set Aside
DWTSA .....Drinking Water Tribal Set-Aside
EPR ..... Engineering Project Report
FAQ..... Frequently Asked Questions
FDL ..... Final Deficiency Level
FY .....Fiscal Year
GMO.....Grants Management Office
GPI.....Grants Policy Issuance
GPM .....Gallon-per-minute
GPRA ..... Government Performance and Results Act
HUD.....Department of Housing and Urban Development
IA ..... Interagency Agreement
IASSC .....Interagency Agreement Shared Service Center
IDL .....Initial Deficiency Level
IGMS.....Integrated Grants Management System
IHS ..... Indian Health Service
IPI ..... Interagency Agreement Policy Issuance
ITF..... Infrastructure Task Force
MOA .....Memorandum of Agreement
MOU..... Memorandum of Understanding
NEPA.....National Environmental Policy Act
NHPA .....National Historic Preservation Act
NPV..... Net Present Value
NTUA ..... Navajo Tribal Utility Authority
O&M.....Operation and Maintenance
OGC ..... Office of General Counsel
OGD.....Office of Grants and Debarment
OGWDW.....Office of Ground Water and Drinking Water
OHR .....Office of Human Resources
OMB .....Office of Management and Budget
OWM..... Office of Wastewater Management
PARS .....Performance Appraisal and Recognition System
PDS .....Project Data System
PER ..... Preliminary Engineering Report
PS .....Project Summary
QAPP ..... Quality Assurance Project Plan

RME ..... Responsible Management Entity
RPL..... Regional Project List
SDS ..... Sanitation Deficiency System
SDWIS..... Safe Drinking Water Information System
SFC..... Sanitation Facilities Construction
SPPW(S)..... Single Payment Present Worth of the Salvage Value
SRF..... State Revolving Fund
STARS ..... Sanitation Tracking and Reporting System
TA ..... Technical Assistance
TDI Nex..... Tribal Clean Water Program Direct Implementation Nexus
USDA ..... U.S. Department of Agriculture
USEPA..... U.S. Environmental Protection Agency
USPW ..... Uniform Series Present Worth
WRRDA..... Water Resources Reform and Development Act

I. INTRODUCTION

The Clean Water Indian Set-Aside (CWISA) Guidance sets forth the policies and procedures of the U.S. Environmental Protection Agency's (EPA) CWISA funding program. The program mission is to protect public health and the environment by improving wastewater sanitation facilities for tribes. This document provides direction from EPA headquarters to the regions on how to manage and implement the program.

The 1987 amendments to the Clean Water Act (CWA) established the CWISA program. It is governed by Section 518 of the CWA, as amended by the 2014 Water Resources Reform & Development Act (Appendix A), which allows EPA to provide funding for the planning, design, and construction of wastewater treatment plant facilities that serve federally recognized Indian tribes, Alaska Native Villages (ANV), and certain tribes in Oklahoma (referred to herein as "tribes"). The EPA Administrator has delegated CWISA authority to the EPA regions (Appendix B), which are responsible for the administration of the regional CWISA programs. Headquarters provides national program coordination, oversight and policy direction.

Since 1995, EPA has administered the CWISA Program in cooperation with the Indian Health Service (IHS) Sanitation Facilities Construction Program. EPA regions use the IHS Sanitation Deficiency System (SDS) database to identify projects for CWISA program funds.[1] This cooperation streamlines project selection procedures by eliminating duplication of efforts between the two agencies.

Guidance for the CWISA program is based on the requirements in Title II of the CWA, the Construction Grants Program found in 40 CFR Part 35, Subpart I, as well as the general grant requirements found in 2 CFR Parts 200 and 1500 (or their successor); however, CWISA program requirements are more flexible and administratively simpler. As per the original 1989 guidelines:

> *Some aspects of this special set-aside program are somewhat different and more flexible than the Construction Grants Program … The Indian Set-Aside Program simplifies administrative requirements. However, existing Construction Grant Program materials will be used to the extent they are compatible.*

This guidance document provides information on program performance, program funding, project eligibility, project selection, project award, ongoing project management and headquarters and regional program responsibilities. It replaces and supersedes guidelines issued in 1989 and revised in 1995 and addresses recommendations from the *Evaluation of the Drinking Water and Clean Water Infrastructure Tribal Set-Aside Grant Programs* final report (March 2011). The evaluation report emphasized improving coordination between EPA headquarters and the regions so that the program goals are met.

EPA has also published the *Clean Water Indian Set-Aside Grant Program Frequently Asked Questions* (FAQ), which offers more succinct information about the CWISA program for potential applicants. Tribes interested in applying for CWISA program funds should consult the FAQ available from the CWISA program or online at http://www.epa.gov/cwisa.

[1] Allbee, Memorandum: Notice of Change – Indian Set-Aside Program National Project Priority List, March 21 1995.

II. PROGRAM PERFORMANCE

The CWISA program's primary goal is to protect public health and the environment in Indian country by providing access to basic sanitation facilities for tribal residents. Additionally, the program has a sustainability goal:

> *Access to safe drinking water and basic sanitation shall be provided through entities that are sustainable and implemented through integrated agency planning that links the development goals of the tribe with the need for such services and infrastructure.*

The CWISA program tracks and reports progress towards meeting these goals as part of EPA's Strategic Plan. EPA's 2014-2018 Strategic Plan, Goal 2, Protecting America's Waters, Objective 2.2: Protect and Restore Watersheds and Aquatic Ecosystems, contains one CWISA program metric:

> *By 2018, in coordination with other federal agencies, provide access to basic sanitation for 91,900 American Indian and Alaska Native Homes (cumulative, 2013 baseline 69,783 homes with basic sanitation).*

The CWISA program coordinates with other federal partners through the Tribal Infrastructure Task Force (ITF) to improve the performance of tribal programs to meet the goal of increased access. The ITF is an inter-agency group initiated under a 2007 memorandum of understanding (MOU) among EPA, IHS, U.S. Department of Agriculture (USDA), Department of the Interior (DOI), and Department of Housing and Urban Development (HUD). The ITF federal partners renewed their commitment through an MOU renewal in 2013.

EPA's Office of Wastewater Management (OWM) tracks the number of American Indian and Alaska Native homes lacking access to basic sanitation and uses the information to assess program performance over time. The definition of access to basic sanitation is related to the deficiency level (DL) of the tribal homes within an IHS area community as assigned by the IHS, which ranges between 1 and 5, with DL 5 being the greatest deficiency to access. Table 1 provides descriptions of the IHS deficiency levels.

Table 1: IHS Sanitation Deficiency Level Descriptions

Sanitation Deficiency Level	Description
DL 5	An Indian tribe or community that lacks a safe water supply and a sewage disposal system.
DL 4	An Indian tribe or community with a sanitation system which lacks either a safe water supply system or a sewage disposal system.
DL 3	An Indian tribe or community with a sanitation system which has an inadequate or partial water supply and a sewage disposal facility that does not comply with applicable water supply and pollution control laws, or has no solid waste disposal facility.
DL 2	An Indian tribe or community with a sanitation system which complies with all applicable water supply and pollution control laws, and in which the deficiencies relate to capital improvements that are necessary to improve the facilities in order to meet the needs of such tribe or community for domestic sanitation facilities.

DL 1	An Indian tribe or community with a sanitation system which complies with all applicable water supply and pollution control laws, and in which the deficiencies relate to routine replacement, repair, or maintenance needs. A minimum level of technical assistance is required from the IHS. Note: Level 1 deficiencies are the responsibility of the respective tribe or others. Level 1 deficiencies will have lower priority ranking and will not be on the list requesting funding but will be reported to Congress as a deficiency.

Table source: Guide for Reporting Sanitation Deficiencies for Indian Homes and Communities: Working Draft (May 2003). IHS, Office of Environmental Health and Engineering, Division of Sanitation Facilities Construction, available online at: http://www.ihs.gov/dsfc/

Progress is made towards the program goal, increasing access to sanitation facilities for tribal residents, when funded projects decrease the initial deficiency level of homes from either 5 or 4, which represent homes that lack access to basic sanitation, to a final DL of 3, 2, or 1.

III. PROGRAM FUNDING

From its inception in 1987 through federal fiscal year (FY) 1990, Congress funded the CWISA program by setting aside a percentage of funds appropriated for the Construction Grant Program (Title II of the CWA). Beginning with the FY 1992 appropriation, Congress has yearly provided EPA the authority to take a set-aside percentage from EPA's Clean Water State Revolving Fund (CWSRF) appropriation for the CWISA program. The CWISA program allocates its portion of CWSRF funds as grants. Tribes may also apply for CWSRF loan funds from the state in which the project is located in addition to requesting grant funding through the CWISA program.

This chapter provides details on how this funding is allocated to the regions based on the tribal wastewater infrastructure needs that are listed in the IHS SDS database.

A. Allocation of Funds

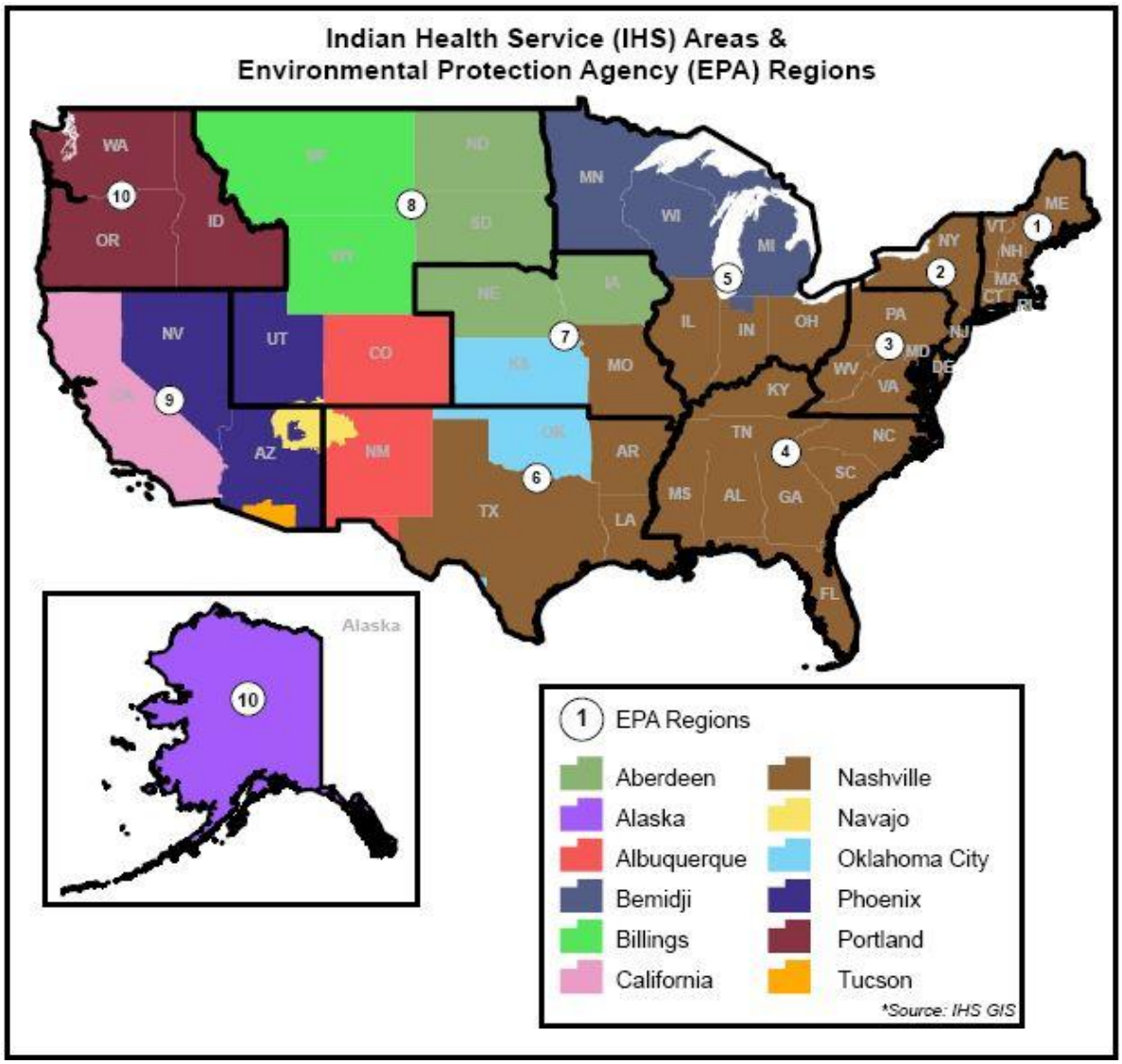
By law, the President of the United States submits a budget request to Congress in early February of each year to fund the federal government and government programs the following FY. Funding for the CWISA Program is provided as a percentage of annual appropriations to the CWSRF Program. Over time, Congress has increased the tribal set aside percentage from 0.5 to 2%. In 2014, the Water Resources Reform and Development Act (WRRDA) (P.L 113-121) permanently authorized the EPA Administrator, starting in FY 2015, to set aside for the CWISA not less than 0.5% and not more than 2% of the funds made available for the CWSRF program.

The amount of CWISA funding available to an EPA region is based on its proportion of tribal wastewater needs, as identified in the IHS SDS database. The SDS database maintains an inventory of sanitation deficiencies and projects to address those deficiencies for new and existing Indian homes and communities. It is updated on an ongoing basis to account for inflation and changing state and federal standards; to add new deficiencies; and to delete deficiencies that have been addressed by projects funded by IHS and other entities such as EPA. Annually in November, IHS takes a "snapshot" of the database and this "snapshot" is used to establish tribal wastewater need by IHS area. Projects listed in the "snapshot" are the only ones that are eligible for CWISA funding in that FY.

Once funds are appropriated by Congress and the final CWISA program budget for that FY is set, OWM distributes a memo describing the total CWISA funding amount and the corresponding allocation by IHS area as established by the "snapshot" of the SDS database. For example, if an IHS area has 15% of the total need, then 15% of the CWISA Congressional funding is allocated to projects in that IHS area. The needs calculations are based on IHS identified feasible[2] wastewater need, not total wastewater need.

Both Figure 1 and Table 2 (below) show how EPA regions and IHS area boundaries differ. In some instances, an EPA region may overlap with more than one IHS area, and more than one EPA region may be in a single IHS area. Since funding is allocated based on identified need by IHS area, regions within the same IHS area will work together to prioritize projects in that area. Regions and IHS area offices should plan to coordinate on project selection and prioritization to achieve maximum impact, reduce duplication of effort, and leverage resources to support program goals. The project selection process is described in Chapter V.

Figure 1: IHS Areas and EPA Regions



[2] Feasible is defined by IHS as economically feasible based primarily on the threshold unit costs set for each state.

Table 2: FY 2015 Clean Water Indian Set-Aside Funding Allocations by IHS Area

IHS Area	FY15 Feasible Wastewater Need *	Percent of Total Sewer Need	FY15 EPA CWISA Funding Level **	EPA Region Applicability
Aberdeen/Great Plains	$71,063,186	9.8%	$2,810,356	7 & 8
Albuquerque	$28,863,450	4.0%	$1,132,143	6 & 8
Anchorage	$213,033,708	29.3%	$8,421,972	10
Bemidji	$51,042,288	7.0%	$2,018,582	5
Billings	$38,506,634	5.3%	$1,522,832	8
California	$96,357,717	13.2%	$3,398,400	9
Navajo	$126,749,127	17.4%	$4,978,000	6, 8 & 9
Nashville	$19,241,365	2.6%	$763,687	1, 2, 3, 4 & 6
Oklahoma	$25,230,668	3.5%	$1,004,390	6 & 7
Phoenix	$33,270,457	4.6%	$1,324,440	8 & 9
Portland	$11,229,260	1.5%	$447,018	10
Tucson	$13,351,000	1.8%	$966,180	9
TOTAL:	**$727,938,860**	**100%**	**$28,788,000**	

* Wastewater (sewer) need calculated from the November 2014 SDS database snapshot.

** FY15 Funding Levels incorporate the FY15 EPA Rescission Plan

For planning purposes, the CWISA regional funding levels can be estimated from the President's budget request. This may be useful to a region if it is evaluating the potential to transfer funds between the CWISA program and the Drinking Water Infrastructure Grant Tribal Set-Aside (DWIG-TSA) Program as discussed in the next section.

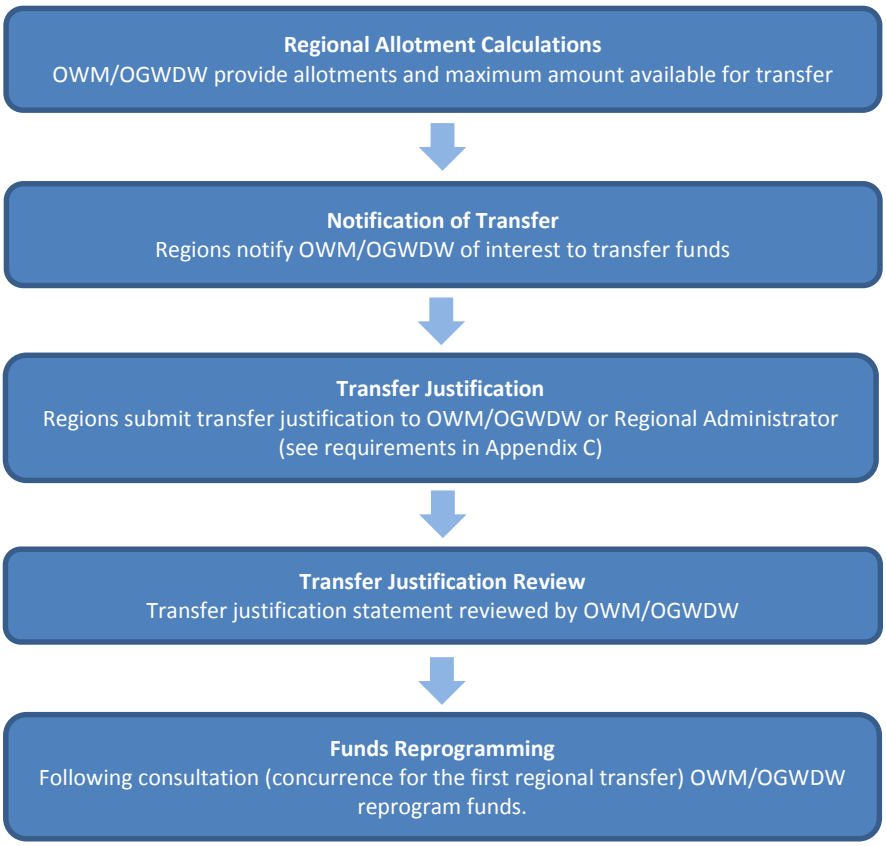
Once OWM notifies regions of the allotments by IHS area, regions have 60 days to select projects and notify OWM of their allocation of funds to the tribes. OWM will reprogram funds to the regions after their projects have been identified and approved by OWM. It should be noted that all funds that support projects for the Navajo Nation are administered by EPA Region 9.[3] The Catalog of Federal Domestic Assistance (CFDA) code for the CWISA program is the same as for the CWSRF, which is 66.458, Capitalization Grants for CWSRF.

B. Transfer Authority between the Tribal Set Aside Programs

In FY 2012, Congress provided EPA with the authority to transfer funds between the DWIG-TSA and CWISA programs up to an amount that is equivalent to 33% of a region's DWIG-TSA allotment. EPA began implementing this authority in FY 2013. The transferred funds may be used to fund projects that are related to either drinking water or clean water infrastructure and will provide the greatest public health benefit to tribes. Once the programs receive funding from Congress, OWM and the Office of Ground Water and Drinking Water (OGWDW) will communicate program funding levels and the maximum amount available for transfer within the region. For the first transfer within each region the Regional Administrator must obtain EPA headquarters' concurrence. For transfers subsequent to the first transfer, the regions will consult with EPA headquarters through notification of the intent to transfer and a transfer justification. Figure 2 provides an overview of the transfer process for both the CWISA and DWIG-TSA Programs. Appendix C contains the guidelines that outline the process for an inter-program funds transfer and an example transfer justification.

[3] September 9, 1991 Memorandum of Agreement between the Navajo Nation and EPA Regions 6, 8 and 9 Regarding the Implementation of Environmental Standards and Regulations on the Navajo Nation.

Figure 2: Overview of Transfer Authority Process



IV. PROJECT ELIGIBILITY

CWISA program funds can only be used for projects that will increase a tribe's or ANV's access to wastewater sanitation, and these projects must be listed in the IHS SDS database. This chapter provides details on who can receive CWISA program funds and how regions can determine which project activities are eligible for funding.

A. Recipient Eligibility

Any Indian tribe, band, group, or community recognized by the Bureau of Indian Affairs (BIA) in its list of all federally recognized tribes in the United States is eligible for funding through the CWISA program, unless they have been deemed ineligible to receive federal funds by another agency or department of the federal government.[4] Former Indian reservations in Oklahoma, as determined by BIA, as well as ANVs are also eligible. As required by law, BIA publishes in the Federal Register the updated listing of federally recognized tribes as needed (the most recent list is in Federal Register, Volume 80, Number 9 dated January 14, 2015 [80 FR 1942]).[5]

[4] For a list of suspended and/or debarred organizations refer to the General Services Administration's System for Award Management (SAM).

[5] On July 2, 2015 BIA added the Pamunkey Indian Tribe in Region 3 as a federally recognized tribe.

The CWA states that grants shall serve federally recognized tribes. A sanitation project that improves wastewater service for members of a federally recognized tribe may receive CWISA funding whether or not non-tribal residents live in the service area of the wastewater treatment system. There is no formal limit on providing service to non-native people living in a CWISA project service area.

B. Project Eligibility

Section 518 of the CWA (Appendix A) states that monies will be used "…for the development of waste treatment management plans and for the construction of sewage treatment works to serve Indian tribes…" Therefore, funds should be directed to projects that support the program goal to increase access to wastewater sanitation for Indian tribes and ANVs. Only those projects that are listed in the SDS database are eligible for CWISA funding. CWISA eligible activities include project planning and design, infrastructure construction, and project follow up.[6] To the greatest extent practicable, projects should include sustainability concepts to ensure the wastewater infrastructure meets or exceeds its design life.

Project Planning and Design

Funding for planning and design is limited to an allowance based upon total project costs. The funds for planning and design costs can either be provided to the tribe at the time a construction grant is awarded or they can be provided in advance of construction, if the project is for a community that otherwise could not complete an application for a construction grant.[7] Allowance percentages are provided in Appendix B of 40 CFR, Part 35, Subpart I. Costs associated with planning and design that may be funded by CWISA include:

- Preparation of a preliminary engineering report (PER);
- Development of planning and design documentation; and [8]
- Travel costs associated with planning and design, site inspections, and construction administration.

Infrastructure Construction

Congress provided EPA both the authority and funding for the CWISA program to protect tribal public health and the environment by funding the construction of wastewater sanitation facilities. Examples of eligible construction activities under the CWISA program include:

- Acquisition of land necessary for construction of treatment works;[9]
- Construction of centralized wastewater treatment facilities (conventional or alternative);
- Major sewer rehabilitation;

[6] CWISA funds may also be used for drinking water projects, see Chapter III on the transfer of funds between CWISA and DWIG-TSA.
[7] Planning and design regulations are located, in part, at 40 CFR 35.2030.
[8] WRRDA amendments to CWA 518 and 603, Sec. 5003 and Sec. 5013 pf P.L. 113-121 allows the costs for a qualified nonprofit entity to assist with planning and design and other preconstruction activities.
[9] The 2014 WRRDA P.L. 113-121 amended 33 USC 1292(2)(A) and removed the previous limitations on land acquisition.

- Decentralized, onsite wastewater treatment systems, including both new and replacement systems;[10]
- Collector sewer pipelines;
- Correction of combined sewer overflow systems;
- Construction of public modular bathrooms provided that wastewater is treated (e.g., composted or incinerated) within the bathroom system;[11]
- Construction of wastewater treatment systems that include grey water reuse or water recycling components;
- Construction of ancillary plumbing facilities such as a bathroom or laboratory sink within a new or upgraded treatment works plant;
- Infrastructure associated with biosolids management, such as equipment to support sludge drying, transportation, pelletization and/or land application;
- Wastewater collection and treatment for homes built with HUD funds;[12]
- Purchase of wastewater pumping & hauling vehicles;
- Lateral/service lines to existing homes that will increase access to basic sanitation. A lateral connection is a conveyance pipe from the property line that connects to an offsite sewage collection system via a lateral or main pipe. The term lateral connection does not include the pipe from an individual house to the property line. In communities that do not have defined property lines, lateral connections can be provided up to five feet from an individual house;[13] and
- Temporary signage during construction with EPA seal or logo describing the amount of EPA funds that were used for construction or a permanent sign with EPA logo or seal attached to above ground structures.

Project Follow-Up

CWISA funded projects are often large construction projects that require supplemental activities to bring the facilities on line. Examples of CWISA funded project follow up activities include:

- Drafting as-built drawings of the funded wastewater treatment system(s);
- Developing site specific operation and maintenance (O&M) manuals for equipment directly associated with the project;
- Creating and posting a certificate to operate;

[10] Tribally or publicly owned onsite wastewater systems are eligible and comply with 40 CFR Part 35, Subpart I, Appendix A, Section C which identifies limits for privately owned systems.

[11] Public modular bathrooms are often pre-fabricated, portable facilities with basic bathroom amenities. In 2009, basic units cost between $7,500 and $8,500 including handicap fixtures; installation is often more cost-effective when facilities are constructed as a bundled group of 15-20 (at a minimum) units. IHS notes that modular bathrooms can be the best interim solution in certain cases where buildings lack indoor plumbing (IHS Tucson Modular Bathroom Project 2009 Briefing Paper, October 22, 2009).

[12] IHS does not permit the use of IHS funds for HUD homes; however, CWISA funds may be used for HUD homes.

[13] Appendix A of 40 CFR, Part 35, Subpart I (Construction Grants regulations) states that funding for lateral connections is an allowable cost for small wastewater systems (Determination of Allowable Costs, Section C). IHS has used CWISA funding to provide lateral connections up to five feet from an individual home.

- Replacement parts (e.g., pumps, motors) for equipment directly associated with the project and necessary to ensure uninterrupted operation of the facility, provided they are critical parts or major systems components which are: (1) not immediately available and/or whose procurement involves an extended 'lead-time;'(2) identified as critical by the equipment supplier(s); or (3) critical but not included in the inventory provided by the equipment supplier(s);
- The cost of a reasonable inventory of laboratory chemicals and supplies necessary to initiate plant operations and laboratory items necessary to conduct tests required for plant operation for one year following construction completion and for equipment directly associated with the project;
- Cost of routine sampling and monitoring for one year following construction completion;
- Costs associated with the training of operators on new equipment or infrastructure as long as training occurs within one year of construction completion. This can include travel costs for operators to be trained on new infrastructure that is specifically associated with the project;
- Costs for mobile equipment necessary for the operation of the overall wastewater treatment facility, transmission of wastewater or sludge, or for the maintenance of equipment, such as: (1) portable stand-by generators; (2) portable emergency pumps to provide "pump-around" capability in the event of pump station failure or pipeline breaks; and
- Costs of a qualified nonprofit entity, as determined by the Administrator, to provide assistance to small and medium POTWs to achieve compliance.[14]

Consistent with the goals of the ITF, tribes and regional staff are encouraged to consider projects that increase the sustainability and longevity of existing and proposed sanitation facilities. Should a region choose to fund these types of projects, it is the region's responsibility to document how the project meets the program's goal of improving wastewater sanitation facilities for tribes and how the selected project is prioritized above other potential projects. Eligible projects or facets of projects that support the long term operation of sanitation facilities may include the following, provided they are directly related to current or future improvement of infrastructure and meet CWISA program goals:

- Development of an asset management plan. Asset management is an important component of a utility's long term management plan. Asset management plans provide information on the need for, and timing of, future infrastructure improvements that will help support the sustainability of a utility and allow the tribe to better plan for improvements.
- Inflow/infiltration planning studies that identify and prioritize critical infrastructure upgrades to improve the efficiency of operations, including conducting video camera assessments of pipes to determine their condition – as long as there is a reasonable expectation that the planning study will result in a capital project.

Some projects are ineligible for CWISA program funds. Examples of ineligible activities include:

- Projects that are not related to wastewater system infrastructure;
- Projects that don't serve members of a tribe or ANV;
- Projects that are not listed on an IHS SDS list;
- Travel for activities not specifically associated with the project such as general staff training;

[14] WRRDA amendments to CWA 518 and 603, Sec. 5013 and Sec. 5003 of P.L. 113-121.

- Indoor residential plumbing facilities such as sinks, commodes, tubs, and drains that do not provide treatment on their own, and are not associated with the construction of a treatment works facility;
- Operator training beyond task-specific operations for new equipment or technology;
- Operator wages;
- Construction of wastewater treatment works that exclusively provide service to commercial businesses (e.g. casinos, truck stops, laundromats, etc.);
- Costs of treatment works for control of pollutant discharges from a separate storm sewer system;[15]
- Routine sampling and monitoring more than one year after system start up;
- Utility bills associated with utility operations;
- Ongoing O&M costs. The CWA does not define the term "construction" to include operation and maintenance. CWISA program funds can neither be used to pay for the cost of salaries and expenses of the wastewater facility operations, nor can they be used to pay for repairs to the treatment system in emergency situations;
- A project specifically designed to meet projected population growth is not eligible for CWISA funds; however, a facility constructed to meet existing needs is typically designed with flexibility to accommodate some future expansion;
- The ordinary operating expenses of the grantee including salaries and expenses of elected and appointed officials and preparation of routine financial reports and studies; and
- Preparation of applications and permits required by federal, state, tribal, or local regulations or procedures.

V. PROJECT SELECTION

Projects are selected by regions from the IHS SDS database priority lists. Regions should plan to coordinate with other EPA regions and IHS areas to select projects with the highest priority that meet the greatest need. Regions should fund projects in the order the projects rank on the SDS lists with the highest ranked projects funded first. This chapter provides detailed information about the project selection process.

A. IHS Sanitation Deficiency System

The IHS SDS database is used by regions to identify projects for CWISA program funds.[16] The database is one of six components of the Sanitation Tracking and Reporting System (STARS), a web-based system that IHS uses to manage their Division of Sanitation Facilities Construction program. The SDS database maintains a list of sanitation infrastructure deficiencies and prioritizes projects to address Indian homes that lack access and have the greatest need. As mentioned previously, sanitation DLs 4 and 5 (see Table 1) represent tribal homes within an IHS area community that lack access to basic sanitation. OWM strongly encourages the regional CWISA Program coordinators to fund projects that correct DLs 4 and 5.

Each IHS area office tracks potential projects to remedy tribal needs or deficiencies as well as for conducting deficiency evaluations of all projects in order to prioritize them. For projects with multiple phases, each phase usually is evaluated separately. Each IHS area uses the same SDS project evaluation methodology, which considers eight factors with unique point ranges.[17] IHS areas use these eight factors

[15] As per 40 CFR 35, Subpart I, Appendix A, Subsection H (2) (j)"Miscellaneous Costs."
[16] Allbee, Memorandum: Notice of Change – Indian Set-Aside Program National Project Priority List, March 21, 1995.
[17] IHS 2003 SDS Working Draft, online at: http://www.ihs.gov/dsfc/.

and point ranges to uniformly evaluate proposed sanitation facility projects within an area. The eight factors and their relative importance (described as a point spread) are listed below:

- Health impact (0 to 30 points): The reporting of a disease or other adverse human health effect that is directly attributable to water, sewer, or solid waste, or a water, sewer, or solid waste condition that could adversely impact human health, but has not affected it at that time.

- Existing DL (0 to 18 points): Each DL is assigned points.[18]

- Adequate previous service (0 to 4 points): Piped water and sewer were brought into the home (except for some remote arctic and desert locations) by IHS or with other federal funds and the sanitation facilities provided met the existing standards at the time.

- Capital cost (-20 to 16 points): The unit cost of the proposed facilities is compared to the average unit cost (not the allowable unit cost) of all water, sewer, and solid waste services in the IHS area.

- Local tribal priority (0 to 16 points): IHS area offices consult with tribes. Tribal priority setting should be based on established tribal procedures which give consideration to health conditions.

- O&M capability (0 to 16 points): Based on past performance and current tribal intent and capability. The "ability to afford" the proposed facilities should be factored into the score.

- Tribal contributions (0 to 8 points): This is an optional factor per collective tribal consultation and should be applied uniformly for all tribes and all projects across the IHS area. Area offices are instructed to prorate points based on the amount of contributions received from other sources. The contributed funds must be available to be spent during the next fiscal year.

- Local conditions (0 to -15 points): This factor is only used as a negative value and only with specific tribal concurrence. Points for this factor should only be assigned in unusual situations and only by the Director, Division of Sanitation Facilities Construction, for the IHS area. Some reasons for assigning points under this factor might be the need to phase projects, a backlog of current projects, or project impediments such as legal or jurisdictional disputes.

B. Allocation and Partner Coordination

Annually, in November, OWM will provide the IHS SDS priority lists to regions based on the annual IHS SDS database snapshot. Headquarters staff will distribute the SDS priority lists as an attachment to the annual CWISA funding allocation memo.

The entire SDS priority list for each IHS area comprises two separate files. One file is a list of “included” projects in each area which is IHS’s list of projects that they report to Congress and are eligible to receive IHS funding. The second file is of “excluded” projects in each area, which are projects contained in the SDS, but not reported to Congress by IHS as eligible IHS projects. These are projects that can be funded by other agencies but not by IHS, such as sanitary facilities for HUD funded homes. Together, the two files make up the entire SDS priority list for each IHS area. The CWISA Program may fund wastewater projects

[18] The five different deficiency levels are described in Table 1: IHS Sanitation Deficiency Level Descriptions.

that are on either list. The CWA requires that the projects selected to receive funds address water quality and public health needs.

Using the SDS priority list, IHS areas and EPA regions work together to identify and fund projects with the greatest need. To facilitate project selection, EPA staff need access to the IHS STARS. EPA regional staff will contact their local IHS area office to gain access to STARS for that area. Access to STARS is unique for each IHS area; therefore, some regions will need access to STARS for more than one area office. Coordination between EPA regions and IHS area offices on project prioritization and selection is critical to achieve maximum impact, reduce duplication of effort, and leverage resources to support program goals.

C. Selection Procedures

The CWISA program project selection process is as follows:

1. Regions select projects from the SDS priority list, which is generated from the most recent SDS database snapshot.
2. Regions, working together and with IHS, start from the highest priority at the top of the list and work down the list to identify projects, regardless of EPA region.
3. Regions select projects that can be fully funded by CWISA funding or funded with combined funding from CWISA and other federal agencies for the respective IHS area.
4. Where there are insufficient funds to complete a listed project, regions should work with IHS areas to identify standalone project components that can be completed. (For example development of a Preliminary Engineering Report (PER) or plans and specifications.)
5. Regions may not skip over ranked projects unless there is a compelling reason to do so. In such cases, the EPA region is to provide an explanation to OWM for discussion and approval.

D. Other Considerations

Two other factors that can affect a project's ranking on the SDS list are the development of a Preliminary Engineering Report (PER) and the availability of a certified operator. The tribal ITF developed a standardized PER template with consistent requirements across federal agencies that build tribal wastewater infrastructure (see Appendix D). The standardized PER makes it easier for tribes to receive funding from more than one federal source and simplifies coordination between federal agencies. The CWISA program recommends that all projects use the standardized template to develop and submit a PER. If a proposed project is limited in scope, EPA regional staff and/or IHS may decide that a PER is not required. Examples of a limited scope project that may not need a PER include onsite septic system installation or a lift station pump replacement.

If CWISA funding is used to develop a PER, regional staff are encouraged to use professional judgment in evaluating the cost of PER preparation based on local conditions within their region. The project associated with the report may be funded for construction in a future fiscal year (even if the paperwork closing out the PER is not complete). The project may remain on the SDS list while the PER is developed, and will likely be ranked higher on the SDS list upon completion of the PER.

The availability of a certified operator is part of the IHS ranking criteria as well and therefore will increase the prioritization of a project on the SDS list. Under the CWA, applicants to the CWISA program are not

required to have a certified wastewater operator;[19] however, EPA encourages this. When regions select projects for the CWISA program, a region should consider that a certified operator will greatly increase the sustainability of a system, improve public health and environmental protections, and ensure that funds are applied to projects with long-term O&M capacity.

E. Reprogramming Funds from Headquarters to Regions

After EPA regions have consulted with the appropriate parties and identified projects for funding, they will submit information for each project to OWM. Once project information is received, reviewed, and approved by OWM, the funds will be reprogrammed from OWM to the region. Following project identification, the region will provide to OWM and the Interagency Agreement Shared Service Center (IASSC) West the EPA grant or interagency agreement (IA) number and the IHS Project Data System (PDS) number. Headquarters will use this information to track project progress.

Once projects are funded, regional staff will submit project information to OWM through the EPA Tribal Clean Water Program Direct Implementation Nexus (TDI Nex). This system allows headquarters to aggregate CWISA program data. TDI Nex provides a comprehensive picture of the CWISA program and demonstrates the realized public health benefits of CWISA projects. Gathering information through TDI Nex allows OWM to respond to EPA management, Congress, tribes, Office of Management and Budget (OMB), and other stakeholders that request information on program accomplishments. TDI Nex is discussed further in Chapter VII and its guidelines are in Appendix E.

Information about each funded project should include, but be not limited to, the following:

1. Project name;
2. Project description;
3. Tribe/ANV name;
4. IHS area name;
5. IHS SDS number;
6. SDS priority number;
7. Amount of CWISA funds requested;
8. Total project cost;
9. Number of homes served by the project;
10. IHS SDS initial DL for the project;
11. IHS SDS final DL for the project;
12. Funds to be distributed through a direct grant with a tribe or an IA with IHS; and
13. Project type[20] (piping, treatment, onsite, planning, etc.).

VI. PROJECT AWARD

The CWISA program is administered by the EPA regions. Once projects are selected, the regions award funds to tribes either through a direct grant or an IA with IHS. Timely obligation of funds is critical to ensure that projects can be initiated and completed as quickly as possible. This chapter provides information about the Indian Self-Determination Act, direct grants to tribes, IAs with IHS and federal cross-cutters.

[19] The CWA does not provide EPA with the authority to require a certified wastewater treatment plant operator; the SDWA does provide the authority for the DWIG-TSA program.
[20] Project types or infrastructure categories are further described in Appendix F.

A. Indian Self-Determination Act

The 1975 Indian Self-Determination and Education Assistance Act (commonly referred to as the Indian Self-Determination Act and codified in Public Law 93-638)[21] allows some federal government agencies to enter into contracts with, and make grants directly to, federally recognized Indian tribes. The Act provides tribes the authority to administer the funds and therefore have increased control over their governance and decision making. The Act is one of the means by which tribes implement their sovereign powers.

Tribes that have assumed the responsibility to implement the IHS Sanitation Facilities Construction (SFC) program under this Act may only receive CWISA funds through a direct grant from EPA, not an IA with IHS. Tribes that have not assumed the authority to implement the IHS SFC program under the Indian Self-Determination Act may elect to receive EPA funds through a direct grant or have IHS administer and manage a project on behalf of the tribe. IHS management of CWISA funds requires an IA between EPA and IHS. Funds provided by EPA through an IA to IHS may only be used in agreements authorized by the Indian Sanitation Facilities Act, 42 U.S.C. 2004a (Public Law 86-121).[22]

B. Direct Grants and Interagency Agreements

As noted above, tribes that have not assumed the authority to implement the IHS SFC program under the Indian Self-Determination Act have two methods to access CWISA funds and implement the project. They may request to administer the project funds through a direct grant, or they may request that IHS administer the project funds through an IA.[23] EPA regions work with the tribe to determine how to best administer the project, either through an IA or a direct grant. In either situation, EPA regions are responsible for managing the award and for tracking project progress after award. There are a number of federal laws, executive orders, and government-wide policies that apply additional terms to projects and activities that receive federal financial assistance. A list of these cross-cutting laws is contained in Appendix G.

1. Direct Grant

The CWA gives EPA the authority to award grants directly to tribes. All tribes recognized by the BIA are eligible to receive grants from the CWISA program unless they have been deemed ineligible to receive federal funds by another agency or department of the federal government.[24] Direct grants to tribes through the CWISA program are subject to EPA assistance agreement regulations, OMB cost principles, the Cash Management Improvement Act, and additional EPA policies. The tribe must meet the grant requirements listed in Appendix H and the region must determine that the tribe has the necessary capacity to successfully complete and manage the project. If EPA approves a tribe's request to administer the grant itself, a grant agreement is signed between EPA and the tribe and grant regulations must be followed.

[21] Bureau of Indian Affairs, Indian Self-Determination Act (Public Law 93-638) available at: http://www.bia.gov/cs/groups/mywcsp/documents/collection/idc017334.pdf.

[22] Catalog of Federal Domestic Assistance, Indian Sanitation Facilities Act, 42 U.S.C. 2004a (Public Law 86-121) available at: https://www.cfda.gov/?s=program&mode=form&tab=step1&id=3d5a5f378f057d4abe70074085e02501.

[23] Between 2003 and 2009, approximately 95% of CWISA funds were distributed through IAs with IHS (Evaluation of the Drinking Water and Clean Water Infrastructure Tribal Set-Aside Grant Programs final report, March 2011).

[24] For a list of suspended and/or debarred organizations refer to the General Services Administration's System for Award Management (SAM).

The grants must be awarded and managed as any other assistance agreement. The Office of Grants and Debarment (OGD) has developed Orders, Grants Policy Issuances (GPIs), Policy Notices, and directives to assist project officers and program offices in fulfilling and understanding their responsibilities.[25] Several grant requirements are discussed further in Appendix H, which describes the requirements to be met for a direct grant through EPA.

CWISA projects that are administered through direct grants with EPA are exempt from National Environmental Policy Act (NEPA) requirements;[26] however, there is a voluntary NEPA process available to tribes (further details in Appendix I).

Currently EPA Order 5700.7, *Environmental Results under EPA Assistance Agreements*,[27] applies to all funding packages submitted to the Grants Management Offices and is implemented through existing regulatory requirements for work plan development and performance evaluation in 40 CFR Part 35. The Order requires EPA project officers to, among other things:

1. Link proposed assistance agreements to EPA's Strategic Plan/ Government Performance and Results Act (GPRA) architecture;
2. Ensure that outputs and outcomes are appropriately addressed in assistance agreement work plans and funding recommendations; and
3. Ensure that progress in achieving agreed-upon outputs and outcomes is adequately addressed in recipient progress reports and advanced monitoring activities.

EPA Order 5700.7 also establishes requirements for project officer review of construction and non-construction activities, as well as interim and final recipient performance reports for progress in achieving outputs and outcomes contained in assistance agreement work plans. Under 2 CFR parts 200 and 1500 (or their successor), EPA may require recipients to submit performance/progress reports as frequently as quarterly but no less frequently than annually. These regulations also require recipients to provide the EPA with an acceptable final performance report at the end of a project.

The review of recipient performance reports is the responsibility of the EPA project officer. The project officer must review interim[28] and final[29] performance reports to determine whether they adequately address the achievement of agreed-upon outputs/outcomes, including providing a satisfactory explanation for insufficient progress or a failure to meet planned accomplishments (when compared with the most recently approved project schedule and completion dates for project milestones). This review must be documented in the official project file. If a report does not adequately address the achievement of outputs/outcomes, the project officer should seek further explanation from the recipient and require

[25] Office of Grants and Debarments, Orders, Grants Policy Issuances, Policy Notices, and Directives, available at: http://intranet.epa.gov/OGD/policy_training_compliance_content.htm .

[26] Section 511(c) of the Clean Water Act and Susan E. Bromm, EPA Office of Federal Activities, June 12, 2012. Memorandum: Clean Water Indian Set-Aside Program and the National Environmental Policy Act (NEPA).

[27] EPA Order 5700.7, Environmental Results under EPA Assistance Agreements, effective date 1/1/2005, available at:http://intranet.epa.gov/ogd/policy/order/order_5700_7_a1_ogd_environmental_results_11_6_13.pdf .

[28] For construction projects, on-site technical inspections and certified percentage of construction data to meet the interim reporting requirements, see 2 CFR 200.328 (or its successor).

[29] For construction projects, the final inspection report or other final performance report should include a comparison of the actual outcomes/outputs with those incorporated into the assistance agreement.

appropriate corrective action. OGD provides directives to project officers and regions should be familiar with these documents.[30]

Grant applications should be processed in a timely manner. They should be carefully reviewed and the grant awarded only when it is prudent to do so. Additionally, regions may impose reasonable requirements through grant conditions in those situations where it is considered necessary. A select list of topics project officers must review and ensure in the grant application includes, but is not limited to:

- The scope of work of the grant is clearly defined;
- The scope of work is in conformance with the project description;
- The project schedule and milestones are clearly described;
- The environmental or public health objectives are clearly stated;
- A narrative description of well-defined anticipated outputs, and to the maximum extent practicable, well-defined anticipated outcomes is provided;
- The applicant has demonstrated it has programmatic capability to successfully manage the project based on past performance or through the current grant application;
- Project objectives are consistent with the scope of work and project needs;
- Land availability and permitting requirements are addressed;
- Costs are reasonable, necessary and allocable to the project; and
- Timely use of funds (refer to 'Unliquidated Obligations' in Chapter VII).

2. Interagency Agreement

When an IA is used to fund a selected project, the IA will be signed between IHS and EPA and funds administered by IHS. The required standard terms and conditions for these IAs are provided in Appendix J and are available at http://intranet.epa.gov/OGD/IASSC/main/ihs.htm. A PER[31] and/or Project Summary (PS) will be used as the basis for IAs with IHS and serve as the scope of work. Acceptable scopes of work are described in Appendix K. After the IHS area office approves the PER and/or PS, the tribe and IHS enter into a Memorandum of Agreement (MOA), which is similar to a cooperative agreement as defined by the Federal Grant and Cooperative Agreement Act. Using the Integrated Grants Management System (IGMS), regions will submit an IA funding package (Decision Memorandum, Commitment Notice and Scope of Work) to IASSC.

The IA standard terms and conditions (Appendix J) will be used by regions and IHS area offices. These terms and conditions may be updated periodically by IASSC West or headquarters to incorporate changes to interagency agreement policies and procedures, add new statutory requirements, or in response to requests from OWM to incorporate additional programmatic requirements that OWM and IHS headquarters have agreed upon. No changes shall be made to the standard terms and conditions by the regions or IHS area offices.

The Office of General Counsel (OGC) has opined that, "EPA should not be an additional party to these MOAs between IHS and the tribe."[32] EPA should sign an agreement with IHS, and IHS should enter into a separate agreement with the tribe. Given that EPA does not enter into a direct agreement with a tribe,

[30] Office of Grants and Debarments intranet site available at: http://intranet.epa.gov/OGD/policy_training_compliance_content.htm

[31] IHS also refers to this document as an Engineering Project Report (EPR).

[32] Lucille Liem, OGC, email dated March 26, 2009.

IHS should be involved with any formal communication between EPA and the tribe as it relates to the project.

Under an IA, the tribe must meet the IHS's requirements for the project (e.g., environmental review, historic preservation, archeology, etc.). The IA describes the scope of work for the project, milestones, target dates, project period, budget, and payment terms. The total project period, including extensions, may not exceed seven years without specific regulatory or statutory authorization, or a signed waiver by the EPA OGD Director.[33,34] As such, project funds must be liquidated (spent or drawn from the U.S. Treasury) within that seven-year period. After the IA is executed, the funds are transferred to the IHS area office and they are considered obligated for the FY. (See Chapter VII for further details.)

The tribe generally has three options for designing and building its project under the IA:

- Funds are provided to IHS and IHS designs and builds the project according to IHS administrative and construction policies and procedures, including those for procurement, environmental review, audit procedures, and accounting principles.[35]

- Funds are provided to the tribe, and the tribe designs and builds the project through tribal and/or outside architectural/engineering/construction contractors. IHS may work with the tribe to help select the firm(s), ensure all applicable EPA and/or IHS policies are followed, conduct plan and specification reviews, etc.

- Funds are provided to the tribe, and the tribe hires IHS to design and build the project according to IHS administrative and construction policies and procedures, including those for procurement, environmental review, audit procedures, and accounting principles.

In all situations, IHS will report project progress quarterly in the IHS PDS within STARS. In addition, if the design, management, and administration costs are more than 15% of the construction cost, the region should request written documentation explaining the expenditures in the project file. As discussed previously, EPA regions need access to STARS to track progress.

If multiple projects are combined into a single IA, this should be done strategically based on project scale and schedule. Short-term, small-scale projects are better grouped together. Similarly, an IA with multiple projects should be limited to one FY. Additional projects should not be added to an IA of a previous FY unless the project is phased over several years and benefits the same tribe. One IA for each project is preferred and allows the IHS and EPA finance systems to more easily track project progress.

C. Federal Cross-Cutters that Apply to Grants and IAs

There are a number of "cross-cutting" federal laws, executive orders, and government-wide policies that apply additional terms to projects and activities receiving federal financial assistance, regardless of the

[33] As per Interagency Agreement Policy Issuance (IPI-08-02), Guidance on Project Period Duration, and Interagency Agreement Policy Issuance (IPI-11-02), Clarification of Senior Resource Official Review Requirements for Time Extensions under Interagency Agreements.

[34] Class Waiver for the Clean Water Act Indian Set-Aside and the Safe Drinking Water Act Tribal Set-Aside Infrastructure Programs dated July 21, 2008 was approved for IAs and grants awarded prior to February 29, 2008.

[35] This is not an option for tribes that have assumed the responsibility to implement the IHS Sanitation Facilities Construction Program under the Indian Self-Determination Act (Public Law 93-638).

requirements of the CWA. These authorities apply to both grants with tribes and IAs with the IHS (see Appendix H). A more detailed description of the federal laws, executive orders, OMB Circulars, and their implementing regulations is available through the OGD Grants Intranet website at http://intranet.epa.gov/ogd/ or through the regional Grants Management Office.

VII. ONGOING PROJECT MANAGEMENT

A. Construction and Purchasing Requirements

The Davis-Bacon Act of 1931 establishes the requirement to pay local prevailing wages to laborers working on public works projects. Section 513 of the CWA incorporates this requirement to ensure compliance. EPA includes a Davis-Bacon term and condition in a direct grant to a Tribe. IHS's Davis-Bacon regulations and policies apply to projects that are managed through an IA with IHS.[36]

The Buy American Act of 1933 requires the U.S. government to prefer U.S.-made products in its purchases. Other pieces of federal legislation extend similar requirements to third-party purchases that utilize federal funds. Section 215 of the CWA requires that grant funds distributed for the construction of treatment works will use manufactured articles, materials, and supplies that have been mined, manufactured, or produced in the United States. EPA includes a Buy American term and condition in a direct grant to a tribe to ensure compliance. IHS's Buy American regulations and policies apply to projects that are managed through an IA with IHS.[37]

B. Tribal Direct Implementation Nexus (TDI Nex)

The TDI Nex tool unites existing data systems to assist in the oversight of CWISA funds and to describe CWISA progress. Information from IHS's PDS and EPA's IGMS form the backbone of the TDI Nex. Once projects are started, regions will track projects using the TDI Nex system (see Appendix E). Regions should update the entry for each project, following the award of funding, with the assigned IA number and IHS PDS project number, or EPA grant number. The TDI Nex tool is designed to require regional input once, at the start of each project.

C. Unobligated Funds

It is highly recommended that regions obligate funds to projects the same year the funds are appropriated by Congress. At a minimum, regions should obligate all their funds by the end of the next FY from that in which they are allotted. Although CWISA funds are "no year" funds, if not obligated in a timely manner, they could be subject to rescission.

D. Unliquidated Obligations and Project Duration

Interagency Agreement Policy Issuance (IPI) 11-01, *Managing Unliquidated Obligations and Ensuring Progress under EPA Interagency Agreements,*[38] sets forth procedures for managing unliquidated obligations under IAs. IA agreements with IHS should specify a reasonable payment cycle to encourage

[36] For further information see the Office of Grants and Debarment (OGD) intranet site at: http://intranet.epa.gov/ogd/.
[37] For further information see the Office of Grants and Debarment (OGD) intranet site at: http://intranet.epa.gov/ogd/.
[38] See the "Interagency Agreement Policy Issuance" intranet site at: http://intranet.epa.gov/OGD/policy/8.0-IAG-Topics.htm.

regular expenditure of funds. The annual performance evaluation of IAs must include a discussion of how effectively a recipient managed and utilized EPA grant funds. IASSC West staff will track this information and will request updates from the CWISA regional coordinators as needed. A parallel policy applies to direct grants, as per Amended GPI 11-01: *Managing Unliquidated Obligations and Ensuring Progress under EPA Assistance Agreements.*

Sometimes a region will have remaining funds when a project is completed under budget. In this case, the region has some flexibility in how it utilizes the remaining funds, such as adding scope to the initial project, funding a separate project with the same tribe, funding a project with another tribe, or returning the funds to OWM for reallocation. The region is encouraged to work with IHS to find the most appropriate use of any remaining funds. Whether the project is funded through an IA or a grant, the agreement must be amended to document the new scope. Any new work undertaken as part of a direct grant project must follow the terms and conditions of the grant.

In accordance with IPI 08-02, *Guidance on Project Period Duration and the Use of New Awards for Interagency Agreements*[39] the total project period, including extensions, cannot exceed seven years for IAs. It is the responsibility of the regional project officer identified by the region to regularly and routinely notify IHS when the end of this period is approaching to ensure the project is completed before the agreement end date. IHS is responsible for coordinating with the tribe. The appropriate Senior Resource Official, the OGD Director, or designee, may approve waivers to the seven-year limitation on an individual or class basis because of national security concerns, circumstances of unusual or compelling urgency, unique programmatic considerations, or because the waiver would be in the public interest. The seven year maximum project period also applies to direct grants, as per GPI 08-02.

E. Quality Assurance Project Plan

The IAs with IHS specify that an umbrella Quality Assurance Project Plan (QAPP) applies to CWISA funded projects. The umbrella QAPP[40] describes applicable water sample collection and analysis activities conducted at the completion of sanitation facility construction to ensure proper project performance and operation. If the scope of the CWISA funded project includes a pilot wastewater treatment study or hydraulic network modeling, IHS is responsible for preparing an individual project specific QAPP in accordance with EPA's Office of Environmental Information Guidance for Quality Assurance Project Plans (document QA/G-5, 2002).

CWISA projects funded through a direct grant to a tribe are subject to EPA's standard quality assurance (QA) requirements if the project officer determines that sampling or data collection is associated with the project. In such cases, IASSC West will include the standard QA terms and conditions to be added to the grant (in accordance with Agency Policy Directive Number FEM-2012-02, Policy to Assure the Competency of Organizations Generating Environmental Measurement Data under Agency-Funded Assistance Agreements).

[39] See the "Interagency Agreement Policy Issuance" intranet site at http://intranet.epa.gov/OGD/policy/8.0-IAG-Topics.htm.

[40] See "Water Sample Collection and Analysis QAPP for Tribal Water and Wastewater Infrastructure Projects" signed by EPA's QA Manager, OWM, OGWDW, and IHS (March 2012).

F. Onsite Septic Systems

Onsite decentralized septic systems are often the most common type of infrastructure funded by the CWISA program. Roughly one quarter of the U.S. population uses onsite systems to treat their wastewater. Onsite systems are commonly designed for a 30 year life cycle and can achieve that lifespan if maintained properly.

EPA has developed a variety of tools for the appropriate management of onsite systems to ensure their longevity. It is recommended that all CWISA funded onsite wastewater systems utilize tools, such as the Responsible Management Entities (RME) framework[41] and SepticSmart[42] homeowner outreach materials (available in both English and Spanish). Using and distributing these tools will help to protect public health and the environment, maximize federal investments, and ensure that onsite infrastructure meets its design life. It is recommended that regions work with IHS in the distribution of these tools.

G. Project Close-Out Procedures

Once construction is completed, the tribe and/or IHS must coordinate the initial operations of the new facility. Following final inspection, a project summary report is prepared. For IA funded projects the final report (or a signed memo describing the portion of the project that CWISA funded is complete) is prepared by IHS.[43] For projects funded through a direct grant, the final reporting requirements are contained in the terms and conditions of the grant. The signed report should succinctly cover the project's history and shall be provided no later than 365 days after construction phase completion to the respective EPA regional program coordinator.[44]

VIII. OWM AND REGIONAL PROGRAM RESPONSIBILITIES

There are many active partners that participate in the CWISA program. Each has responsibilities for different aspects of program implementation, from developing national guidance, project selection, disbursing funds, and managing project construction progress. Figure 3 provides an overview of the CWISA program activities and the overarching roles and responsibilities of agencies and offices that participate in the program. The primary partners are EPA headquarters, IASSC West, GMO, EPA regions, IHS, and tribes/ANVs.

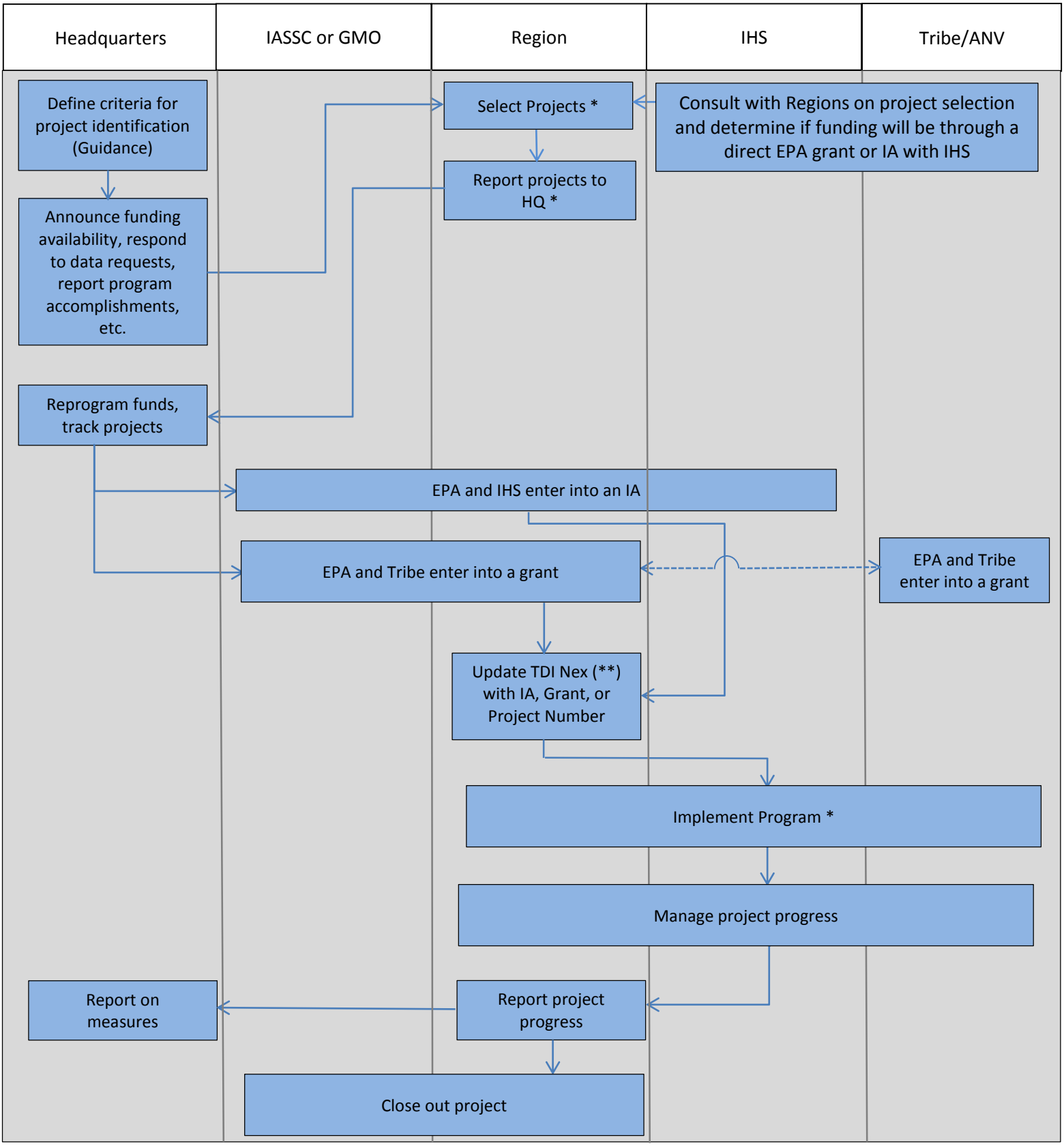
[41] Described by the Water Environment Research Foundation at: http://www.werf.org/i/c/KnowledgeAreas/DecentralizedSystems/RMEsite/RMEs_2.aspx, and in EPA's Voluntary National Guidelines for Management of Onsite and Clustered (Decentralized) Wastewater Treatment Systems, 2003 online at http://water.epa.gov/infrastructure/septic/manuals.cfm.

[42] More information at: www.epa.gov/septicsmart/.

[43] IHS requirements for final reports are described on page 11, Chapter 8 of the 2003 Criteria for the SFC Program at: www.ihs.gov/dsfc/documents/Criteria_March_2003.pdf, however as of fall 2014 IHS was considering modifying final report requirements.

[44] For IAs, this 365 day requirement is in the EPA/IHS IA terms and conditions template.

Figure 3. CWISA Program Roles and Responsibilities



(* Actions associated with the transfer authority may also apply to these activities, see Chapter III.)
(** Tribal Direct Implementation Nexus [TDI Nex] is described in Chapter VII)

The CWISA program implementation responsibilities of OWM staff and their regional counterparts are described below.

A. OWM Responsibilities

Twice a year, OWM will hold a teleconference with the regional programs to discuss funding allocation and project selection. The first meeting will be scheduled approximately 90 days following the annual announcement of the funding allocations to the regions. The second meeting will be scheduled following the close of the FY to discuss funded project milestones and implementation challenges encountered with the tribes and/or IHS. In addition, OWM program staff shall:

1. Designate a CWISA national program coordinator for coordinating with the regions;
2. Develop an annual allocation memo identifying the funding amount for that FY and providing IHS area priority lists;
3. Review and evaluate proposed projects for funding and initiate the reprogramming of funds from headquarters to the regions;
4. Monitor and report on the overall progress made by the CWISA program in meeting national goals and measures;
5. Schedule and lead meetings with regions to track projects and identify and resolve problems encountered by regions during implementation;
6. Identify and coordinate responses to CWISA program implementation issues with IHS headquarters;
7. Designate a project officer to manage the suite of projects funded by national agreements (such as those funded by the American Recovery and Reinvestment Act of 2009);
8. Maintain the website (currently www.epa.gov/cwisa); and
9. As appropriate, elevate issues to IASSC West, Cincinnati Finance Center, OGC, OGD, upper management within OWM, etc.

B. Regional Responsibilities

Once OWM allocates the annual CWISA funds to the regions, the EPA regions are responsible for management and oversight of the direct grants and IAs associated with their projects through a designated project officer and other necessary staff. As appropriate, regions should inform tribes and other potentially interested parties about their identified projects each year. They should also inform tribes and other parties about the estimated amount of CWISA funds to be awarded for each project. In some instances, such as for the tribes in Alaska, it may also be appropriate to inform the states of the region's plans.

Regions also should work closely with the local IHS area office. It is imperative that the regions consult and coordinate with the local IHS area office during project selection.

EPA regional program staff will participate in routine meetings with OWM program staff as discussed in the OWM Responsibilities section above. Regional staff responsibilities include, but are not limited to:

1. Designate a regional CWISA program coordinator to participate in routine meetings, conference calls, ad-hoc communications, etc.;
2. Annually identify and prioritize projects that meet program goals;

3. Coordinate and consult with the IHS area offices on the development of the project documents (e.g., IAs and project summaries);
4. Award IAs or direct grants through IASSC;
5. Document awarded project status oversight activities, including CWISA funds transferred to the DWIG-TSA;
6. Perform oversight of the project(s) to ensure that reported project milestones are meeting the project schedule and monitor project progress reports to ensure the level of expended funds is reasonable given the amount of work completed. Regular communication with IHS and/or tribes is needed to ensure projects remain on schedule and any problems are identified and addressed in a timely manner;
7. Identify the expected impact of CWISA projects on national goals and measures;
8. Routinely enter data into the TDI Nex system;
9. Act as the regional liaison to OWM for communicating progress of each project and implementation problems;
10. Ensure that funds are obligated in a timely fashion;
11. Identify and report issues to OWM associated with EPA region and IHS area office coordination or EPA region and grant recipient coordination that may affect the award of CWISA funds or completion of CWISA funded projects;
12. Support OWM in the active management of nationally funded projects (such as American Recovery and Reinvestment Act of 2009) until a final report is issued for each project;
13. Timely notify OWM of staff changes; and
14. As deemed necessary, participate in on-site project oversight activities (e.g., design meetings, final plans and specifications reviews, and final project inspections) when notified and invited by IHS.

C. CWISA Contacts and Additional Information

The CWISA program includes staff from OWM and all EPA regions. A list of CWISA contacts and additional information is provided online at: www.epa.gov/cwisa.

APPENDICES

Appendix A. Clean Water Act, Section 518 and Water Resources Reform & Development Act, Section 5013

SEC. 518. [33 U.S.C. 1377] INDIAN TRIBES

(a) POLICY—Nothing in this section shall be construed to affect the application of section 1251(g) of this title, and all of the provisions of this section shall be carried out in accordance with the provisions of such section 1251(g) of this title. Indian tribes shall be treated as states for purposes of such section 1251(g) of this title.

(b) ASSESSMENT OF SEWAGE TREATMENT NEEDS; REPORT— The Administrator, in cooperation with the Director of the Indian Health Service, shall assess the need for sewage treatment works to serve Indian tribes, the degree to which such needs will be met through funds allotted to States under section 1285 of this title and priority lists under section 1296 of this title, and any obstacles which prevent such needs from being met. Not later than one year after February 4, 1987, the Administrator shall submit a report to Congress on the assessment under this subsection, along with recommendations specifying (1) how the Administrator intends to provide assistance to Indian tribes to develop waste treatment management plans and to construct treatment works under this chapter, and (2) methods by which the participation in and administration of programs under this chapter by Indian tribes can be maximized.

(c) RESERVATION OF FUNDS—The Administrator shall reserve each fiscal year beginning after September 30, 1986, before allotments to the States under section 1285(e) of this title, one-half of one percent of the sums appropriated under section 1287 of this title. Sums reserved under this subsection shall be available only for grants for the development of waste treatment management plans and for the construction of sewage treatment works to serve Indian tribes, as defined in subsection (h) of this section and former Indian reservations in Oklahoma (as determined by the Secretary of the Interior) and Alaska Native Villages as defined in Public Law 92-203 [43 U.S.C. § 1601 et seq.].

(d) COOPERATIVE AGREEMENTS—In order to ensure the consistent implementation of the requirements of this chapter, an Indian tribe and the State or States in which the lands of such tribe are located may enter into a cooperative agreement, subject to the review and approval of the Administrator, to jointly plan and administer the requirements of this chapter.

(e) TREATMENT AS STATES—The Administrator is authorized to treat an Indian tribe as a State for purposes of subchapter II of this chapter and sections 1254, 1256, 1313, 1315, 1318, 1319, 1324, 1329, 1341, 1342, 1344, and 1346 of this title to the degree necessary to carry out the objectives of this section, but only if—

> (1) the Indian tribe has a governing body carrying out substantial governmental duties and powers;
> (2) the functions to be exercised by the Indian tribe pertain to the management and protection of water resources which are held by an Indian tribe, held by the United States in trust for Indians, held by a member of an Indian tribe if such property interest is subject to a trust restriction on alienation, or otherwise within the borders of an Indian reservation; and
> (3) the Indian tribe is reasonably expected to be capable, in the Administrator's judgment, of carrying out the functions to be exercised in a manner consistent with the terms and purposes of this chapter and of all applicable regulations.

Such treatment as a State may include the direct provision of funds reserved under subsection (c) of this section to the governing bodies of Indian tribes, and the determination of priorities by Indian tribes, where not determined by the Administrator in cooperation with the Director of the Indian Health Service. The Administrator, in cooperation with the Director of the Indian Health Service, is authorized to make grants under subchapter II of this chapter in an amount not to exceed 100 percent of the cost of a project. Not later than 18 months after February 4, 1987, the Administrator shall, in consultation with Indian tribes, promulgate final regulations which specify how Indian tribes shall be treated as States for purposes of this chapter. The Administrator shall, in promulgating such regulations, consult affected States sharing common water bodies and provide a mechanism for the resolution of any unreasonable consequences that may arise as a result of differing water quality standards that may be set by States and Indian tribes located on common bodies of water. Such mechanism shall provide for explicit consideration of relevant factors including, but not limited to, the effects of differing water quality permit requirements on upstream and downstream dischargers, economic impacts, and present and historical uses and quality of the waters subject to such standards. Such mechanism should provide for the avoidance of such unreasonable consequences in a manner consistent with the objective of this chapter.

(f) GRANTS FOR NONPOINT SOURCE PROGRAMS—The Administrator shall make grants to an Indian tribe under section 1329 of this title as though such tribe was a State. Not more than one-third of one percent of the amount appropriated for any fiscal year under section 1329 of this title may be used to make grants under this subsection. In addition to the requirements of section 1329 of this title, an Indian tribe shall be required to meet the requirements of paragraphs (1), (2), and (3) of subsection (d)† of this section in order to receive such a grant.

(g) ALASKA NATIVE ORGANIZATIONS—No provision of this chapter shall be construed to—

(1) grant, enlarge, or diminish, or in any way affect the scope of the governmental authority, if any, of any Alaska Native organization, including any federally-recognized organized pursuant to the Act of June 18, 1934 (48 Stat. 987), over lands or persons in Alaska;

(2) create or validate any assertion by such organization or any form of governmental authority over lands or persons in Alaska; or

(3) in any way affect any assertion that Indian country, as defined in section 1151 of Title 18, exists or does not exist in Alaska.

(h) DEFINITIONS—For purposes of this section, the term—

(1) "Federal Indian reservation" means all land within the limits of any Indian reservation under the jurisdiction of the United States Government, notwithstanding the issuance of any patent, and including rights-of-way running through the reservation; and

(2) "Indian tribe" means any Indian tribe, band, group, or community recognized by the Secretary of the Interior and exercising governmental authority over a Federal Indian reservation.

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Water Resources Reform & Development Act

5013. Funding for Indian programs

Section 518(c) of the Federal Water Pollution Control Act (33 U.S.C. 1377(c)) is amended—

(1) by striking "The Administrator" and inserting the following:

(1) Fiscal years 1987–2014 The Administrator;

(2) in paragraph (1) (as so designated)—

(A) by striking "each fiscal year beginning after September 30, 1986", and inserting "each of fiscal years 1987 through 2014",; and

(B) by striking the second sentence; and

(3) by adding at the end the following:

(2) Fiscal year 2015 and thereafter - For fiscal year 2015 and each fiscal year thereafter, the Administrator shall reserve, before allotments to the States under section 604(a), not less than 0.5 percent and not more than 2.0 percent of the funds made available to carry out title VI.

(3) Use of funds - Funds reserved under this subsection shall be available only for grants for projects and activities eligible for assistance under section 603(c) to serve—

(A) Indian tribes (as defined in subsection (h));

(B) former Indian reservations in Oklahoma (as determined by the Secretary of the Interior); and

(C) Native villages (as defined in section 3 of the Alaska Native Claims Settlement Act (43 U.S.C. 1602)).

Appendix B. Delegations of Authority for CWISA Grant Funds

Delegation Authority of the Clean Water Indian Set-Aside Program

2-80. Grants for Indian Set-Aside Wastewater Treatment Projects

1200 TN 226
6/11/90

1. **AUTHORITY.** To approve grants for the development of waste treatment management plans and for the construction of sewage treatment works to serve federally recognized Indian Tribes, Tribes on former reservations in Oklahoma, and Alaska Native Villages as authorized by Section 518(c) of the Clean Water Act (CWA). Such grants may be made to a State or other organization if authorized by the Tribe of the Village.
2. **TO WHOM DELEGATED.** Regional Administrators.
3. **LIMITATIONS.** The Regional Administrator may redelegate this authority for only those projects above the funding line on the Indian Set-Aside National Project Priority List.
4. **ADDITIONAL REFERENCES.** 40 CFR Parts 31-32; Guidelines and Requirements for Applying For grants from the Indian Set-Aside Program, April 1989. Authority to execute (sign) these financial assistance agreements is delegated to the Regional Administrators under Delegation 1-14, Assistance Agreements.

2-105 Transfer Funds Between State Revolving Fund Tribal Set-Aside Programs (1200 TN 618)

1. AUTHORITY. Pursuant to Public Law 112-74, to approve the transfer of funds between the accounts provided for tribal set-asides appropriated through Clean Water State Revolving Funds and Drinking Water State Revolving Funds.

2. TO WHOM DELEGATED. Regional Administrators.

3. LIMITATIONS. In a fiscal year, a regional administrator may:

a. Transfer a dollar value of up to 33 percent of the funds provided for the region's Drinking Water Indian Set-Aside account to the region's Clean Water Indian Set-Aside account; and

b. Transfer a dollar amount up to the dollar amount identified in paragraph a of funds provided for the region's Clean Water Indian Set-Aside account to the region's Drinking Water Indian Set-Aside account.

c. Starting in FY13, for the first transfer within each region, the regional administrator must obtain the concurrence of the Office of Water's assistant administrator or designee and thereafter must consult with the Office of Water's assistant administrator or designee exercising this authority.

4. REDELEGATION AUTHORITY

a. This authority may be redelegated to the division director level or equivalent in the regions and no further.

b. This authority may be exercised by any person in the chain of command to the person to whom it has been re-delegated. Any redelegation of this authority does not divest the official making the redelegation from the power to exercise this authority.

5. ADDITIONAL REFERENCES.

a. Section 518(c) of the Clean Water Act.

b. Section 1452(i) of the Safe Drinking Water Act.

c. Additional guidance as may be issued by the Office of Wastewater Management or the Office of Groundwater and Drinking Water.

Appendix C. Guidelines on the Inter-Program Transfer Authority

Guidelines for Implementation of Fund Transfer Authority
Between the Drinking Water Infrastructure Grant – Tribal Set Aside and the
Clean Water Indian Set – Aside Programs
May 2013

I. Purpose

This document provides guidance to EPA regions when implementing the option to transfer funds between the Drinking Water Infrastructure Grant – Tribal Set Aside (DWIG-TSA) and Clean Water Indian Set Aside (CWISA) programs.

II. Authorization

State Revolving Fund (SRF) programs currently have permanent authority to transfer funds between the Clean Water SRF and the Drinking Water SRF. Authority to transfer funds between the DWIG-TSA and CWISA programs was provided through EPA's FY12 appropriations, stating:

> *Provided further, That for fiscal year 2012 and hereafter, the Administrator may transfer funds provided for tribal set-asides through funds appropriated for the Clean Water State Revolving Funds and for the Drinking Water State Revolving Funds between those accounts in such manner as the Administrator deems appropriate, but not to exceed the transfer limits given to States under section 302(a) of Public Law 104-182.*

The transfer limit identified in section 302(a) is 33 percent of the Drinking Water SRF. For example, had we implemented the transfer provision in FY12, 33 percent of the DWIG-TSA allotment (of $18,358,000) would have been $6,058,140. The process for tribal transfers will begin in FY13; no transfers may be made with FY12 funds. The project eligibility portion of the grant guidelines specific to the program that receives funds from a transfer will apply to the transferred funds. For example, if funds are transferred from the CWISA to the DWIG-TSA, the funds will follow the project eligibility portion of the grant guidelines that apply to the DWIG-TSA.

III. Permanent Delegation of Authority

A permanent delegation of authority is in place that delegates the authority to transfer funds between the CWISA and the DWIG-TSA (#2-105). The April 4, 2013 authority memo is attached.

IV. Transfer Process

The following describes the steps to implement a transfer of funds between the two programs.

1. Regional Allotment Calculation: The Office of Ground Water and Drinking Water (OGWDW) and Office of Wastewater Management (OWM) calculate the allotments and indicate the maximum amount of funding available for transfer within each EPA region.

2. Notification of Transfer: Regions will utilize their existing processes to identify water and wastewater infrastructure projects and notify headquarters of their interest in exercising the transfer option.

3. Transfer Justification: Regions electing to transfer funds will submit a short narrative transfer justification to HQ that covers key points as described in this guideline supported by a Regional Project List (RPL). For the purposes of these guidelines, the RPL for wastewater projects would consist of information from the IHS Sanitation Deficiency System (SDS) and the RPL for drinking water projects would consist of SDS information in addition to information identified through regional project

solicitations. The proposed projects to be funded through a transfer must be on the IHS SDS list. Section V of this guideline includes a further description of the transfer justification and the data elements required in the RPL.

4. Transfer Approval Review Criteria: The approval of the fund transfer will be based on a consideration of several factors linked to Agency measures and priorities along with consistency with Agency guidelines for implementing the programs. The following information should be provided for consideration during the review process:

   a. *Number of Homes Provided Access to Safe Drinking Water or Basic Sanitation*: The number of homes the project provides access to safe drinking water or basic sanitation is based on the Indian Health Service deficiency level data.

   b. *Improving Compliance with Safe Drinking Water Act Regulations* (if applicable).

   c. *Project Readiness*: Indication that the following types of documents are complete: preliminary engineering report, planning, design, environmental reviews and archeology.

   d. *IHS Sanitation Deficiency Survey Project Priority Number*.

5. Transfer Justification Review/Approval: Starting in FY2013, for the first transfer within each region the regional administrator must obtain concurrence of the Office of Water's assistant administrator or designee. Should an impasse occur the first time that a transfer is requested, the decision to approve or disapprove will be resolved by the Assistant Administrator of Water.

   For transfers subsequent to the first transfer, the regions are to consult with the Office of Water's assistant administrator through notification of OGWDW and OWM of the intent to transfer and provide the Transfer Justification (Item 3) and the information described in 4a to 4d.

6. Funds Reprogramming: Upon approval of the transfer request, the approved amount of funds will be reprogrammed. The reprogramming will occur at headquarters before funds are made available to the regions.

V. Transfer Justification

In order for OGWDW and OWM to evaluate the reasons for fund transfer, regions shall provide a narrative justification for the proposed transfer. The justification statement should highlight the public health threat posed by the current deficiencies and net positive public health benefits of funding the project proposed for the transfer. The narrative statement should answer the question: Why are the projects proposed to receive transfer funds a priority for EPA? The narrative should also describe how the proposed infrastructure project will address the current deficiencies along with measures or metrics that clarify why this project is a priority over others. The transfer statement should be supported by the project data provided in the SDS listing for the project along with the RPL. If the project is not in the top 10% of the IHS area SDS, the narrative should also explain why the project does not rank highly on the IHS area SDS.

The RPL should include the projects planned for funding that utilize all regional funds (both Drinking Water and Clean Water.) If possible, the RPL should also include the highest ranked project(s) not funded as a result of the funds transfer. The data to be included in the RPL for each project are listed in Table 1.

Table 1: Data Fields for the Regional Project List (RPL)

• Project Name* • Project Purpose* • Tribe Name* • Indian Health Service (IHS) area* • IHS Sanitation Deficiency System Data (Project Number, Project Priority, Project Initial Deficiency Level and Project Final Deficiency Level) • Funding from Drinking Water Infrastructure Grant-Tribal Set- Aside Program • Funding from Clean Water Act Indian Set-Aside Program	• Total Project Cost* • Public Water System Inventory Number* (Drinking Water project) • National Pollution Discharge Elimination System Permit (Clean Water Project) • Number of Tribal Homes Served* • Current Violation Type(s) to be address by project (as applicable)* • Anticipated Construction Start Date* • EPA Program Measures Addressed*

* Data required for all funded drinking water projects per memo EPA National Tribal Drinking Water Program Oversight and Accountability (March 23, 2012). Data recommended for all funded wastewater projects.

VI. Annual Timeline

The following table describes the approximate timing to implement a transfer of funds between the two programs. Approval by OGWDW and OWM of the first transfer within each region is required. For subsequent transfers, regions will still need to provide justification information to notify OGWDW and OWM of the intent to transfer. OGWDW and OWM reserve the right to object to a transfer proposal if it is contrary to the program guidelines or the goals of the program.

Table 2: Tribal Water Infrastructure Funding Transfer Process Timeline

Milestone	Schedule	Responsible Entities
Regional Allotment Calculation	Budget Operating Plan + 30 days	OGWDW and OWM
Notification of Transfer	Budget Operating Plan + 60 days	EPA regions
Transfer Justification	Budget Operating Plan + 90 days	EPA regions
Transfer Approval	Transfer Justification /Consultation + 30 days	Regional Administrator or OGWDW/OWM
Funds Reprogramming	Transfer Approval + 30 days	OWM or OGWDW

Example Transfer Justification

Region 9 proposes to transfer $990,010 of FY13 Clean Water Indian Set-Aside (CWISA) funds to the Drinking Water Tribal Set-Aside (DWTSA) program to fund the Navajo Gray Mountain Waterline Extension.

Background

EPA's FY12 Appropriation provides the authority to transfer funds between the State Revolving Fund Tribal Set-Aside programs. EPA Acting Administrator Bob Perciasepe delegated authority to transfer funds to the Regional Administrators (Delegation of Authority 2-105, April 4, 2013). Regional Administrators must obtain Office of Water approval for the first transfer, and thereafter must consult with the Office of Water on any future transfers.

The maximum amount of funds available for transfer is 33% of the annual DWTSA allotment. In FY13, up to $1,487,640 can be transferred between the Region 9 tribal set-aside programs (33% of the $4,508,000 FY13 Region 9 DWTSA allotment).

Region 9 Transfer Process

EPA headquarters issued Guidelines for Implementation of Funds Transfer Authority (May 2013). Consistent with these guidelines, EPA Region 9 conducted tribal consultation on a proposed process for implementing the transfer authority (Attachment A). This process evaluates the annual identification of priority needs for each program based the following factors:

1. Number of homes to be provided access to safe drinking water or basic sanitation, defined as deficiency levels 4 and 5 in the Indian Health Service Sanitation Deficiencies System list
2. Improvement in compliance with the Safe Drinking Water Act regulations or the Clean Water Act National Pollutant Discharge Elimination System permits (if applicable)
3. Project Readiness: Indications that the following types of documents are complete (as appropriate): project engineering report, planning, design environmental reviews, archeology review
4. IHS Sanitation Deficiency Survey Project Priority Number and deficiency level

Transfer Decision on Proposed Project Gray Mountain Waterline Extension (Navajo Nation)

We evaluated the FY 13 SDS lists of priority projects (Attachments B and C) using the factors noted above (Attachment D). Our region's primary goal focused on funding all high priority CWISA wastewater projects on the IHS SDS Lists first. Based on these factors and our review of priority projects, we decided to transfer $990,010 of CWISA funds to the Gray Mountain Waterline Extension project because it is a higher priority drinking water project than the five remaining lower SDS priority CWISA wastewater projects identified for funding.

The Gray Mountain Waterline Extension project will provide first time access to safe drinking water and basic sanitation for 30 homes that lack piped water. Residents of these homes haul water and use pit privies for sanitation. The Project is a Deficiency Level (DL) 5 in the Indian Health Service Sanitation Deficiencies System list, and ranks in the top 7% of the SDS list. The project received a DWTSA Health Category B ranking for microbial contamination of a water supply.

The project consists of a 9 mile extension from the Cameron public water system (PWS ID 090403010). Navajo is funding a separate project that will replace the Cameron wells with an intertie to the Gap/Cedar Ridge public water system (PWS ID 090403009).

The $1,317,000 Gray Mountain Waterline Extension project cost will be funded with $990,010 of funds transferred from the Clean Water Indian Set-Aside program and $326,990 of FY13 Drinking Water Tribal Set-Aside funds. The Clean Water Indian Set-Aside program will also provide $321,148 to install individual onsite wastewater systems (SDS priority 44) for Gray Mountain with funds IHS originally targeted for the lower priority Gallup Failed Septics – North Ward (SDS priority 54, IDL 4). An additional $101,148 of CWISA funds originally targeted for the Shiprock North Lift Station Replacement will fully fund the remainder of the Gray Mountain Extension sewer cost. The Gray Mountain Waterline Extension (DL5) project will be fully funded under the drinking water and sewer portion of the project.

Public Health Benefit

This project is a priority because it will support EPA's GPRA goals to provide access to safe drinking water and basic sanitation:

- SDW-18 and WQ-24: By 2015, in coordination with other federal agencies, provide access to safe drinking water for 136,100 tribal homes and provide access to basic sanitation for 67,900 homes
- SP-5 and SP-15: By 2015, in coordination with other federal agencies, reduce by 50% the number of tribal homes lacking access to safe drinking water and basic sanitation

The project will also support EPA's efforts under the Navajo Abandoned Uranium Mine 5 Year Plan, because the homes to be served are within one of the six AUM mining regions. Several of the homes to be served are within 10 miles of the Paddock well, one of the 29 unregulated water sources on the Navajo Nation with radionuclides in excess of the drinking water standard, as identified in the 5 Year Plan.

The Centers for Disease Control's June 2009 Report, "Assessing Public Health Risks of the Practice of Water Hauling on the Navajo Nation" found that residents who haul water are more likely to be exposed to bacterial contaminants in drinking water: 35% of the 199 source samples tested positive for total coliforms and 8% tested positive for *E. coli.*

If the CWISA funds are not transferred to DWTSA for the Gray Mountain Waterline Extension drinking water project, the funds will support five lower priority wastewater projects that do not support EPA GPRA goals.

Capacity Considerations

The Navajo Nation has the option to receive the project funds via a direct grant to the Navajo Tribal Utility Authority (NTUA) or via an interagency agreement with IHS. Historically, the Nation requests that EPA award funds to IHS via an interagency agreement. IHS has an extensive track record to complete projects, even though many IHS funded project are delayed. Recently, IHS instituted new policies to accelerate project completion by conducting advanced planning prior to award. The Gray Mountain project has a completed feasibility study which will facilitate timely completion of the project. IHS draws down all EPA funds in advance; therefore, there are no reported Unliquidated Obligations for tribal set-aside projected funded through IAs. NTUA has limited experience managing EPA grants. At Navajo's request this year, EPA invited NTUA to apply for a grant to install chlorination equipment on the Ganado public water system.

NTUA has the capacity to operate and maintain this project. The project will serve 3.3 homes per mile, exceeding NTUA's service standard.

Proposed Project: Gray Mountain Waterline Extension

Project Purpose: The project will provide first time access to safe drinking water and basic sanitation for 30 homes that lack piped water. Residents of these homes haul water daily and use pit privies for sanitation. The Project is a Deficiency Level (DL) 5 in the Indian Health Service Sanitation Deficiencies System (SDS) list, and ranks in the top 7% of the SDS list. The project received a DWTSA Health Category B ranking for microbial contamination of a water supply.

The project consists of a 9 mile extension from the Cameron public water system (PWS ID 090403010). Navajo is funding a separate project that will replace the Cameron wells with an intertie to the Gap/Cedar Ridge public water system (PWS ID 090403009).

Tribe Name	Funding from CWISA Program	EPA Project Cost	Homes served	Project Initial DL	Project Final DL	# DL 4/5 Homes	Project Readiness	IHS Area: Priority ranking, % of Area priorities*
Navajo Nation	$990,010	$1,317,000	30	5	1	30	Feasibility study completed	Navajo: 44, 7%
EPA Program Measures Addressed: SDW-18 and WQ-24 and SP-5 and SP-15.								

*Based on SDS STARS report filters: All Feasible Projects; Not Funded; Eligible; All Records

CWISA Projects that will not be funded due to Transfer:
Our higher priority CWISA IDL 4 and 5 projects and area priority projects are funded. The remaining five CWISA (wastewater) projects that will not be funded are lower SDS IDL projects and area priorities.

						Transfer Ranking Factors			
Project	Tribe	EPA Cost	Homes served	IDL	FDL	# DL 4/5 homes	Improve compliance ?	Project readiness	IHS Area: Priority ranking, % of Area priorities*
Shiprock North Lift Station Replacement	Navajo	$469,132	1095	3	1	0	No	Project Development Plan completed	Navajo: 33, 5%
Ramah Mountain View Lift Station	Navajo	$158,000	21	2	1	0	No	Project Development Plan completed	Navajo: 151, 23%
Santa Ysabel Individual	Santa Ysabel	$59,200	12	3	1	0	No	Project Development Plan completed	CA: 20, 7%

Home Services									
Santa Ynez Lift Station Upgrade	Santa Ynez	$65,000	99	3	1	0	No	Project Development Plan completed	CA: 33, 11%
Gu Vo Lagoon Expansion	Tohono O'odham	$339,862	80	3	1	0	No	Preliminary design complete	Tucson: 11, 11%

*Based on SDS wSTARS report filters: All Feasible Projects; Not Funded; Eligible; All Records

Appendix D.Preliminary Engineering Report Template

January 16, 2013

INTERAGENCY MEMORANDUM

Attached is a document explaining recommended best practice for the development of Preliminary Engineering Reports in support of funding applications for development of drinking water, wastewater, stormwater, and solid waste systems.

The best practice document was developed cooperatively by:

- US Department of Agriculture, Rural Development, Rural Utilities Service, Water and Environmental Programs;
- US Environmental Protection Agency (EPA), Office of Water, Office of Ground Water and Drinking Water and Office of Wastewater Management;
- US Department of Housing and Urban Development (HUD), Office of Community Planning and Development;
- US Department of Health and Human Services, Indian Health Service (IHS);
- Small Communities Water Infrastructure Exchange;

Extensive input from participating state administering agencies was also very important to the development of this document.

Federal agencies that cooperatively developed this document strongly encourage its use by funding agencies as part of the application process or project development. State administered programs are encouraged to adopt this document but are not required to do so, as it is up to a state administering agency's discretion to adopt it, based on the needs of the state administering agency.

A Preliminary Engineering Report (Report) is a planning document required by many state and federal funding agencies as part of the process of obtaining financial assistance for development of drinking water, wastewater, solid waste, and stormwater facilities. The attached Report outline details the requirements that funding agencies have adopted when a Report is required.

In general the Report should include a description of existing facilities and a description of the issues being addressed by the proposed project. It should identify alternatives, present a life cycle cost analysis of technically feasible alternatives and propose a specific course of action. The Report should also include a detailed current cost estimate of the recommended alternative. The attached outline describes these and other sections to be included in the Report.

Projects utilizing direct federal funding also require an environmental review in accordance with the National Environmental Policy Act (NEPA). The Report should indicate that environmental issues were considered as part of the engineering planning and include environmental information pertinent to engineering planning.

For state administered funding programs, a determination of whether the outline applies to a given program or project is made by the state administering agency. When a program or agency adopts this outline, it may adopt a portion or the entire outline as applicable to the program or project in question at the discretion of the agency. Some state and federal funding agencies will not require the Report for every project or may waive portions of the Report that do not apply to their application process, however a Report thoroughly addressing all of the contents of this outline will meet the requirements of most agencies that have adopted this outline.

The detailed outline provides information on what to include in a Report. The level of detail required may also vary according to the complexity of the specific project. Reports should conform substantially to this detailed outline and otherwise be prepared and presented in a professional manner. Many funding agencies require that the document be developed by a Professional Engineer registered in the state or other jurisdiction where the project is to be constructed unless exempt from this requirement. Please check with applicable funding agencies to determine if the agencies require supplementary information beyond the scope of this outline.

Any preliminary design information must be written in accordance with the regulatory requirements of the state or territory where the project will be built.

Information provided in the Report may be used to process requests for funding. Completeness and accuracy are therefore essential for timely processing of an application. Please contact the appropriate state or federal funding agencies with any questions about development of the Report and applications for funding as early in the process as practicable.

Questions about this document should be referred to the applicable state administering agency, regional office of the applicable federal agency, or to the following federal contacts:

Agency	Contact	Email Address	Phone
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Sincerely,

1/16/13

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1-16-13

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Attachment

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ABBREVIATIONS

NEPA – National Environmental Policy Act
NPV – Net Present Value
O&M – Operations and Maintenance
OMB – Office of Management and Budget
Report – Preliminary Engineering Report
SPPW – Single Payment Present Worth
USPW – Uniform Series Present Worth

GENERAL OUTLINE OF A PRELIMINARY ENGINEERING REPORT

1) PROJECT PLANNING
   a) Location
   b) Environmental Resources Present
   c) Population Trends
   d) Community Engagement

2) EXISTING FACILITIES
   a) Location Map
   b) History
   c) Condition of Existing Facilities
   d) Financial Status of any Existing Facilities
   e) Water/Energy/Waste Audits

3) NEED FOR PROJECT
   a) Health, Sanitation, and Security
   b) Aging Infrastructure
   c) Reasonable Growth

4) ALTERNATIVES CONSIDERED
   a) Description
   b) Design Criteria
   c) Map
   d) Environmental Impacts
   e) Land Requirements
   f) Potential Construction Problems
   g) Sustainability Considerations
      i) Water and Energy Efficiency
      ii) Green Infrastructure
      iii) Other
   h) Cost Estimates

5) SELECTION OF AN ALTERNATIVE
   a) Life Cycle Cost Analysis
   b) Non-Monetary Factors

6) PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)
   a) Preliminary Project Design
   b) Project Schedule
   c) Permit Requirements
   d) Sustainability Considerations
      i) Water and Energy Efficiency
      ii) Green Infrastructure

iii) Other

e) Total Project Cost Estimate (Engineer's Opinion of Probable Cost)

f) Annual Operating Budget
   i) Income
   ii) Annual O&M Costs
   iii) Debt Repayments
   iv) Reserves

7) CONCLUSIONS AND RECOMMENDATIONS

DETAILED OUTLINE OF A PRELIMINARY ENGINEERING REPORT

1) PROJECT PLANNING

Describe the area under consideration. Service may be provided by a combination of central, cluster, and/or centrally managed individual facilities. The description should include information on the following:

a) Location. Provide scale maps and photographs of the project planning area and any existing service areas. Include legal and natural boundaries and a topographical map of the service area.

b) Environmental Resources Present. Provide maps, photographs, and/or a narrative description of environmental resources present in the project planning area that affect design of the project. Environmental review information that has already been developed to meet requirements of NEPA or a state equivalent review process can be used here.

c) Population Trends. Provide U.S. Census or other population data (including references) for the service area for at least the past two decades if available. Population projections for the project planning area and concentrated growth areas should be provided for the project design period. Base projections on historical records with justification from recognized sources.

d) Community Engagement: Describe the utility's approach used (or proposed for use) to engage the community in the project planning process. The project planning process should help the community develop an understanding of the need for the project, the utility operational service levels required, funding and revenue strategies to meet these requirements, along with other considerations.

2) EXISTING FACILITIES

Describe each part (e.g. processing unit) of the existing facility and include the following information:

a) Location Map. Provide a map and a schematic process layout of all existing facilities. Identify facilities that are no longer in use or abandoned. Include photographs of existing facilities.

b) History. Indicate when major system components were constructed, renovated, expanded, or removed from service. Discuss any component failures and the cause for the failure. Provide a history of any applicable violations of regulatory requirements.

c) Condition of Existing Facilities. Describe present condition; suitability for continued use; adequacy of current facilities; and their conveyance, treatment, storage, and disposal capabilities. Describe the existing capacity of each component. Describe and reference compliance with applicable federal, state, and local laws. Include a brief analysis of overall current energy consumption. Reference an asset management plan if applicable.

d) Financial Status of any Existing Facilities. (Note: Some agencies require the owner to submit the most recent audit or financial statement as part of the application package.) Provide information regarding current rate schedules, annual O&M cost (with a breakout of current energy costs), other capital improvement programs, and tabulation of users by monthly usage categories for the most recent typical fiscal year. Give status of existing debts and required reserve accounts.

e) Water/Energy/Waste Audits. If applicable to the project, discuss any water, energy, and/or waste audits which have been conducted and the main outcomes.

3) NEED FOR PROJECT

Describe the needs in the following order of priority:

a) Health, Sanitation, and Security. Describe concerns and include relevant regulations and correspondence from/to federal and state regulatory agencies. Include copies of such correspondence as an attachment to the Report.

b) Aging Infrastructure. Describe the concerns and indicate those with the greatest impact. Describe water loss, inflow and infiltration, treatment or storage needs, management adequacy, inefficient designs, and other problems. Describe any safety concerns.

c) Reasonable Growth. Describe the reasonable growth capacity that is necessary to meet needs during the planning period. Facilities proposed to be constructed to meet future growth needs should generally be supported by additional revenues. Consideration should be given to designing for phased capacity increases. Provide number of new customers committed to this project.

4) ALTERNATIVES CONSIDERED

This section should contain a description of the alternatives that were considered in planning a solution to meet the identified needs. Documentation of alternatives considered is often a Report weakness. Alternative approaches to ownership and management, system design (including resource efficient or green alternatives), and sharing of services, including various forms of partnerships, should be considered. In addition, the following alternatives should be considered, if practicable: building new centralized facilities, optimizing the current facilities (no construction), developing centrally managed decentralized systems, including small cluster or individual systems, and developing an optimum combination of centralized and decentralized systems. Alternatives should be consistent with those considered in the NEPA, or state equivalent, environmental review. Technically infeasible alternatives that were considered should be mentioned briefly along with an explanation of why they are infeasible, but do not require full analysis. For each technically feasible alternative, the description should include the following information:

a) Description. Describe the facilities associated with every technically feasible alternative. Describe source, conveyance, treatment, storage and distribution facilities for each alternative. A feasible system may include a combination of centralized and decentralized (on-site or cluster) facilities.

b) Design Criteria. State the design parameters used for evaluation purposes. These parameters should comply with federal, state, and agency design policies and regulatory requirements.

c) Map. Provide a schematic layout map to scale and a process diagram if applicable. If applicable, include future expansion of the facility.

d) Environmental Impacts. Provide information about how the specific alternative may impact the environment. Describe only those unique direct and indirect impacts on floodplains, wetlands, other important land resources, endangered species, historical and archaeological properties, etc., as they relate to each specific alternative evaluated. Include generation and management of residuals and wastes.

e) Land Requirements. Identify sites and easements required. Further specify whether these properties are currently owned, to be acquired, leased, or have access agreements.

f) Potential Construction Problems. Discuss concerns such as subsurface rock, high water table, limited access, existing resource or site impairment, or other conditions which may affect cost of construction or operation of facility.

g) Sustainability Considerations. Sustainable utility management practices include environmental, social, and economic benefits that aid in creating a resilient utility.

   i) Water and Energy Efficiency. Discuss water reuse, water efficiency, water conservation, energy efficient design (i.e. reduction in electrical demand), and/or renewable generation of energy, and/or minimization of carbon footprint, if applicable to the alternative. Alternatively, discuss the water and energy usage for this option as compared to other alternatives.

   ii) Green Infrastructure. Discuss aspects of project that preserve or mimic natural processes to manage stormwater, if applicable to the alternative. Address management of runoff volume and peak flows through infiltration, evapotranspiration, and/or harvest and use, if applicable.

   iii) Other. Discuss any other aspects of sustainability (such as resiliency or operational simplicity) that are incorporated into the alternative, if applicable.

h) Cost Estimates. Provide cost estimates for each alternative, including a breakdown of the following costs associated with the project: construction, non-construction, and annual O&M costs. A construction contingency should be included as a non-construction cost. Cost estimates should be included with the descriptions of each technically feasible alternative. O&M costs should include a rough breakdown by O&M category (see example below) and not just a value for each alternative. Information from other sources, such as the recipient's accountant or other known technical service providers, can be incorporated to assist in the development of this section. The cost derived will be used in the life cycle cost analysis described in Section 5 a.

Example O&M Cost Estimate	
Personnel (i.e. Salary, Benefits, Payroll Tax, Insurance, Training)	
Administrative Costs (e.g. office supplies, printing, etc.)	
Water Purchase or Waste Treatment Costs	
Insurance	
Energy Cost (Fuel and/or Electrical)	
Process Chemical	
Monitoring & Testing	
Short Lived Asset Maintenance/Replacement*	
Professional Services	
Residuals Disposal	
Miscellaneous	
Total	

* See Appendix A for example list

5) SELECTION OF AN ALTERNATIVE

Selection of an alternative is the process by which data from the previous section, "Alternatives Considered" is analyzed in a systematic manner to identify a recommended alternative. The analysis should include consideration of both life cycle costs and non-monetary factors (i.e. triple bottom line analysis: financial, social, and environmental). If water reuse or conservation, energy efficient design, and/or renewable generation of energy components are included in the proposal provide an explanation of their cost effectiveness in this section.

a) Life Cycle Cost Analysis. A life cycle present worth cost analysis (an engineering economics technique to evaluate present and future costs for comparison of alternatives) should be completed to compare the technically feasible alternatives. Do not leave out alternatives because of anticipated costs; let the life cycle cost analysis show whether an alternative may have an acceptable cost. This analysis should meet the following requirements and should be repeated for each technically feasible alternative. Several analyses may be required if the project has different aspects, such as one analysis for different types of collection systems and another for different types of treatment.

1. The analysis should convert all costs to present day dollars;
2. The planning period to be used is recommended to be 20 years, but may be any period determined reasonable by the engineer and concurred on by the state or federal agency;
3. The discount rate to be used should be the "real" discount rate taken from Appendix C of OMB circular A-94 and found at (www.whitehouse.gov/omb/circulars/a094/a94_appx-c.html);
4. The total capital cost (construction plus non-construction costs) should be included;

5. Annual O&M costs should be converted to present day dollars using a uniform series present worth (USPW) calculation;
6. The salvage value of the constructed project should be estimated using the anticipated life expectancy of the constructed items using straight line depreciation calculated at the end of the planning period and converted to present day dollars;
7. The present worth of the salvage value should be subtracted from the present worth costs;
8. The net present value (NPV) is then calculated for each technically feasible alternative as the sum of the capital cost (C) plus the present worth of the uniform series of annual O&M (USPW (O&M)) costs minus the single payment present worth of the salvage value (SPPW(S)):

$$NPV = C + USPW\ (O\&M) - SPPW\ (S)$$

9. A table showing the capital cost, annual O&M cost, salvage value, present worth of each of these values, and the NPV should be developed for state or federal agency review. All factors (major and minor components), discount rates, and planning periods used should be shown within the table.
10. Short lived asset costs (See Appendix A for examples) should also be included in the life cycle cost analysis if determined appropriate by the consulting engineer or agency. Life cycles of short lived assets should be tailored to the facilities being constructed and be based on generally accepted design life. Different features in the system may have varied life cycles.

b) Non-Monetary Factors. Non-monetary factors, including social and environmental aspects (e.g. sustainability considerations, operator training requirements, permit issues, community objections, reduction of greenhouse gas emissions, wetland relocation) should also be considered in determining which alternative is recommended and may be factored into the calculations.

6) PROPOSED PROJECT (RECOMMENDED ALTERNATIVE)

The engineer should include a recommendation for which alternative(s) should be implemented. This section should contain a fully developed description of the proposed project based on the preliminary description under the evaluation of alternatives. Include a schematic for any treatment processes, a layout of the system, and a location map of the proposed facilities. At least the following information should be included as applicable to the specific project:

a) Preliminary Project Design.

i) Drinking Water:

Water Supply. Include requirements for quality and quantity. Describe recommended source, including site and allocation allowed.

Treatment. Describe process in detail (including whether adding, replacing, or rehabilitating a process) and identify location of plant and site of any process discharges. Identify capacity of treatment plant (i.e. Maximum Daily Demand).

Storage. Identify size, type and location.

Pumping Stations. Identify size, type, location and any special power requirements. For rehabilitation projects, include description of components upgraded.

Distribution Layout. Identify general location of new pipe, replacement, or rehabilitation: lengths, sizes and key components.

ii) Wastewater/Reuse:

Collection System/Reclaimed Water System Layout. Identify general location of new pipe, replacement or rehabilitation: lengths, sizes, and key components.

Pumping Stations. Identify size, type, site location, and any special power requirements. For rehabilitation projects, include description of components upgraded.

Storage. Identify size, type, location and frequency of operation.

Treatment. Describe process in detail (including whether adding, replacing, or rehabilitating a process) and identify location of any treatment units and site of any discharges (end use for reclaimed water). Identify capacity of treatment plant (i.e. Average Daily Flow).

iii) Solid Waste:

Collection. Describe process in detail and identify quantities of material (in both volume and weight), length of transport, location and type of transfer facilities, and any special handling requirements.

Storage. If any, describe capacity, type, and site location.

Processing. If any, describe capacity, type, and site location.

Disposal. Describe process in detail and identify permit requirements, quantities of material, recycling processes, location of plant, and site of any process discharges.

iv) Stormwater:

Collection System Layout. Identify general location of new pipe, replacement or rehabilitation: lengths, sizes, and key components.

Pumping Stations. Identify size, type, location, and any special power requirements.

Treatment. Describe treatment process in detail. Identify location of treatment facilities and process discharges. Capacity of treatment process should also be addressed.

Storage. Identify size, type, location and frequency of operation.

Disposal. Describe type of disposal facilities and location.

Green Infrastructure. Provide the following information for green infrastructure alternatives:

- Control Measures Selected. Identify types of control measures selected (e.g., vegetated areas, planter boxes, permeable pavement, rainwater cisterns).
- Layout: Identify placement of green infrastructure control measures, flow paths, and drainage area for each control measure.
- Sizing: Identify surface area and water storage volume for each green infrastructure control measure. Where applicable, soil infiltration rate, evapotranspiration rate, and use rate (for rainwater harvesting) should also be addressed.
- Overflow: Describe overflow structures and locations for conveyance of larger precipitation events.

b) Project Schedule. Identify proposed dates for submittal and anticipated approval of all required documents, land and easement acquisition, permit applications, advertisement for bids, loan closing, contract award, initiation of construction, substantial completion, final completion, and initiation of operation.

c) Permit Requirements. Identify any construction, discharge and capacity permits that will/may be required as a result of the project.

d) Sustainability Considerations (if applicable).

i) Water and Energy Efficiency. Describe aspects of the proposed project addressing water reuse, water efficiency, and water conservation, energy efficient design, and/or renewable generation of energy, if incorporated into the selected alternative.

ii) Green Infrastructure. Describe aspects of project that preserve or mimic natural processes to manage stormwater, if applicable to the selected alternative. Address management of runoff volume and peak flows through infiltration, evapotranspiration, and/or harvest and use, if applicable.

iii) Other. Describe other aspects of sustainability (such as resiliency or operational simplicity) that are incorporated into the selected alternative, if incorporated into the selected alternative.

e) Total Project Cost Estimate (Engineer's Opinion of Probable Cost). Provide an itemized estimate of the project cost based on the stated period of construction. Include construction, land and right-of-ways, legal, engineering, construction program management, funds administration, interest, equipment, construction contingency, refinancing, and other costs associated with the proposed project. The construction subtotal should be separated out from the non-construction costs. The non-construction subtotal should be included and added to the

construction subtotal to establish the total project cost. An appropriate construction contingency should be added as part of the non-construction subtotal. For projects containing both water and waste disposal systems, provide a separate cost estimate for each system as well as a grand total. If applicable, the cost estimate should be itemized to reflect cost sharing including apportionment between funding sources. The engineer may rely on the owner for estimates of cost for items other than construction, equipment, and engineering.

f) Annual Operating Budget. Provide itemized annual operating budget information. The owner has primary responsibility for the annual operating budget, however, there are other parties that may provide technical assistance. This information will be used to evaluate the financial capacity of the system. The engineer will incorporate information from the owner's accountant and other known technical service providers.

i) Income. Provide information about all sources of income for the system including a proposed rate schedule. Project income realistically for existing and proposed new users separately, based on existing user billings, water treatment contracts, and other sources of income. In the absence of historic data or other reliable information, for budget purposes, base water use on 100 gallons per capita per day. Water use per residential connection may then be calculated based on the most recent U.S. Census, American Community Survey, or other data for the state or county of the average household size. When large agricultural or commercial users are projected, the Report should identify those users and include facts to substantiate such projections and evaluate the impact of such users on the economic viability of the project.

ii) Annual O&M Costs. Provide an itemized list by expense category and project costs realistically. Provide projected costs for operating the system as improved. In the absence of other reliable data, base on actual costs of other existing facilities of similar size and complexity. Include facts in the Report to substantiate O&M cost estimates. Include personnel costs, administrative costs, water purchase or treatment costs, accounting and auditing fees, legal fees, interest, utilities, energy costs, insurance, annual repairs and maintenance, monitoring and testing, supplies, chemicals, residuals disposal, office supplies, printing, professional services, and miscellaneous as applicable. Any income from renewable energy generation which is sold back to the electric utility should also be included, if applicable. If applicable, note the operator grade needed.

iii) Debt Repayments. Describe existing and proposed financing with the estimated amount of annual debt repayments from all sources. All estimates of funding should be based on loans, not grants.

iv) Reserves. Describe the existing and proposed loan obligation reserve requirements for the following:

Debt Service Reserve – For specific debt service reserve requirements consult with individual funding sources. If General Obligation bonds are proposed to be used as loan security, this section may be omitted, but this should be clearly stated if it is the case.

Short-Lived Asset Reserve – A table of short lived assets should be included for the system (See Appendix A for examples). The table should include the asset, the expected year of replacement, and the anticipated cost of each. Prepare a recommended annual reserve deposit to fund replacement of short-lived assets, such as pumps, paint, and small equipment. Short-lived assets include those items not covered under O&M, however, this does not include facilities such as a water tank or treatment facility replacement that are usually funded with long-term capital financing.

7. CONCLUSIONS AND RECOMMENDATIONS

Provide any additional findings and recommendations that should be considered in development of the project. This may include recommendations for special studies, highlighting of the need for special coordination, a recommended plan of action to expedite project development, and any other necessary considerations.

Appendix A: Example List of Short-Lived Asset Infrastructure

Estimated Repair, Rehab, Replacement Expenses by Item within up to 20 Years from Installation)	
Drinking Water Utilities	**Wastewater Utilities**
Source Related	**Treatment Related**
Pumps	Pump
Pump Controls	Pump Controls
Pump Motors	Pump Motors
Telemetry	Chemical feed pumps
Intake/ Well screens	Membrane Filters Fibers
Water Level Sensors	Field & Process Instrumentation Equipment
Pressure Transducers	UV lamps
Treatment Related	Centrifuges
Chemical feed pumps	Aeration blowers
Altitude Valves	Aeration diffusers and nozzles
Valve Actuators	Trickling filters, RBCs, etc.
Field & Process Instrumentation Equipment	Belt presses & driers
Granular filter media	Sludge Collecting and Dewatering Equipment
Air compressors & control units	Level Sensors
Pumps	Pressure Transducers
Pump Motors	Pump Controls
Pump Controls	Back-up power generator
Water Level Sensors	Chemical Leak Detection Equipment
Pressure Transducers	Flow meters
Sludge Collection & Dewatering	SCADA Systems
UV Lamps	**Collection System Related**
Membranes	Pump
Back-up power generators	Pump Controls
Chemical Leak Detection Equipment	Pump Motors
Flow meters	Trash racks/bar screens
SCADA Systems	Sewer line rodding equipment
Distribution System Related	Air compressors
Residential and Small Commercial Meters	Vaults, lids, and access hatches
Meter boxes	Security devices and fencing
Hydrants & Blow offs	Alarms & Telemetry
Pressure reducing valves	Chemical Leak Detection Equipment
Cross connection control devices	
Altitude valves	
Alarms & Telemetry	
Vaults, lids, and access hatches	
Security devices and fencing	
Storage reservoir painting/patching	

Appendix E. EPA Tribal Clean Water Program TDI Nex Data Entry Guidelines

EPA Tribal Clean Water Indian Set Aside Program
Tribal Direct Implementation Nexus (TDI Nex)
Data Guidelines
March 2012

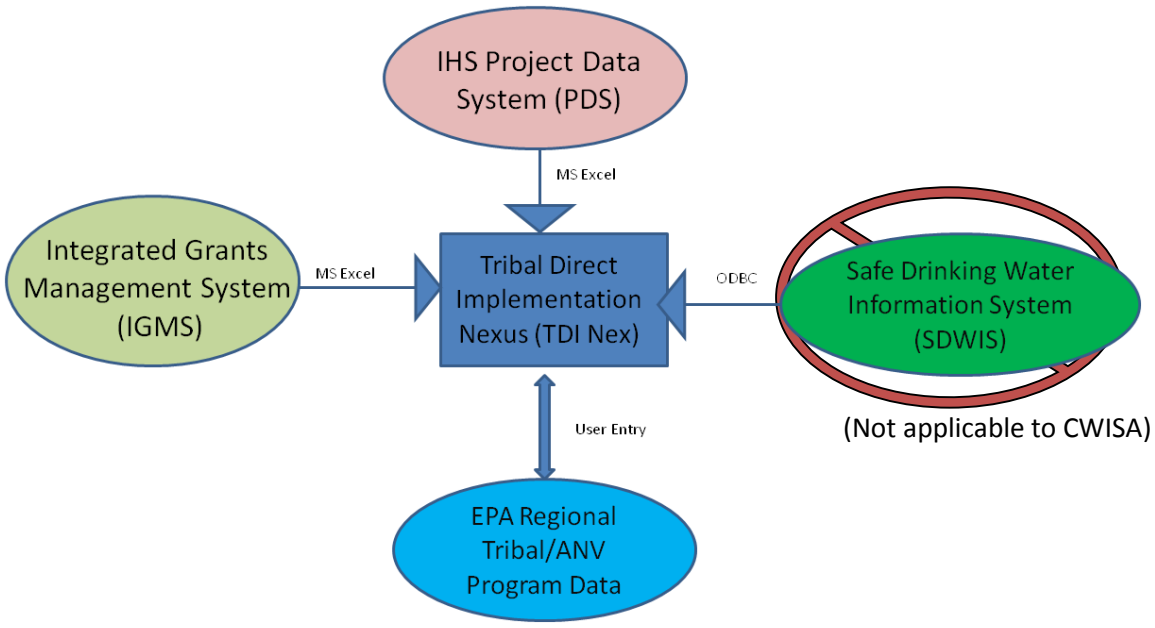
I. Introduction

The Tribal Direct Implementation Nexus (TDI Nex) unites existing data systems from the Environmental Protection Agency (EPA) and Indian Health Service (IHS) with EPA regional tribal and Alaska Native Village (ANV) program data to assist in the oversight of the Clean Water Indian Set Aside (CWISA) Program. Information from existing agency wide data systems: the IHS Project Data System (PDS), the EPA Integrated Grants Management System (IGMS), and the EPA Safe Drinking Water Information System (SDWIS) form the backbone of the TDI Nex. The EPA regional tribal/ANV data supplements the existing data sources to improve EPA's ability to describe the success of the CWISA program.

This document and tool was developed in conjunction with the Drinking Water Infrastructure Grants Tribal Set Aside (DWIG-TSA) Program. There is a separate TDI Nex guidelines document for the drinking water program. SDWIS data is not applicable to CWISA funded projects

This document summarizes data fields available through the TDI Nex Tool and the responsibility and frequency of data updates. The use of this tool is scheduled to start with the FY 2012 funding year and aims to continue for future funding cycles or until future notice.

Figure 1: Data Sources Integrated via the TDI Nex



II. Purpose of Data Integration

The data integration effort is part of an overall strategy by EPA to better establish the specific public health benefits realized in both state and tribal communities by the State Revolving Fund and the tribal set aside programs. Data Integration will also improve EPA's ability to: demonstrate the use of CWISA funds and identify aspects of program implementation that lead to lasting success in Indian country. The TDI Nex tool will be used to improve accountability of the CWISA program by helping to track and summarize the annual fund usage over time. The outputs of the tool will be used to help the CWISA program demonstrate successful implementation over time including a summary of EPA infrastructure investments. The specific region entered data fields are intended to support EPA's goal of improved program accountability.

III. Summary of Data Responsibility

Table 1 summarizes the minimum update frequency and responsibly entity associated with the four data sources integrated by the TDI Nex. EPA headquarters will be responsible for updating the IGMS, IHS PDS and SDWIS data sources quarterly. It is requested that the regional Program Data should be updated by the EPA regions at a minimum prior to each of the bi-annual regional—headquarters check in discussions. Additionally, any project changes that impact the regional data fields (see Table 3 below) and occur outside of scheduled meetings should be updated within 30 calendar days of the change.

Table 1: Data Source Minimum Update Frequency and Responsibility

Data Source	Minimum Update Frequency	Responsibility Entity	Notes
Integrated Grants Management System (IGMS)	Quarterly	EPA HQ	-
Safe Drinking Water Information System (SDWIS)	Quarterly	EPA HQ	N/A to CWISA
IHS Project Data System (PDS)	Quarterly	EPA HQ	-
Regional Tribal and ANV Program Data	Bi-Annually prior to check-in meetings	EPA Regions	-

IV. Description of Data Sources

The following section describes the data fields associated with each database included in the TDI Nex tool.

A. Integrated Grants Management System (IGMS) Data

The Integrated Grants Management Systems (IGMS) is a database used by EPA to manage grant and interagency agreement funding agency wide. Twenty – three (23) IGMS data fields that are of importance to EPA's tribal clean water program have been incorporated into the TDI Nex via a data pull from IGMS that is scheduled to be completed quarterly by EPA headquarters and uploaded to the TDI Nex tool via an excel spreadsheet. The IGMS data will include the follow fields:

Table 2: Integrated Grants Management System Data Fields Included in the TDI Nex

Awarding Region Code	Project Start Date
Applicant Type	Project End Date
Project Officer	Applicant Name
Award Date	EPA Amount This Action
Award Fiscal Year	Total EPA Amount Awarded to Date
Grant No	Recipient Contribution: Amended Total
Grant Family	Other Federal Funds: Amended Total
Grant Status	EPA Amount : Amended Total
Program Code	Expenditure Amount
Project Description	Unliquidated Obligation Amt
Project Title	Final Report
	Final Report Date

Detailed description of the data fields in IGMS can be found at this web link: http://www.epa.gov/enviro/facts/igms/userguide.html

B. Indian Health Service Project Data System (PDS) Data

The Indian Health Service (IHS) maintains six data systems within the Sanitation Tracking and Reporting System (STARS). The data system that is of most importance to the fiduciary responsibilities of the EPA's tribal clean water set aside program is the Project Data System (PDS). PDS data is used by IHS to track construction project progress. Fifty-two (52) PDS data fields of importance to EPA's tribal clean water program will been incorporated in the TDI Nex via a quarterly data pull to be coordinated between EPA and IHS headquarters. EPA headquarters will upload the data to the TDI Nex tool quarterly. The data from PDS will be arranged in six (6) tabs (Project Details, Project Milestones, Homes, Project Costs, Project Funding and IA Project Ids) and will include the following fields:

Table 3: IHS Project Data System Data Fields Included in the TDI Nex

IHS Area	Percent Project Complete
PDS Project Number	Percent Funds Expended
EPA Region	MOA Signed Date
Project Name	Construction Start Date
Tribe	Construction Complete Date
Community State Code	Final Report Date
Community Name	Last Update
Project Homes	Housing Group

Total Cost Total Funding Percent Construction Complete Percent Project Complete Percent Funds Expended MOA Signed Date Construction Start Date Construction Complete Date Final Report Date Last Update Scope Percent Construction Complete* Construction Document Start Date * Construction Documents Complete Date * Construction Phase Start Date * Construction Phase End Date * * Includes: Proposed, Estimated, and Actual Dates.	Home Type Number Homes Homes Served Initial Deficiency Level (IDL) Final Deficiency Level (FDL) First Service Homes Funding Source Code Funding Source Name Fiscal Year Funding Year Estimated Cost Actual Cost Document Num. (“Interagency Agreement”) Estimated Amount Estimated Expenditure Document (“Interagency Agreement”) Signed Date Start Date End Date Document (“Interagency Agreement”) Amount

Additional information regarding these data fields can be found in the *Sanitation Tracking and Reporting System User Manual (September 2008)*.

C. Safe Drinking Water Information System (SDWIS) Data

The SDWIS contains information about public water systems and their violation of EPA’s drinking water regulations, and is not applicable to CWISA funded projects.

D. EPA Regional/ANV Tribal Program Data

Table 4 contains five key numeric data fields Regions are asked to fill in order to reference data tables within the tool.

Table 4: Region Entered Project Identifiers

Data Field	Description	Source	Data Field Location in TDI Nex
Funding Source	Identifies where the program funds will be taken from	EPA Region	Clean Water Project Detail

Data Field	Description	Source	Data Field Location in TDI Nex
Region Project ID#	Number which will identify projects before there are IGMS or PDS numbers available	EPA Region	Clean Water Project Detail
IHS IA/PDS Number	Number associated with IA funded project	IHS (Must be entered by EPA Region)	Clean Water Project Detail
IA Number	Number which identifies the Interagency Agreement under which the project is funded	EPA Region	Clean Water Project Detail
EPA Grant Number	Number associated with direct grant project	EPA Region	Clean Water Project Detail

Table 5 lists **optional** data fields that can be used as needed by Regions to assist in their CWISA program management. The fields described in Table 5 represent data that is currently not tracked by any of the aforementioned existing databases, but are required under the 1998 **DWIG-TSA** Program Guidelines (not required by CWISA guidelines). As a condition of the EPA National Tribal Drinking Water Operator Certification program and as part of an overall effort by EPA to better establish the specific public health benefits realized in both state and tribal communities by the Sate Revolving Fund and DWIG-TSA programs, **DWIG-TSA** Regional project managers will be responsible for data entry for the fields listed in Table 5.

Table 5: Region Entered Data Fields (optional for CWISA projects)

Reference Number	Region Entered Data Field	Description	Notes	Data Field Location in TDI Nex
a	Certified Operator(s) appropriate to operate/maintain current infrastructure	Y/N	At the time of project application	Clean Water Project Detail
b	Certified Operator(s) appropriate to operate/maintain future infrastructure	Y/N/Agrees to Obtain	At the time of project application	Clean Water Project Detail
c	Project Purpose	Narrative of the specific public health benefit (s) achieved by this project	See Section IV-D-2 for additional guidance.	Clean Water Project Detail

d	Primary Project Purpose	Pick List menu of purpose categories to provide sort-able data	See Section IV-D-3 for additional guidance.	Clean Water Project Detail
e	Primary Infrastructure category	Enable project to be categorized by infrastructure type(s) (attached)	See Section IV-D-4 for additional guidance.	Clean Water Project Detail
f	Technical Assistance (TA) Provided	Drop down EPA Funded TA, Other Funded TA, EPA and Other Funded TA or None.	Currently or in the last 12 months prior to project application.	Clean Water Project Detail
g	System has the technical, managerial, and financial capacity to operate the planned infrastructure	Y/N (condition of funding from SDWA and 1998 Guidance)	At the time of project application	Clean Water Project Detail
h	Capacity Agreement	Y/N tribal entity responsible for funding system operations has entered into an agreement to develop the capacity to operate the planned infrastructure	Conditional	Clean Water Project Detail
i	Fiscal Year Funding Tag	Identifies the fiscal year of the funds used for the project		Clean Water Project Detail
j	Project phased	Yes/No		Clean Water Project Detail

Table 6 list additional optional data fields that can be used as needed by Regions to assist in their CWISA program management.

Table 6: Region Entered Data Fields (optional for CWISA projects)

Reference Number	Region Entered Data Field	Description	Notes	Data Field Location in TDI Nex
k	Secondary Project Purpose	Allows categorization of an additional project purpose	Pick List	Clean Water Project Detail
l	Secondary Infrastructure Category	Allows categorization of an additional infrastructure category	Pick List	Clean Water Project Detail
m	Responsible Entity	Responsible entity for oversight of the wastewater system pick	Pick list	Clean Water Project Detail

		list tribal utility board, tribal council, federal government, local (non-tribal) government or none		
n	System O&M Funding Sources	Identifies the funding sources and percent that each attribute to each of the operation and maintenance of the system. List all sources of funds (user fees, tribal enterprise, tribal general funds, federal government or other.)	See Section IV-D-5 for additional guidance	Clean Water Project Detail
O	System Receiving Infrastructure has Asset Management Program	Y/N/Will receive tool as part of project		Clean Water Project Detail
p	Project Prioritization Score	Ranking scheme based on Regional solicitation and prioritization process		Clean Water Project Detail
q	Regional Funding Tracking	Field used to track returned and de-obligated project funds to ensure full project accounting.	As needed	

1. Regional Entered Data Field Descriptions

a. **Certified Drinking Water/Wastewater Operator(s) appropriate to operate/maintain current infrastructure (optional)**: The intent of this field (Yes/No) is to establish if the system receiving project funds is being operated an adequately trained and certified operator. This helps ensure the system has adequate technical, managerial, and financial capacity.

b. **Drinking Water/Wastewater Certified Operator(s) appropriate to operate/maintain future infrastructure or agreement to obtain (optional)**: The intent of this field (Yes/No/Agrees to Obtain) is to indicate if the system receiving funds will be operated by adequately trained and certified operator following project completion. An appropriately certified operator helps ensure the system has adequate technical, managerial, and financial capacity.

c. **Project Purpose Narrative (optional)**: the intent of this narrative field is to specifically establish how the infrastructure funded by the tribal set aside will improve public health

in Indian country by; a.) facilitating compliance with the Clean Water Act (CWA) and/or b.) significantly furthering the health objectives of the CWA and CWISA program guidelines. The population of this field explains the contribution a project has to public health protection as indicated by the traditional program measure for the provision of access to safe wastewater sanitation services (WQ-24) and/or other public health impacts. Additional details provided in Section IV-D-2 below.

d. **Primary Project Purpose Category (optional)**: the intent of this data pick list field is to provide easy sorting of projects for data summary and analysis purposes according to categories of public health purpose. Additional details provided in Section IV-D-3

e. **Primary Infrastructure category (optional):** The intent of this pick list field is to systematically categorize the infrastructure funded by the tribal set aside programs. Data in this field will allow for a more complete summarization and analysis of the infrastructure built by EPA in Indian country (e.g. most common infrastructure category is addressing limited wastewater capacity). Data in this field will promote the adoption of best practices and allow EPA to quickly identify the general use of funds for a particular system or tribe. Additional detail on this field is provided in Section IV-D-4.

f. **Technical Assistance Provided (optional):** The intent of this field pick list is to establish if a system receiving CWISA funds is receiving or has received support from services funded by EPA, other technical assistance support, or none in the last 12 months prior to funding application. Information in this field will enable EPA to better understand the capacity support provided for each project and promote comparative analysis of post project outcomes.

g. **Technical, managerial, and financial (TMF) capacity (optional)**: The intent of this field (Yes/No) is to establish that the system receiving CWISA funds currently has adequate technical, managerial, and financial capacity.

h. **Capacity Agreement (optional):** The intent of this field (Yes/No) is to establish that a system receiving CWISA funds that does not possess adequate technical, managerial, and financial capacity has entered into an agreement to undertake feasible changes in operations necessary to ensure that the system has the technical, managerial, and financial capability.

i. **Fiscal Year Funding Tag (optional):** The intent of this field is to establish the primary fiscal year of the funds awarded to an infrastructure project. If a project utilizes multiple funding years, the EPA region should select the fiscal year from which the majority of the project funds originated.

j. **Project Phased (optional):** The intent of this Y/N field is to determine if additional project phases must be completed before the project purpose is fulfilled. If in order to fulfill the project purposed additional project(s) must be complete then the project is

phased (Yes). If the project purpose will be met when this project is complete - without a need for additional funding - then the project is not phased (No).

k. **Secondary Project Purpose (optional)**: The intent of this field is to allow regions to categorize a secondary project purpose.

l. **Secondary Infrastructure Category (optional):** The intent of this field is to allow regions to categorize additional infrastructure categories as applicable.

m. **Responsible Entity (optional):** The intent of this pick list field is to establish how operation of the wastewater system receiving CWISA funding is overseen (e.g. a utility board, tribal council, local non-tribal government, federal government or none). Information in this field will provide insight on the organizational set-up of wastewater systems receiving EPA funds.

n. **Wastewater System O&M Funding Source (optional):** The intent of this field is to determine the source(s) of funds utilized by the utility system to regularly maintain and operate its facilities. Information in this field will provide insight on the organizational set-up of wastewater systems receiving EPA tribal set aside funds and help identify systems/projects that may benefit from managerial and financial capacity training to help ensure optimal operation of infrastructure over its lifetime. Additional detail on this field is provided in Section IV-D-5.

o. **System Receiving Infrastructure has Asset Management Program (optional):** The intent of this field is to establish if the system receiving the CWISA funded infrastructure has or will have by project completion, a program to effectively manage their existing and future assets. EPA has an interest in providing asset management tools for systems in Indian country to help ensure proper operation of water infrastructure to achieve continual compliance with the CWA and to avoid unnecessary use of program funds.

p. **Regional Project Ranking (optional):** This intent of this field is for use by EPA regions, to indicate the regional ranking associated with a project.

q. **Regional Fund Tracking (optional):** The intent of this field is to track funding of projects that utilize funds from multiple fiscal years.

2. Project Purpose Narrative Data Field Entry Guidelines

The minimal reporting guidelines for data entry in the Project Purpose field by EPA regional staff are described below. This data may be entered into either:

i. The “Project Description” data field in IGMS data system for direct grant and IA funded projects
ii. The “Project Description” data in IHS PDS data system for IA funded projects

iii. The "Project Purpose Narrative" data field in the TDI Nex for direct grant and IA funded projects

If possible, it is recommended that EPA regional staff utilize option (i) to ensure the quality of the data contained within the "Project Description" field in IGMS is consistent across EPA data systems and to reduce duplicative data entry requirements.

Option ii could be used for CWISA projects funded through IAs with IHS. Under this option, the EPA regions could ask the IHS area to input the level of detail requested by EPA into the PDS data system.

Option iii relies upon duplicative direct data entry into the TDI Nex and data is entered into the Project Purpose field.

Project purpose narrative field data that meets these guidelines will only need to be re-visited by the EPA region if changes in scope occur that alter a project's purpose.

a. Background: The intent of this field is to establish how the infrastructure funded by the tribal set aside will improve public health in Indian country by; a.) facilitating compliance with the CWA and/or b.) significantly furthering the health objectives of the CWA and CWISA guidelines. Data entered into this field must explain the contribution an awarded project will make to the protection of public health as demonstrated by the EPA tribal Clean Water program measure: WQ-24 and/or other health indicators.

- **WQ-24.N11**: Number of American Indian and Alaska Native homes provided access to basic sanitation in coordination with other federal agencies.

b. Data Field Guidelines: This field should be populated by 1 or more sentences that include the following:

- Identification of the specific system infrastructure deficiencies addressed by the awarded project
  - Identification of the total system infrastructure deficiencies (for phased and shared cost projects)
- Description of the negative public health effects and/or threats caused by the identified system infrastructure deficiencies (include an estimate of population affected for phased, first service, new wastewater system, shared cost, and feasibility study projects)
  - Public health effect: a demonstrated and documented health impact on the service population or the environment (e.g. health-based violations, water quality monitoring data, health impairments due to wastewater exposure, etc.)

- Public health threat: an identified situation that may lead to a public health effect based upon existing water system deficiencies (e.g. lagoon seepage, point source pollution, wastewater exposure etc.)

- Description of what infrastructure will be built and how that infrastructure will address the identified deficiencies.
- Identification of the specific public health benefit(s) gained or negative public health impact(s) avoided by addressing the infrastructure deficiencies.

c. Data Entry Examples:

(Examples are drafted for DWIG projects - CWISA funded projects my use similar language, as appropriate.)

i. Existing System Upgrade

This project will prevent TCR violations as well as address DBPR MCL exceedences for TTHMs caused by bacteriological growth and low pressure due undersized pipe, and dead-ends by replacing existing mains with 5000' of 10 inch pipe to loop the system which will improve the hydraulics, prevent growth and support compliant chlorine residuals.

ii. First Service Extension

The project directly addresses an ongoing Radionuclides Rule MCL violation at the current system (PWS ID 090400267) by taking the current system offline and extending the neighboring, NPDWR compliant Bald Hill water system to serve the 30 residents of Bald Hill on Hoopa Valley Tribal Lands. This grant will provide funds for the construction of 2 drinking water tanks, 2 pump stations, and 10,000 ft of 6" PVC pipeline. Pre-award costs have been approved back to August 1, 2004.

iii. New System

This project will address a significant risk to public health from bacteriological contamination and disruptions in service due to treatment malfunction and water main breaks. One main break resulted in a loss of pressure and required the issuance of a boil water notice. This grant will provide funds for the construction of a new community water system to serve the 60 residents of the Kwigillingok Village in Alaska. The current system is scheduled to reach the end of its design life by 2014. The new system will include; a new treatment building and equipment, 1 new tank, and a new water main and distribution system. The new system will rely on a geothermal power plant installed by the Department of Energy to reduce operating costs and provide circulated heat to prevent pipe breaks.

iv. *Phased Project*

This project is Phase I of IV of an overall plan to construct a 50 mile transmission line and regional water system between Shiprock, NM and Sweetwater, AZ. The fully completed project will address Arsenic MCL violations at 5 water systems (NN0400571, NN0400572, NN0400574, NN0400575, and NN0400578) that serve 7832 residents/1958 homes in 7 communities with a current deficiency of 4. In addition, this project will increase revenues by expanding the rate payer base and provide operational efficiencies to help address TCR MR repeat major violations at NN0400572 and NN040574.

Phase I will address the Arsenic MCL violation for 600 homes (1200 residents) in the Sweetwater System (NN0400571). Construction will include; two 500,000 gallon water storage tanks in Sweetwater and Teec Nos Pos, a 300 gallon-per-minute (gpm) booster station in Sweetwater with a 3-phase power line upgrade, 17,000' of 6" waterline between the Sweetwater Master Well and the Sweetwater Franco-Western Well, 250' of 14" water transmission line, booster station upgrades at two sites in Beclabito, and a new booster station on the existing inter-tie between Cudei and Beclabito.

v. *Shared Cost Project*

This project will address a risk to public health from bacteriological contamination caused by chlorination equipment malfunction and subsequent interruptions in service as well as a lack of staffing by installing a new water treatment plant. This project includes construction of a new building, two new high service pumps at the water treatment plant for pumping to the community elevated water storage reservoir, two new high service pumps at the lake intake, a chlorine contact tank with equalization storage at the water treatment plant, three chemical treatment rooms for chorine/fluoride, ammonia, and filter cleaning chemicals, and modest office and laboratory space for water treatment plant operation. This project is being funded by EPA and IHS. EPA's contribution will be used to fund outside engineering services to provide specialized design work needed for the geotechnical evaluation, the building and its systems, and possibly the treatment process itself.

vi. *Feasibility Study*

This project is for a feasibility study to target the best option to directly address the Arsenic Rule exemption at the Meneger's Dam water system set to expire in 2015. This project will provide for a feasibility study to compare the total life time system costs of, but not limited to, the following alternatives:

- Creating an expanded regional water system that will connect the Meneger's Dam water system to the proposed Gu Vo/Pia Oik Regional Water System. The Gu Vo water system will be combined with the Pia Oik water system under IHS projects TU 99-262 and TU 99-252, creating the Gu Vo/Pia Oik Regional Water System. The Gu VO/Pia Oik Regional Water System will utilize a water source with an arsenic level of only 5 ppb.
- Provide a water treatment plant for the Meneger's Dam water system.

Findings from this study will be used to plan and design the most cost effective and expedient solution to ensure public health protection under the Arsenic Rule for the population served by the Meneger's Dam system.

vii. Other Infrastructure

This project will directly address TCR MCL violations due to bacteriological contamination caused by water system power loss and subsequent pressure loss. Loss of pressure in drinking water systems is closely associated with bacteriological contamination of water supplies and the risk of exposure to disease causing organisms. Both systems have experienced TCR MCL violations and have issued boil water notices over the last year during power failures. One diesel powered generator will be installed at the two small tribal community water systems to provide power during predictable interruptions in power supplied by San Diego General Electric during wind storms and fire events and maintain pressure within the system.

3. Project Purpose Category Data Field Entry Guidelines

To enable the categorization and sorting of projects to summarize use of funds and identify trends, the Project Purpose Category "pick list" may be used in conjunction with the Project Purpose Narrative field. The following list of purpose categories is intended to identify the public health impact of each project. Users are requested to select the primary and if needed secondary categorical purpose for each CWISA funded project.

The infrastructure project will [check one] (__directly OR __ as part of a phased approach):

a. Address public exposure to untreated wastewater
b. Address limited wastewater treatment capacity
c. Provide first service to homes that lack access to basic sanitation
d. Provide operational efficiencies and reduce O&M
e. Other

4. Infrastructure Category Data Field Entry Guidelines

The Infrastructure Category pick list may be used to enable the categorization and sorting of projects to summarize the use of funds and identify trends. The following list of infrastructure categories is intended to clearly identify the main purpose of the wastewater system capital expenditure funded directly by EPA. Users may select the primary and if needed secondary infrastructure category for each CWISA funded project.

Clean Water Indian Set Aside	
Project Infrastructure Categories[1]	
Project Infrastructure Category	**Description**
Planning	Engineering Project Report that includes: executive summary, background narrative, preliminary design description, alternative considered and recommended solution, permits required, O&M requirements, environmental considerations, and project cost estimate.
Design	Construction project plans and budget
Wastewater Treatment Plant	Screens, grit removal, clarifiers, sludge pumps, aeration, blowers, trickling filters, batch reactors, biological reactors, digesters, recirculating pumps, chemical feed, filtration, chlorination, dechlorination, UV disinfection, dewatering, biosolids management, nutrient removal, constructed wetlands, and sludge disposal
Wastewater Lagoon	Wastewater treatment lagoons, aeration basins and ponds, aerators, and sludge disposal
Decentralized Wastewater Treatment	Onsite septic systems for individual homes or small clusters of homes
Wastewater Collection	Wastewater mains (transport of wastewater through a piping grid serving customers), service line replacement, service lines, lift stations, clean outs, valves (gate, butterfly, etc.) control valves, backflow prevention devices, and meters.
Other	Laboratory capital costs for labs owned by the system, asset management software/program, computer and automation cost (SCADA), pump controls/telemetry, emergency power, security fencing, security other physical (lights, wall, manhole locks, other locks), security electronic/cyber (computer firewall, closed circuit TV), security monitoring tools (identify anomalies in process streams or finished water), flow meters, generators, & utility shop maintenance materials.

[1] Select categories adapted from professional technical knowledge and the Clean Watersheds Needs Survey. Items listed for each description are intended to indicate where different system infrastructure components should be categorized. It is not an exhaustive list of eligible examples.

5. Wastewater System Funding Source Data Field Entry Guidelines (Optional Regional Field)

Wastewater system support for the maintenance and operation is crucial for the service population to receive the maximal public health benefit from EPA's water infrastructure investments. The categories listed below enables the user to categorize the source of funding. Categorization of funding source provides a method to easily identify trends in project award, as well as retrospective analysis of post award performance. Information contained within this field will also help EPA target the appropriate party for managerial and financial capacity training to support system viability.

Wastewater System Funding Source

- User fees
- Tribal Government General Fund
- Tribal Economic Enterprises
- Federal Government
- Other

Appendix F. Project Types/Infrastructure Categories

Excerpt from CWISA TDI Nex Guidelines (March 2012)

Clean Water Indian Set Aside	
Project Infrastructure Categories[1]	
Project Infrastructure Category	**Description**
Planning	Engineering Project Report that includes: executive summary, background narrative, preliminary design description, alternative considered and recommended solution, permits required, O&M requirements, environmental considerations, and project cost estimate.
Design	Construction project plans and budget
Wastewater Treatment Plant	Screens, grit removal, clarifiers, sludge pumps, aeration, blowers, trickling filters, batch reactors, biological reactors, digesters, recirculating pumps, chemical feed, filtration, chlorination, dechlorination, UV disinfection, dewatering, biosolids management, nutrient removal, constructed wetlands, and sludge disposal
Wastewater Lagoon	Wastewater treatment lagoons, aeration basins and ponds, aerators, and sludge disposal
Decentralized Wastewater Treatment	Onsite septic systems for individual homes or small clusters of homes
Wastewater Collection	Wastewater mains (transport of wastewater through a piping grid serving customers), service line replacement, service lines, lift stations, clean outs, valves (gate, butterfly, etc.) control valves, backflow prevention devices, and meters.
Other	Laboratory capital costs for labs owned by the system, asset management software/program, computer and automation cost (SCADA), pump controls/telemetry, emergency power, security fencing, security other physical (lights, wall, manhole locks, other locks), security electronic/cyber (computer firewall, closed circuit TV), security monitoring tools (identify anomalies in process streams or finished water), flow meters, generators, & utility shop maintenance materials.

[1]Select categories adapted from professional technical knowledge and the Clean Watersheds Needs Survey. Items listed for each description are intended to indicate where different system infrastructure components should be categorized. It is not an exhaustive list of eligible examples.

Appendix G.Federal Cross-Cutting Authorities

Federal Cross-Cutting Authorities

The following is a list of cross-cutting authorities for the CWISA program. It is not all inclusive and regional coordinators should confirm with current rules and regulations to ensure that all federal policies are followed. A more detailed description of the federal laws, executive orders, OMB Circulars and their implementing regulations is available through the OGD Grants Intranet website at http://intranet.epa.gov/ogd/ or through the regional Grants Management Office.

Environmental Authorities

- Archeological and Historic Preservation Act of 1974, Pub. L. 86-523, as amended
- Clean Air Act, Pub. L. 84-159, as amended
- Coastal Barrier Resources Act, Pub. L. 97-348
- Coastal Zone Management Act, Pub. L. 92-583, as amended
- Endangered Species Act, Pub. L. 93-205, as amended
- Environmental Justice, Executive Order 12898
- Floodplain Management, Executive Order 11988 as amended by Executive Order 12148
- Protection of Wetlands, Executive Order 11990
- Farmland Protection Policy Act, Pub. L. 97-98
- Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- National Historic Preservation Act of 1966, PL 89-665, as amended
- Safe Drinking Water Act, Pub. L. 93-523, as amended
- Wild and Scenic Rivers Act, Pub. L. 90-542, as amended

Economic and Miscellaneous Authorities

- Demonstration Cities and Metropolitan Development Act of 1966, Pub. L. 89-754, as amended
- Executive Order 12372, Intergovernmental Review of Federal Programs
- Procurement Prohibitions under Section 306 of the Clean Air Act and Section 508 of the Clean
- Water Act, including Executive Order 11738, Administration of the Clean Air Act and the Federal
- Water Pollution Control Act with Respect to Federal Contracts, Grants, or Loans
- Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended
- Debarment and Suspension, Executive Order 12549
- Davis-Bacon Act, Pub. L. 107-217, as amended
- Buy American Act, Pub. L. 110-28, as amended

Social Policy Authorities

- Age Discrimination Act of 1975, Pub. L. 94-135
- Title VI of the Civil Rights Act of 1964, Pub. L. 88-3524
- Section 13 of the Federal Water Pollution Control Act Amendments of 1972, Pub. L. 92-500 (the Clean Water Act)
- Section 504 of the Rehabilitation Act of 1973, Pub. L. 93-112 (including Executive Orders 11914 and 11250)
- The Drug-Free Workplace Act of 1988, Pub. L. 100-690 (applies only to the capitalization grant recipient)
- Equal Employment Opportunity, Executive Order 11246
- Women's and Minority Business Enterprise, Executive Orders 11625, 12138 and 12432
- Section 129 of the Small Business Administration Reauthorization and Amendment Act of 1988, Pub. L. 100-590
- Anti-Lobbying Provisions (40 CFR part 30 [or its successor 2 CFR parts 200 and 1500) [applies only to capitalization grant recipients].

Appendix H.Grant Management and Oversight Requirements

Grant Management and Oversight Requirements

Grants through the CWISA program are subject to assistance agreement regulations, Office of Management and Budget (OMB) cost principles, the Cash Management Improvement Act, and Agency policies. Grants must be awarded and managed as any other assistance agreement. The Office of Grants and Debarment (OGD) has developed Orders, Grants Policy Issuances (GPIs), Policy Notices, and directives to assist project officers and program offices in fulfilling and understanding their responsibilities (available at http://intranet.epa.gov/ogd/policy_training_compliance_content.htm. Several grant requirements are discussed in further detail below.

Orders, Policies, and Directives	Overview
EPA Order 5700.7, *Environmental Results Under Assistance Agreements*	The Order applies to funding packages to the Grants Management Office after January 1, 2005, and requires EPA Program Offices to: 1) Link proposed assistance agreements to the Agency's Strategic Plan/Government Performance and Results Act (GPRA) architecture; 2) Ensure that outputs and outcomes are appropriately addressed in assistance agreement work plans and funding recommendations; and 3) Ensure that progress in achieving agreed-upon outputs and outcomes is adequately addressed in grantee progress reports and advanced monitoring activities.
OGD policy memorandum GPI 00-02, *Pre-Award Costs*, and 2 CFR 225	Applies to all grants awarded on or after April 1, 2000 and addresses EPA's revised interpretation of a provision in the general grant regulations at 40 CFR 31.23(a) (or its successor 2 CFR 200 and 1500) concerning the approval of pre-award costs. Addresses EPA's interpretation of a provision in the general grant regulations at 40 CFR 31.23(a) (or its successor 2 CFR 200 and 1500) allowing up to 90 days of preaward costs. • Recipients may incur pre-award costs [up to] 90 calendar days prior to the award date provided they include such costs in their application, the costs meet the definition of pre-award costs and are approved by the EPA Project Officer and EPA Award Official. • The award official can approve pre-award costs incurred more than 90 calendar days prior to the grant award date, in appropriate circumstances, if the pre-award costs are in conformance with the requirements set forth in 2 CFR 225 (supersedes OMB Circular A-87, Cost Principles for state, Local, and Indian Tribal Governments) and with applicable Agency regulations, policies and guidelines. If otherwise consistent with the coverage of 2 CFR 225, the following two situations may meet the requirements at Appendix B 31. Pre-award costs: • Any allowable costs incurred after the start of the fiscal year for which the funds were appropriated but before grant award (i.e. for a FY 2010 project, this date is October 1, 2009). • Allowable facilities planning and design costs associated with the construction portions of the project included in the grant that were incurred before the start of the fiscal year for which the funds were appropriated (i.e. for a FY 2010 project, this date is October 1, 2009).
OMB Circular A-16, which incorporates Executive Order 12906 and the One-Stop Geospatial E-gov Initiative	Project officer must indicate in the funding recommendations for a proposed assistance agreement that the grant involves or relates to the creation, collection, or analysis of geospatial information.

Orders, Policies, and Directives	Overview
OGD Cost Review Guidance	GPI's 00-05 & 08-04 require EPA staff to review all elements of cost for all funding packages. Cost review checklists are available at http://intranet.epa.gov/ogd/policy/7.0-GPI-Topics.htm.
EPA Order 5700.6A2, *Policy on Compliance, Review, and Monitoring*	Streamlines post-award management of assistance agreements and helps ensure effective oversight of recipient performance and management. Requires EPA project office to develop and carry out post-award monitoring plan, and conduct annual baseline monitoring or the equivalent for every award.
OGD directives to project officers	Grants will be managed according to OGD policies and available on the OGD intranet side and in the Assistance Agreement Almanac (AAA) (https://wiki.epa.gov/nptcd/index.php/Assistance_Agreement_Almanac) available via the OGC Wiki and AAA website (https://ssoprod.epa.gov/sso/jsp/nptcdwiki_login.jsp).
OGD policy memorandum GPI 08-05, *Guidance regarding Grants Management and the Management of Interagency Agreements under the Performance Appraisal and Recognition System (PARS)* Office of Human Resources (OHR) PARS policy documents	For consideration in assessing grants project officer and supervisor/manager compliance with key grants management policies under the PARS process, developing PARS performance agreements, and conducting mid-year and end-of-year performance reviews. http://intranet.epa.gov/policy/pars/index.htm
"Place of performance" requirement	For most projects, the geographic information needed includes the NPDES or SDWIS number(s). For those without these identification numbers, the latitude and longitude of the project should be provided.

Appendix I. NEPA Exemption Memo for CWISA Direct Grants

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
WASHINGTON, D.C. 20460

JUN 12 2012

OFFICE OF
ENFORCEMENT AND
COMPLIANCE ASSURANCE

MEMORANDUM

SUBJECT: Clean Water Indian Set-Aside Grant Program and the National Environmental Policy Act (NEPA)

FROM: Susan E. Bromm, Director
Office of Federal Activities

TO: James A. Hanlon, Director
Randy Hill, Deputy Director
Office of Wastewater Management
Office of Water

This memorandum is intended to clarify EPA's responsibilities under the National Environmental Policy Act (NEPA) for grants to eligible tribes issued under Section 518(c) of the Clean Water Act (CWA) through the Clean Water Indian Set-Aside (CWISA) Grant Program. CWISA grants may be issued directly from EPA to an eligible tribe or through an Interagency Agreement (IA)[1] with the Indian Health Service (IHS).

Where EPA transfers funds to IHS to administer grants for tribal wastewater construction projects through an IA[2], IHS is responsible for complying with any applicable Federal requirements, including NEPA, subject to its statutory authorities, regulations, and guidance for the subsequent funded wastewater construction projects.

In contrast, EPA's issuance of a direct grant to an eligible tribe is not subject to NEPA pursuant to a general exemption under Section 511(c) of the CWA[3]. Therefore, no NEPA review is required for EPA's issuance of a direct CWISA grant to an eligible tribe. However, under appropriate circumstances, a NEPA document may be prepared pursuant to EPA's "Policy and

[1] All CWISA IAs with IHS are processed through the Interagency Shared Service Center – West in Seattle, Washington.
[2] EPA's action of transferring funds to IHS through an IA is an administrative action eligible for a non-documentable categorical exclusion (CE) under EPA's NEPA Implementing Regulations (40 CFR 6.204(a)(2)(ii))
[3] Historically, EPA performed NEPA reviews on these actions as required by Section 602(b) of the CWA that applies only to clean water projects "constructed in whole or in part before fiscal year 1995…" However, any directly funded CWISA projects constructed in whole or in part after fiscal year 1995 are statutorily exempt from NEPA pursuant to Section 511(c) of the Clean Water Act (CWA).

Procedures for Voluntary Preparation of National Environmental Policy Act (NEPA) Documents."[4] Voluntary NEPA documentation can be particularly useful in situations where other federal agencies are preparing NEPA documentation for related actions, where NEPA's well-understood and long-standing procedures provide an opportunity for increased public involvement, and where the NEPA process can facilitate analysis of environmental impacts.

Under the Policy, EPA will prepare an EA or, if appropriate, an EIS on a case-by case basis in connection with Agency decisions where the Agency determines that such an analysis would be beneficial. Among the criteria that may be considered in making such a determination are: (a) the potential for improved coordination with other federal agencies taking related actions; (b) the potential for using an EA or EIS to comprehensively address large-scale ecological impacts, particularly cumulative effects; (c) the potential for using an EA or an EIS to facilitate analysis of environmental justice issues; (d) the potential for using an EA or EIS to expand public involvement and to address controversial issues; and (e) the potential of using an EA or EIS to address impacts on special resources or public health.

Please feel free to contact me at (202) 564-5400, or have your staff contact Jessica Trice, at (202) 564-6646, if you have any questions.

[4] Policy and Procedures for Voluntary Preparation of National Environmental Policy Act (NEPA) Documents, 63 Fed. Reg. 58045 (1998). <http://www.gpo.gov/fdsys/pkg/FR-1998-10-29/pdf/98-29019.pdf>

Appendix J. Interagency Agreement (IA) Standard Terms and Conditions

Interagency Agreement between the
U.S. Environmental Protection Agency and the Indian Health Service
for Tribal Wastewater Facilities Construction

I. ADMINISTRATIVE TERMS AND CONDITIONS

This Interagency Agreement (IA) provides for the coordination between the Environmental Protection Agency (EPA) Region [___] Clean Water Indian Set Aside (CWISA) Program and the Indian Health Service (IHS) Sanitation Facilities Construction Program. This IA applies to funds appropriated to the EPA under sections 518(b) and (e) of the Federal Water Pollution Control Act (the Clean Water Act), which the EPA intends to transfer to the IHS under this IA.

If the actual cost of providing the facilities is less than the amount in the Project Documents, the IHS Area Office and the EPA Region, in consultation with the Tribe, will coordinate the disposition of the remaining funds. The parties may decide to increase the scope or identify another project for funding, or the IHS may return the unused funds to the EPA. Any project changes agreed to by the parties must be reflected in the IA through an amendment prior to expiration of the IA and before allocating funds to a new project, unless the IHS decides to return the funds to the EPA. If the parties cannot come to agreement, the IHS will return the funds to the EPA.

Funds transferred by EPA to the IHS under this IA may only be used in agreements authorized by Indian Sanitation Facilities Act, 42 U.S.C. 2004a. IHS Area Offices may use up to 15 percent of the lA project funds allocated to them to support management and oversight of each project funded by this IA.

The IHS is approved to purchase equipment in accordance with its equipment management policies. The IHS will determine that the equipment is in the best interest of the government and is necessary for the performance of the projects under this IA. Disposition of the equipment will be subject to IHS equipment management policies or as specified in the Project Documents with no further accountability to EPA.

A. Resolution of Disagreements

Should disagreements arise on the interpretation of the provisions of this agreement or amendments and/or revisions thereto, that cannot be resolved at the operating level, the area(s) of disagreement shall be stated in writing by each party and presented to the other party for consideration. If agreement or interpretation is not reached within 30 days, the parties shall forward the written presentation of the disagreement to respective higher officials for appropriate resolution.

If a dispute related to funding remains unresolved for more than 30 calendar days after the parties have engaged in an escalation of the dispute, disputes will be resolved in accordance with instructions provided in the Treasury Financial Manual (TFM) Volume I, Part 2, Chapter 4700, Appendix 10, available at http://www.fms.treas.gov/tfm/index.html.

B. Duration of Agreement and Termination Procedures

This agreement shall continue in effect until IHS or EPA provides written notice of termination, or when a project (or projects) funded under this agreement are completed or are no longer needed for the purpose identified in the Project Documents. Any funds that are obligated up to and on the date of termination will remain obligated to the project(s) identified in this agreement. Notice shall be given to the other party at least 60 days in advance of a termination date or change in scope.

As per section 4.3.2 of EPA's "Interagency Agreement Policies, Procedures, and Guidance Manual 2008" the total duration of the project period for an IA may not exceed 7 years unless (1) there is statutory or regulatory authorization for a longer period, (2) a signed waiver from an EPA Director, Office of Grants & Debarment (OGD), or designee, granting an exception is obtained, or (3) in the case of an allocation (appropriation) transfer, a shorter period is mandated, i.e., 5 years. This durational limitation includes both the original period of performance and any extensions. The initial determination of the appropriate length

of the project period should take this limitation into account. (For example, an IA between IHS and EPA normally has a 5-year term. The IA can be extended upon approval of the parties for up to two more years for a total IA term of 7-years. An IA cannot be extended beyond the 7-year limit unless a waiver is granted by the EPA Director, Office of Grants & Debarment.) To exceed the 7-year policy limitation, a waiver request must be submitted in writing by the appropriate EPA Senior Resource Official to OGD. The OGD Director, or designee, may approve waivers on a class or individual basis because of national security concerns, circumstances of unusual or compelling urgency, unique programmatic considerations, or because the waiver would be in the public interest.

C. Sufficient Progress

EPA expressly reserves the right to terminate the IA for failure to make sufficient progress so as to reasonably ensure completion of the project within the project period (as defined in Section I.B.), including any extensions. EPA will measure sufficient progress by examining the performance required under the Statement of Work, the time remaining for performance, and/or the availability of funds necessary to complete performance. Prior to exercising this right to terminate, EPA will follow the resolution procedures cited Section I.A.

D. Cost Collection upon Cancellation

If the EPA cancels the order, the IHS is authorized to collect costs incurred prior to cancellation of the order plus termination costs, up to the total payment amount provided for under the agreement.

E. IAs with Contracts or Procurement

The IHS will use its administrative policies and procedures including those under the Buy Indian Act provisions for direct federal acquisition, to implement and execute projects funded under this IA.

F. Fiscal and Project Reporting Requirements

The IHS will update its Sanitation Tracking and Reporting System (STARS) quarterly and provide a report in STARS that may be accessed by the EPA. The report will include at minimum, project-specific estimated expenditures and actual milestones achieved to date and will be available to the respective EPA Regional DWIG Program Coordinator and to the EPA Financial Management Center. The STARS will be updated by the 30th day following the end of a quarter, beginning with the first full reporting period after funds are received by the IHS.

G. Audit Findings

If an audit determines that any direct or indirect costs in a project funded under this IA are unallowable, the parties to this IA will be notified immediately following resolution of the audit and the IHS project account will be credited for ineligible costs.

II. PROGRAMMATIC TERMS AND CONDITIONS

A. Authority and Purpose

The activities under this IA are being executed by the EPA pursuant to sections 518(b) and (e) of the Federal Water Pollution Control Act (the Clean Water Act) 33 U.S.C. 1377(b) and (e). The services and facilities will be provided to the Tribe by the IHS under the authorities of the Transfer Act, 42 U.S.C. 2001; Indian Sanitation Facilities Act, 42 U.S.C. 2004a; and Section 302 of Indian Health Care Improvement Act, as amended, 25 U.S.C. 1632.

B. EPA Responsibilities

1. The EPA Regional Office shall designate a representative to coordinate its participation in projects (Regional Program Coordinator). This representative shall formally advise the respective IHS Area Office of this designation.

2. As resources permit the EPA shall provide to the IHS and Tribes technical assistance as needed to successfully meet applicable program requirements.

3. The EPA Regional Office will ensure that the proposed projects are in accordance with the Federal Water Pollution Control Act (the Clean Water Act), annual national guidance and the Clean Water Indian Set Aside Program Final Guidelines 1989 and the Addendums.

4. EPA Regional Office will ensure that water collection and analysis methodologies (as applicable) are in accordance with the IHS/EPA jointly developed Quality Assurance Project Plan (QAPP).

5. EPA is responsible for any distribution within the EPA of the final technical and financial report provided to the respective EPA Regional Program Coordinator after the construction phase completion.

6. The EPA will not be a signatory on any Project Summaries or Memorandums of Agreement.

7. Where appropriate, EPA Regions shall provide comments to IHS Area Offices on the design and planning documents associated with projects funded by the IA within 30 days of receiving said documents.

8. EPA Regions shall monitor construction progress with: data from the IHS database, discussions with the IHS Area Offices and field site visits as necessary to ensure the level of expended funds is reasonable given the reported milestone dates. The EPA will consult with the IHS Area Office quarterly to discuss project status.

9. The EPA Regions will participate in the final project inspection, as deemed necessary and resources permitting. At project completion, the EPA Region will review the final technical and financial reports provided by the IHS Area Office and will initiate the necessary EPA close-out process.

10. The EPA Regions will acknowledge and respond to IHS Area invitations to participate in project activities within 10 days of receipt.

C. IHS Responsibilities

1. The IHS shall implement and execute projects funded under this IA using its administrative policies and procedures as described in the Indian Health Manual, Part 5, Chapter 2, Memorandum of Agreement.

2. Project Documents (Project Summary/ Memorandum of Agreement or Arrangements as described in 42 U.S.C. 2004a) will be developed by the IHS Area Office, in consultation with the respective Tribes and respective EPA Regional Office.

3. Unless otherwise stipulated in the project documents, the IHS shall be the lead agency in assuring compliance with the National Environmental Policy Act (NEPA), the National Historic Preservation Act (NHPA), and other applicable Federal requirements only if the EPA funds are deposited in the IHS financial system (UFMS).

4. Quarterly progress reports will be available to EPA through the IHS STARS system as stated in I.F., Fiscal and Project Reporting Requirements. Should the need arise and if the agencies mutually agree, the report may be supplemented.

5. The EPA Regional Office shall be formally notified of and invited to participate in the conceptual design meeting, the final plans and specification review, and the final inspections for projects in which EPA

funds are utilized. IHS shall notify the EPA at least 30 business days prior to these events to allow optimal participation. Notification will be by e-mail.

6. As applicable, upon completion of each project under this IA, all rights title and interest to the provided sanitation facilities shall be transferred to the Tribe or to a responsible entity identified by the Tribe in accordance with the Project Documents. Each respective IHS Area Office shall make such arrangements as they determine necessary for the ownership and operation and maintenance of the completed facilities.

7. For each project funded under this IA, a final technical and financial report shall be provided no later than 365 days after construction phase completion to the respective EPA Regional Program Coordinator. Electronic copies of the report shall be provided to the EPA representatives identified above in Fiscal Reporting Requirements.

8. The water sampling umbrella Water Sample Collection and Analysis Quality Assurance Project Plan (QAPP) for Tribal Drinking Water and Wastewater Infrastructure Projects, developed jointly between EPA and IHS, will be implemented by IHS as applicable.

9. For an EPA funded project for a pilot water treatment study or for a specific hydraulic network model calibration, the IHS will prepare an individual project specific Quality Assurance Project Plan (QAPP) in accordance with EPA Guidance for Quality Assurance Project Plans (QA/G-5) (EPA 2001) which can be found at http://www.epa.gov/QUALITY/qs-docs/r5-final.pdf. The QAPP must be submitted for review and approval by the EPA OW QA Officer through the EPA IA Project Officer, who must approve the Quality Assurance procedures or standards in writing. EPA will have 60 calendar days to approve the QAPP submitted by IHS, after that time the QAPP will be considered final.

10. Restrictions on FY15 Funding for Corporations with Unpaid Federal Tax Liabilities and Felony Convictions

This interagency agreement (IA) obligates and transfers or advances EPA funds appropriated under Public Law 113-235 (the Consolidated and Further Continuing Appropriations Act, 2015). As a result, this IA is subject to the provisions contained in the Consolidated and Further Continuing Appropriations Act, 2015, Public Law 113-235, Division F, Title VII, Sections 744 and 745, regarding unpaid federal tax liabilities and federal felony convictions, which also have been included in prior appropriations acts.

The IHS is also subject to the same sections of the Act, in accordance with Department of Health & Human Services Acquisition Policy Number 2012-03. The IHS will forward to the EPA Award Official, within 45 days, any documentation supporting an award where a written determination was made by the agency debarring and suspending official that suspension or debarment was considered but is not necessary to protect the interests of the Government.

Appendix K. Acceptable Scopes of Work for Agreements with IHS

UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
Interagency Agreement Shared Service Center

EAST
Ariel Rios Building
1200 Pennsylvania Avenue, N.W.
Mail Code: 3903R
Washington, D.C. 20460

WEST
Park Place Building
1200 Sixth Avenue, Suite 900
Mail Stop: OMP-145
Seattle, WA 98101

September 15, 2010

MEMORANDUM

SUBJECT: Acceptable Scopes of Work for Indian Health Service (IHS) Sanitation Facilities Construction (SFC) Projects under CWA-ISA and DWIG-TSA

FROM: Armina K. Nolan, Manager
IASSC West

TO: Regional CWA-ISA and DWIG-TSA Program Managers
CWA-ISA and DWIG-TSA Project Officers

This memorandum clarifies IASSC West's policy for acceptable Scopes of Work (SOW) that meet the criteria stated in the Interagency Agreement Policies, Procedures, and Guidance Manual (EPA Order 1610), Section 4.6 (Page 4-17 thru 4-18). Based on these criteria the SOW should contain, at minimum, the following information:

- Project title;
- Brief description of the project;
- Any background information leading to the development of the interagency agreement (IA);
- Specifically describe the proposed project objectives and explain how the IA will accomplish them;
- Timetable with anticipated deliverables and milestones;
- Anticipated outcomes; and
- A proposed budget that provides cost estimates for construction and, where applicable, delineates what portion of the funding will be used by IHS for project technical support (e.g., technician and clerical salaries, GSA vehicles, and miscellaneous project related expenses.)

Based on our experience working with a number of IHS Area Offices and EPA Regional Program Offices, we have found the following IHS-generated documents contain the essential elements mentioned above:

- Project Summary; or
- Engineering Project Report (EPR) under the SFC Project Management Program (PMPro).

If these documents are not available, alternative documentation containing the required information will be accepted by IASSC West.

Memorandum's of Agreement (MOA) between IHS and Tribal recipients are not required as part of the initial funding package; however, they should be provided to IASSC West for inclusion in the official IA file once available.

If you have any additional questions regarding this policy, please contact our IHS Team Lead, Tony Fournier, at 206-553-1838, or me at 206-553-0530.