EPA Region 8 Drinking Water Infrastructure Grants
Tribal Set-Aside Program Guidelines

January 2010

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I. Description of Program

The 1996 amendments of the Safe Drinking Water Act (SDWA) provide for a Tribal Drinking Water State Revolving Fund similar to the Clean Water Program. SDWA contains a provision setting aside 1.5 percent of the annual appropriation for drinking water systems that serve Indian tribes[1]. The appropriation is used to provide grant funding to tribes to improve public drinking water system infrastructure and address the most significant threats to public health.

While EPA headquarters issued national guidance for the Drinking Water Infrastructure Grants Tribal Set-Aside Program (DWIG TSA), each EPA region had significant flexibility in developing regional funding procedures. This regional guidance is meant to provide tribes with a general overview of the grant program and a description of the requirements for applying for and obtaining a grant. As discussed in greater detail in the following sections, the grants are being offered to tribes to improve drinking water infrastructure serving predominantly Indian populations. Tribes must show that utilities have, or will develop, the technical, managerial, and financial capacity to properly maintain the grant-funded facility.

II. Applicant and Project Eligibility

A. Which tribes and water systems are eligible under this grant program?

1. Only federally recognized tribes are eligible to receive this grant funding[1].

2. Only public water systems that are community water systems or non-profit, non-community water systems are eligible to receive grants[2].

   A public water system is defined as an entity that supplies water for human consumption and has at least fifteen service connections or regularly serves an average of at least twenty-five individuals daily at least 60 days out of the year. It may include collection, treatment, storage, and distribution facilities.

   A public water system is either a community water system or a non-community water system. A community water system is a public water system which serves at least 15 service connections used by year-round residents or regularly serves at least 25 year-round residents. A non-community water system is any public water system that is not a community water system.

   EPA will allow for the creation of a community water system to address existing public health problems of existing individual homes. This policy also extends to a situation where a new regional community water system is created by consolidating several existing systems that have technical, financial, or managerial difficulties. When considering funding a project for a new system, the EPA Regional office must ensure that all of the potentially affected parties have been notified and that the tribe has considered alternative solutions to address the problems.

3. The system must serve an Indian population. Grant funding can be provided to improve any eligible public water system, whether or not it is owned by a tribe, on or off of the reservation, or serving tribal communities on or off of a reservation.

   In cases where the Indian population of the customers served by the project upgrades is less than 50% of the total population served by the upgrades, the tribe will be responsible for funding the project at the percentage of population of non-Indian customers served by the upgrades.

   In cases where commercial or industrial entities receive water from the public water system, EPA Region 8 may ask the tribe to provide a match for the grant funds. If any commercial or industrial customer served by the project upgrades has a peak or an average daily demand greater than 20% of the peak or average demand of the other public water system customers, matching funds will be required.

4. Systems that are in significant non-compliance with any requirement of the National Primary Drinking Water Regulations (NPDWR) will not be eligible for funding, unless the project which is being funded will ensure compliance[2].

5. Tribes will only receive funding for a project if they can demonstrate that the utility has, or will develop before initiation of operation of the newly constructed facilities, the technical, managerial, and financial capacity to properly maintain the facility (see Section VI)[4].

6. Tribes may apply for more than one project in any given year.

B. What types of projects can be funded through this grant program?

1. Projects funded through the DWIG TSA Program must address the most significant threats to public health associated with public water systems that serve tribal populations. Eligible projects (or portions of projects) must facilitate compliance with the NPDWR or otherwise further the health protection objectives of the SDWA[5]. As stated in the National Guidelines, eligible improvement projects include:

   - Rehabilitation or development of sources (excluding reservoirs, dams, and dam rehabilitation and water rights);
   - Installation or upgrade of treatment facilities;
   - Installation or upgrade of storage facilities, including finished water reservoirs; and
   - Installation or replacement of transmission and distribution pipes.

2. Projects which physically consolidate existing public water systems or connect homes currently on private wells to existing public water systems are also eligible for funding. However, it is important to note that only tribes can apply for grants; individual home owners may not apply for funding.

3. Most of the funds awarded through this program will go directly towards construction of water infrastructure projects. However, EPA Region 8 realizes that there are areas where tribal populations have serious concerns about the quality of their drinking water, yet the best solutions have not yet been identified. To address these cases, grant funding may be used for feasibility studies. All projects must have a completed, adequate feasibility study before DWIG TSA funding may be expended. Note that the level of effort and depth of analysis required for the feasibility study are proportional to the size and complexity of the proposed project. See Appendix A for a description of feasibility study requirements.

   When submitting proposals, applicants can request assistance for a feasibility study, or if a study has already been completed, applicants may apply for construction funding. If EPA Region 8 determines that a project's feasibility study is not adequate, the applicant may be awarded funds to complete a more comprehensive feasibility study rather than begin construction. EPA Region 8 may also award funds to complete environmental documents to comply with the National Environmental Policy Act.

4. Pilot studies for treatment techniques are also an eligible cost. Results from pilot studies should be incorporated into feasibility studies.

*C. What types of projects **cannot** be funded through this grant program?*

Grant funding is **not** allowed for:

- Monitoring (that is needed to meet requirements of SDWA)[2];
- Operation and maintenance[2];
- Land acquisition (unless the land is integral to the project and is from a ***willing seller***)[2];
- Dams or rehabilitation of dams[6];
- Water rights (except if the water rights are owned by a public water system that is being consolidated)[6];
- Reservoirs (except for finished water reservoirs and those reservoirs that are part of the treatment process and are located on the property where the treatment facility is located)[6];
- Projects needed primarily for fire protection[6]; or
- Projects intended primarily for future growth[6].

III. Grant Application Process

To minimize the workload to tribes, the grant application process will be divided into two steps.

Step One – Project Proposal

The first step is submittal of a project proposal. A Project Proposal Form is attached in Appendix B and instructions for completing the form are presented in Section VII. Tribes should include copies of completed feasibility studies and environmental documents (if available). Feasibility studies are discussed further in Section II.B. EPA Region 8 feasibility study criteria are presented in Appendix A. Tribes also must include a utility organization capacity checklist and budget. Capacity is discussed more in Section VI. EPA Region 8 will use the information in the proposal package to place projects on a priority list, using the process described in Section IV. As mentioned earlier, a tribe may submit more than one project proposal in a given year, and in most cases, each project will be separately ranked. Additionally, if tribes submitted a project proposal in a previous year, they can contact the DWIG TSA Program coordinator (identified in Section IX) to request that the project be re-ranked during the next funding cycle. After EPA Region 8 preliminarily evaluates the project proposals received, each applicant will be informed how its proposal(s) ranked and will be given the opportunity to comment on EPA's ranking of the project. EPA Region 8 will then finalize and publish the priority list, notify the applicants selected to be funded, and provide formal grant applications to those selected. The number of projects selected for funding is dependent on the amount of funding available. Only projects identified and notified for funding will proceed with the second step, the formal grant application.

Step Two – Formal Grant Application

As mentioned in Section II, proposals and formal grant applications must be submitted by a federally-recognized tribe. As part of the formal grant application process, the tribe must determine who will manage the grant, and who will be responsible for each aspect of the project. The grant application includes a checklist that describes who will handle the various aspects of project management, planning, design, construction, management plan, and specification review. The tribe may have adequate resources internally to ensure that the project is properly managed, or may wish to work with the Indian Health Service or another agency or firm. At the request of a tribe, funding can be transferred to the Indian Health Service through an Interagency Agreement. EPA Region 8 will closely examine the list of proposed members of the project team. If EPA Region 8 finds that one or more members may not be able to ensure that federal funds are properly managed, the tribe will need to add qualified personnel. Grant negotiations may include discussion regarding contributions to the project by commercial and/or tribal populations served by the system receiving funding.

IV. Project Selection

How will projects be selected and ranked?

1. Each year EPA Region 8 receives drinking water TSA funds. Those funds will be allotted to the highest priority projects. Project ranking will be based on the following process.

   Annually EPA Region 8 will notify all tribes in the Region of the availability and amount of funds. Additionally, a copy of the guidelines and a description of the proposal submission process will be provided. Tribes will be required to submit project proposals to EPA Region 8 by the deadline specified in the notification letter. Proposals submitted after the deadline will not be considered during that round of funding. EPA will use the project proposal form (Appendix B), and all supporting information to consider the eligibility of the project.

   If all or part of the project is eligible, EPA Region 8 will use the information provided to score the proposal according to the EPA Region 8 Ranking Criteria (Appendix C). If additional information is required to accurately rank the proposal, EPA Region 8 will request the information from the tribe.

2. Affordability and readiness to proceed are not included in the EPA Region 8 Ranking Criteria. Additional discussion on these topics is provided below.

   a. Affordability - Affordability is a measure of customer's ability to pay user fees to cover all costs of operation, maintenance, replacement of parts, equipment and debt service. All proposals from tribes will be considered on an equal affordability basis. In reality, some customers can afford higher rates than others, and some rates are higher than others. Each funded project will include a heavy emphasis on utility capacity, which will address affordability and equity of user rates and encourage or assist each system to be financially self-supporting. Upgrades or expansions to serve commercial or industrial customers, who are responsible for more than 20% of the peak or average daily demand, will require a tribal contribution percentage to be calculated before award of funds.

   b. Readiness to Proceed - If a proposed project cannot begin feasibility studies, planning, design, or construction within one year of award, it will not be considered eligible for funding. If funds are awarded and planning, design or construction do not begin within one year of award, the grant will be closed out, and funds will be awarded to another proposed project within Region 8. If a project is delayed during planning, design or construction for more than one year with no progress, the project will be investigated and the possibility of closing out the grant and using the funds on another project will be considered.

3. After EPA Region 8 preliminarily ranks a project proposal and prepares a preliminary Project Priority List, applicants will be informed as to how their

proposals ranked and will be given the opportunity to comment on the ranking. After considering the comments, EPA Region 8 will prepare a final Project Priority List. As required by EPA's National Guidance, EPA Region 8 will then provide the entire list of projects (including estimated costs) to all tribes and other interested parties.

V. Emergencies

The national guidance allows regions to fund unanticipated emergency projects ahead of projects on the priority list. Since the ranking process inherently considers emergency situations, no special procedures will be used.

VI. Capacity

EPA's national policy is that all water system owners must have the technical, financial, and managerial capacity to properly run their water utilities in order to receive DWIG TSA funding. If utilities do not currently have adequate capacity, system owners must make appropriate changes in operation (management, rate structure, maintenance, consolidation, alternative supplies, etc.) to ensure the long-term capacity of the system. If a system does not have, or will not be able to develop capacity, it will not be eligible to receive drinking water tribal set-aside funds.[4]

A. What is capacity?

EPA characterizes three elements of capacity (technical, financial, and managerial), which are required to properly run a utility. A description of each element follows:

1. Technical capacity refers to the physical infrastructure of the water system (the capability of the system components to provide water that meets the requirements of the SDWA), and the technical knowledge of the system personnel and their ability to use that knowledge to adequately operate the system. Requirements for adequate technical capacity include:

    a. Employment of a certified operator (as appropriate for system). Customers of any public water system need to be provided with an adequate supply of safe, potable drinking water. To attain this, it is essential that public water system operators are trained and certified and that they have knowledge and understanding of the public health reasons for drinking water standards. Without qualified and trained operators, public health cannot be adequately protected.

    b. Adequate staff to operate the system. It is important to allow sufficient time for staff to examine the system; conduct preventive maintenance; ensure that conditions remain sanitary; and address problems as quickly as possible to avoid a loss of pressure, prevent a lack of water, continue proper operation, etc.

    c. Ability to adequately survey the system. Operating a system requires regular inspections of the facilities, (including the inside and outside of storage tanks, pump houses, and well heads), flushing gate valves regularly, etc. To achieve this, the operator must have access to a vehicle when facilities are not located within immediate walking distance.

    d. Availability of the tools and measurement devices necessary to perform routine operation and maintenance on the system. At times operators lack the ability to address a problem merely for lack of tools or instruments to conduct routine maintenance, such as changing leaky gaskets, flushing valves, or repairing chlorinators.

    e. Existence of as-built drawings. The existence of as-built drawings allows operators to properly conduct necessary maintenance activities such as flushing

the system regularly, locating shut-off gate valves to isolate a break, and locating the system components for excavation.

f. Ongoing training and safety programs. Ongoing training allows operators to sharpen their skills and better address system operations. Safety programs protect workers and the public, and are required by law through Occupational Safety and Health Administration (OSHA).

2. Financial capacity includes the ability of the system to maintain sufficient revenues to cover operation costs and the effective management of those resources in operation of the system. Effectively, financial capacity characterizes whether the system is financially healthy. Requirements for adequate financial capacity include:

a. A written budget (and process in place) to pay for staff, chemicals, power, and maintenance. Financial capacity is key to proper operation and maintenance. A written budget is the first step. The delivery of water is essential to maintain sanitary conditions and public health. Though often smaller systems cost more per user than large systems (because of economies of scale), most ground water systems are relatively inexpensive. Costs in some areas have been estimated below $20 per household connection. It is important for communities to make enough funds available to properly operate and maintain the system. Users must also pay their bills to ensure the financial stability of the system.

b. A capital replacement plan (or at a minimum, identification of capital replacement needs). This ensures that money is set aside from the budget to address major repairs that happen on a regular basis such as pump replacement and tank cleaning. Anticipation of major modifications and expansions is necessary. If money is not set aside in the budget, it may lead to a budget shortfall when items require replacement.

c. Funding for budget identified at the beginning of the year. To ensure continued operation at a reasonable cost, it is important that a budget is developed and funds are identified. This allows the system to address expenses in a reasonable manner as opposed to expending greater amounts of money when the unforeseen emergency arises (e.g. a pump due for replacement breaks down over the weekend, creating a need to expedite shipment and pay overtime).

d. Record keeping for budget, operations, and equipment. For consistently efficient operations, it is necessary to anticipate budget expenses and equipment needs ahead of time.

3. Managerial capacity includes ownership accountability, the ability of management to adequately staff the system with qualified personnel, an understanding of the regulatory requirements involved in operating a water system, and the ability to interact well with customers and regulators. Requirements for adequate managerial capacity include:

a. All monitoring required by SDWA is consistent and up-to-date. While monitoring itself does not correct health problems, monitoring is necessary to determine the quality of water and ensure protection of public health. Though not eligible for funding, monitoring is required by law.

b. The existence of a person or persons responsible for managing the system. The responsibilities of the managers must be well-defined and in written form. The "checks and balances" on those with responsibility for the system should also be well-defined and in written form (e.g. water board, tribal council review). The division/delegation of responsibility will clearly be more complex with a larger water system than with a small water system.

c. Development and implementation of source water protection plan. Source water protection is necessary to ensure that once the water source is developed to the greatest extent possible, it remains safe for human consumption.

B. Why is capacity needed if a health risk is present?

Although SDWA does not expressly include capacity requirements under the TSA program, EPA's national policy is to ensure that consumers are continually provided safe drinking water and that the government's investment in tribal water systems is protected[4]. The investment in physical infrastructure is only one part of ensuring safe drinking water delivery. Lack of proper operations and maintenance may lead to deterioration of the infrastructure and unsanitary conditions. Proper staffing, management, financial planning, and funding are crucial to ensure that operations and maintenance are adequate.

C. How does capacity affect eligibility?

EPA Region 8 will evaluate projects solely using the methodology presented in Section IV. An assessment of capacity is part of the proposal process. The assessment will include an evaluation by a team of EPA experts to review each applicant's utility's technical, managerial and financial capacity, based on information provided in the proposal and information already available to EPA. If, during the ranking process, EPA Region 8 determines that a utility does not have adequate capacity to operate and maintain the system, the system owner would have to agree to take appropriate steps to ensure that the utility develops the appropriate level of capacity before initiation of operation of the proposed facilities. A plan to accomplish this during the proposed project may be required from the owner prior to the award of funds. Appropriate steps may include some or all of the following:

1. Training and certifying existing system personnel or hiring trained and certified personnel;

2. Developing a source water protection plan;

3. Developing an infrastructure replacement plan;

4. Instituting a long-term program to provide operation and maintenance;

5. Conducting an analysis of the system's financial health;

6. Adopting a rate structure that will provide the system with sufficient resources to adequately maintain and operate the system;

7. Establishing a reserve fund to replace infrastructure reaching the end of its useful life, or;

8. Establishing an entity to manage and operate the system.

EPA Region 8 will also evaluate other forms of capacity when considering grant applications. For example, tribes will have to demonstrate that they have the ability (either in-house or with the assistance of the Indian Health Service or another appropriate agency) to meet EPA's grant management requirements and properly oversee the project. These issues are discussed further in Section III. History of previous EPA grant performance will also be considered.

The above capacities and abilities are not only requirements for this grant program, but also valuable for any water system. Tribes wishing to receive more information about improving the technical, managerial and financial capacity of their systems, or other project management skills should contact the EPA Region 8 DWIG TSA Program Coordinator (see Section IX).

VII. Instructions for Completing the Project Proposal Form

Tribes must fill out the attached form in Appendix B for each project applying for funding. Additional pages may be attached as necessary to ensure that EPA Region 8 receives complete information to evaluate project proposals. The project proposal should include completed feasibility studies and environmental documents, if available. Specific directions for the Project Proposal Form follow.

1. Problem Description - In this section, describe the problem, the impact that it has had on the water system and/or tribe, and the reason that this project is necessary. List the public health, public safety, compliance and environmental issues that the project will address.

2. Project Scope - Include a general description of the proposed project and how the project will solve the problems identified in the Problem Description.

3. Project Justification - This section should include a justification for why this project is being proposed.

4. Project Description - In this section describe the project in detail and itemize the major new or modified components that comprise the project.

5. Project Cost - List any cost estimates based on available feasibility studies, engineering studies, or other sources.

6. Project Schedule - List realistic proposed target dates. Allow about 9 months for award.

7. This form must be signed by a tribal official certifying that the information supplied is accurate.

VIII. References

Sections of this guidance were adopted from materials produced by the following agencies:

U.S. Department of Agriculture, Rural Utility Service (Feasibility Study Requirements)

U.S. EPA Region 9 (Guidance)

Pennsylvania Department of Environmental Protection (Project Prioritization Criteria)

Footnoted references are as follows:

1. 42 U.S.C. 300j-12(i)(1)
2. 42 U.S.C. 300j-12(a)(2)
3. 42 U.S.C. 300j-12-(i)(2)
4. U.S. EPA Tribal Set-Aside Program Guidelines (national), p. 16
5. U.S. EPA Tribal Set-Aside Program Guidelines (national), Appendix A
6. U.S. EPA Tribal Set-Aside Program Guidelines (national), p. 14

IX. Who to Contact

Bronwyn Hayworth
DWIG TSA Coordinator
US EPA, 8P-W-TF
1595 Wynkoop Street
Denver, Colorado, 80202-1129

(303) 312-6794
Fax (303) 312.6131
email: hayworth.bronwyn@epa.gov

Tsegaye Hailu,
Capacity Development WAM
US EPA, 8P-W-DW
1595 Wynkoop Street
Denver, Colorado. 80202-1129

(303) 312-6273
Fax (303) 312-6131
email:hailu.tsegaye@epa.gov

Appendix A

Feasibility Study Requirements

Feasibility Study Requirements

I. GENERAL. A feasibility study should clearly describe the present situation, analyze alternatives and propose a specific course of action (from an engineering perspective). **The level of effort and depth of analysis required for the feasibility study are proportional to the size and complexity of the proposed project.** The following should be used as a guide for the preparation of the feasibility studies.

II. PROJECT PLANNING AREA. Describe the project area under consideration in the context of the existing and projected water system service area. The description should include information on the following:

1. Location (maps, photographs, and sketches). These materials should indicate legal and natural boundaries, major obstacles, elevation, etc.

2. Growth Areas and Population Trends. Specific area(s) of concentrated growth should be identified. Population projections for the project planning area should be provided for the design period. These projections should be based on historical records with justification from recognized sources.

III. EXISTING FACILITIES. Describe the existing facilities including the following information:

1. Location Map. Provide a schematic layout and general service area map (map should be identified in project planning area maps of Section II. A. above).

2. History (only if requested by EPA).

3. Condition of Facilities. Describe present condition; suitability for continued use; adequacy of water supply (quantity and quality); and, existing central facilities, treatment, storage and distribution capabilities.

IV. NEED FOR PROJECT. Describe the needs for the project in the following order of priority:

1. Describe current health risks and/or significant SDWA non-compliance issues, and any anticipated health risks and/or significant SDWA non-compliance issues after the project is completed.

2. Describe the current operation and maintenance issues and those anticipated after the project is complete.

3. Describe the reasonable growth capacity that is necessary to meet needs during the life of the improved portion of the system.

4. Other Benefits. Describe any other benefits resulting from this project (e.g. improvements in aesthetic quality of water).

V. ALTERNATIVES CONSIDERED. This section should contain a description of all reasonable alternatives (and a no action alternative) considered in planning a solution to meet the identified need. The description should include the following information for each alternative:

1. Description. Describe the facilities associated with the alternative. Describe all feasible water supply sources and provide comparison of such sources. Also describe treatment, storage, and distribution facilities.

2. Design criteria. State the design parameters used for evaluation purposes.

3. Map. Provide a schematic layout of the alternative

4. Land requirements. Identify sites and easements required. Specify whether these properties are currently owned, to be acquired, or will be leased.

5. Construction problems. Discuss concerns such as subsurface rock, high-water table, limited access, or other conditions which may affect cost of construction or operation of the facility.

6. Environmental document. Describe unique direct and indirect impacts on flood plains, wetlands, other important land resources, endangered species, historical and archaeological properties, etc., as they relate to a specific alternative. It is important to note that EPA must conduct an environmental review prior to project approval.

7. Cost Estimates.

   a. Construction

   b. Non-construction and other projects

   c. Annual operation and maintenance

   d. Present worth based on federal discount rates

8. Compare and contrast each alternative. A matrix may be helpful to display results. At a minimum, the following items should be addressed:

   a. Environmental impacts

b. Annual operation and maintenance costs

c. Required operational expertise

d. Ability to achieve compliance with SDWA requirements

e. Ability to address public health concerns

f. Total construction and non-construction costs

g. Tribal concerns

VI. PROPOSED PROJECT (recommended alternative). This section should contain a fully developed description of the proposed project based on the preliminary description under the evaluation of alternatives. At a minimum, the following information should be included (if applicable):

1. Project Design

   a. Water supply. Include requirements for quality and quantity. Describe the recommended source and site.

   b. Treatment. Describe process in detail and identify location of plant site and any process discharges.

   c. Storage. Identify size, type, and site location.

   d. Pumping stations. Identify size, type, site location, and any special power requirements.

   e. Distribution layout. Identify general location of line improvements, lengths, sizes, materials, and key components.

   f. Hydraulic calculations. This information should provide sufficient detail adequate for sound engineering design. Automation tools must be used by the engineer. The submittal should include a map with a list of nodes, pipes and the associated characteristics, such as elevation of node, pipe demands, fire flow, hydraulic calculations, etc.

2. Cost estimate. Provide an itemized estimate of the project cost based on the anticipated period of construction. Include development and construction, and land acquisition associated with the proposed project.

3. Annual costs of recommended alternative after project improvements (project operations, realistic maintenance, and capital improvement costs). In the absence of other reliable information, base data on actual costs of other existing facilities of similar size and complexity. Include facts in the study to substantiate operation and maintenance cost estimates. Also include salaries, wages, taxes, accounting, and auditing fees, legal fees, interest, utilities, gasoline, oil and fuel, insurance, repairs, maintenance, supplies, chemicals, replacement costs, purchased water costs, office supplies, printing, and other miscellaneous costs.

VII. 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, the need for special coordination, a recommended plan of action to expedite project development, etc.

Appendix B

Project Proposal Form

Project Proposal Form

See Section VII: Instructions for Completing Project Proposal Form

Applicant Information

Tribe submitting proposal _____
Project manager's name _____
Address _____
_____
_____
Phone Number_____
Fax Number _____
Email_____

Service Area Information

Number of connections_____ Number of existing meters_____
Population_____ Number of tribal people served by project_____
Number of non-tribal people served by project_____

Water Utility Information

Project location _____
Water system owner_____
Will ownership be transferred to a new owner? _____
If yes, please explain _____
_____
_____
_____
_____

Is this a public water system (PWS)? _____
If yes, PWS ID No. _____
Is this a community or non-community water system? _____
Is this a for-profit water system? _____

Other Background Information

Describe any existing conservation measures._____
_____
_____
_____
_____
_____

Project Proposal Form (continued)

Does the Tribe and/or water utility have a source or wellhead protection program? _____

If yes, is the Tribe or system in the process of implementing one of the above programs? _____

_____

_____

Is the proposed project a consolidation project? _____

If yes, how many systems will be consolidated? _____, and

What are their populations? _____

Give the names and/or PWS ID #s of systems being consolidated.

_____

_____

_____

Problem Description

_____

_____

_____

_____

_____

_____

_____

_____

Project Scope

_____

_____

_____

_____

_____

_____

_____

_____

_____

_____

Project Proposal Form (continued)

(Check all that apply below). If the answer is yes, please provide a short narrative (no more than one page for each topic) and supporting documentation (any supporting documentation must be no more than two pages). All material must be loose and each page must be numbered on 8 1/2 x 11 paper. No CDs please.

Project Justification

____ Address a serious risk to human health
____ Provide compliance with Safe Drinking Water Act requirements
____ Assist community water system(s)

Was need identified as a result of a Sanitary Survey? _____

Will this project be administered by IHS? ___ or the Tribe? _____

(Check all that apply below). If the answer is yes, please provide a short narrative (no more than one page for each topic) and supporting documentation (any supporting documentation must be no more than two pages). All material must be loose and each page must be numbered on 8 1/2 x 11 paper. No CDs please.

Project Will Provide:
___ Improvement in public health
___ Address a lack of safe drinking water
___ Improvement in public safety
___ Improvements in ability to comply
___ Improvements in environment
___ Improvements in adequacy and efficiency
___ Utility organization capacity

Project Description

Describe the proposed project: _____
_____
_____
_____
_____
_____
_____

Project Cost

Estimated total project cost $_____

Amount of this being requested from EPA DWIG TSA Program $_____

Project Proposal Form (continued)

Project Schedule

EPA project milestones: (target dates)
Award _____
Planning start _____
Planning complete _____
Design start _____
Design complete _____
Construction start _____
Plan of operation complete (At 50% of construction) _____
Construction complete _____
Initiation of operation _____
Final report (90 Days after construction complete) _____
Performance certification (1 Year from initiation of operation) _____
Closeout along with project budget/financial plan _____

Project Financial Plan

Budget estimates:
Engineering $_____
Construction $_____
Administration $_____
Equipment $_____
Land acquisition $_____
Contingencies (10%) $_____

Estimated total project cost $_____

Explain. _____
_____
_____

Have other entities committed to contribute funding for this project? _____
If so, describe commitment and dollar amount. _____
_____
_____
_____

Project Proposal Form (continued)

Have you applied for funding from other agencies? _____

If so, what agencies and dollar amount? _____
_____

Is involvement by the Indian Health Service anticipated?_____

If so, how? _____

Will EPA funds be transferred to IHS for administration of project? _____

Does this project have a IHS project number (PDS or SDS)? _____

(Check all that Apply Below). If answer is yes, please attach supporting documentation. All material must be loose and each page must be numbered on 8 1/2 x 11 paper. No CDs.

Project Status	**Feasibility Study complete?**	**□ Yes (Attach)**	**□ No**
	Environmental information document complete?	**□ Yes (Attach)**	**□ No**
	Preliminary design complete?	**□ Yes (Attach)**	**□ No**
	Final design complete?	**□ Yes (Attach)**	**□ No**
Tribal Capacity	**Operations plan which describes day-to-day operation of the present facilities?**	**□ Yes (Attach)**	**□ No**
	A copy of business plan?	**□ Yes (Attach)**	**□ No**
	Recent budget, planning tool and user fee schedule?	**□ Yes (Attach)**	**□ No**
	List of operators and their certification levels?	**□ Yes (Attach)**	**□ No**

Signature of person certifying that this information is accurate_____
(Project approval by Council or Tribal leader recommended)

Title of Certifying Official _____ Date_____

Appendix C

EPA Region 8 Ranking Criteria

EPA Region 8 Ranking Criteria

Ranking Criteria	Description of Ranking Criteria	Point Value
Improvements in Public Health		
Critical or acute	Projects that propose to eliminate a problem that poses an acute hazard to the consumer. The applicant must provide written documentation to confirm these problems, supported by analytical results or engineering reports.	40
Chronic	Projects that propose to eliminate a problem that poses a chronic, non-acute hazard to the consumer.	30
Periodic	Projects that propose to eliminate a problem that poses a periodic, non-acute hazard to the consumer.	20
Potential	Projects that propose to eliminate a problem that poses a potential hazard to consumers.	15
Sanitary Survey	Projects that propose to address recommendations of an EPA Sanitary Survey.	20
Preventative	Projects that propose preventative maintenance improvements.	10
*Note: Only one of the first four factors may be selected, in addition to the last two, allowing **up to 70 total points** for Improvements in Public Health*		
Address a lack of safe water supply		
Safe water supply	Projects that are identified in the IHS Sanitary Deficiency System as Deficiency Levels IV and V where Level IV and V, for the purposes of this project selection process, describe an Indian tribe or community with a sanitation system which lacks a safe water supply system.	29
Improvements in Public Safety		
Ongoing or chronic	Projects that propose to eliminate a problem that poses an ongoing public safety hazard. The applicant must provide written documentation to confirm these problems.	25
Periodic or potential	Projects that propose to eliminate a public safety hazard, which has occurred periodically or if there is potential for the problem to re-occur.	20
Preventative maintenance	Projects that propose preventative maintenance improvements related to a potential public safety hazard	15
Security	Projects that propose security or emergency response plans or measures.	15
Worker safety	Projects that propose to eliminate a worker safety hazard.	5
*Note: Only one of the first three factors may be selected, in addition to the last two, allowing **up to 45 total points** for Improvements to Public Safety.*		

Improvements in Ability to Comply		
Violation posing acute hazard	Projects that propose to eliminate a violation posing an acute health or safety hazard. Failure to monitor does not qualify.	20
Violation posing non-acute hazard	Projects that propose to eliminate a violation posing a non-acute health or safety hazard. Failure to monitor does not qualify.	15
Regulation with EPA specified deadline	Projects that propose to improve compliance with a deadline specified in regulation.	10
Regulation with no EPA specified deadline	Projects that propose to improve compliance with a regulation that does not specify deadlines.	5
*Note: Any or all of the factors may be selected, allowing **up to 50 total points** for Improvements in Ability to Comply.*		
Improvements in Environment		
Water quality improvements related to pollution	Projects that propose to correct an existing surface or ground water environmental pollution problem.	5
Other water quality improvements	Projects that propose to improve an existing environmental condition not related to pollution.	4
Water quantity improvements	Projects that propose to address surface or ground water quantity or water rights issues.	3
Aesthetic or quality of life improvements	Projects that propose to improve the quality of life for consumers through environmental improvements.	2
No negative environmental or social impact	Projects in which there is no demonstrable negative environmental or social impact.	1
*Note: Only one of the first two factors may be selected, in addition to any or all of the last three factors, allowing **up to 11 total points** for Improvements in Environment.*		
Improvements in Adequacy and Efficiency		
Conservation	Projects that propose to provide water conservation measures.	15
Consolidation	Projects that propose to improve existing facility operation or maintenance through water system consolidation.	5
Reliability	Projects that propose to improve the reliability of the existing system.	5
Operating cost reduction	Projects that propose to reduce the cost of operation through methods other than consolidation or conservation.	5
Aesthetic quality or availability of water	Projects that propose to improve the aesthetic quality of the water or increase available water, through methods other than consolidation or conservation.	5
*Note: Any or all of the factors may be selected, allowing **up to 35 total points** for Improvements in Adequacy and Efficiency.*		

Capacity		
Adequate and appropriate staff (Technical Capacity[1])	Facilities use adequate staff and a recognized certifying authority (operators must be certified at the appropriate certification level). A list of staff and copies of certificates are required.	10
Operations plan (Technical Capacity[1)]	Facilities which use an operations plan, which describes in detail the day-to-day operations of the facility. A copy of the operations plan is required.	5
Organizational structure (Managerial Capacity[2])	Facilities which demonstrate a clear division and/or delegation of responsibility within the organization. An illustration or explanation of the organizational structure is required.	10
Business plan (Managerial Capacity[2])	Facilities which use a business plan. A copy of the business plan is required.	5
Budget and financial planning tool (Financial Capacity[3])	Facilities which use a budget and financial planning tool for future operations. Copies of the recent budget and planning tool are required.	10
Revenue system (Financial Capacity[3])	Facilities which effectively use a revenue system, which equitability distributes the expenses among users and uses those revenues for budgeted expenses. A copy of the user charge ordinance or similar description is required.	5
*Note: All of the technical, managerial, and financial capacity factors will be evaluated for each proposal, allowing **up to 45 total points** for Capacity. Any proposal, which fails to demonstrate the technical, managerial, or financial capacity to operate and maintain the facility, must plan to acquire the technical, managerial, or financial capacity as a result of the proposed project. A detailed description of the plan must be developed before an award of funds. Assistance from EPA Region 8 is available for this process. Please see additional notes on capacity below.*		
Past Performance		
Past Performance	Projects that demonstrate the grantee fulfilled the necessary requirements on previous grants. This includes tasks such as submittal of quarterly reports, payments, closeout report, and project schedule; and completion of the project on time; and results of audit reports.	15
*Note: **Up to 15 total points** may be awarded for Past Performance*		
	Maximum Number of Points	**300**

Notes:

[1] Technical Capacity - Points will be awarded to projects for which the owner has demonstrated the technical capacity to operate and maintain the facility to provide service to customers (and meet the requirements of the regulations). The technical capacity points will be based on information provided by the applicant who substantiates proper operation of the facilities.

[2] Managerial Capacity - Points will be awarded to projects for which the owner has demonstrated the managerial capacity to operate and maintain the facility to provide service to customers (and meet the requirements of the regulations). The managerial capacity points will be based on information provided by the applicant who substantiates ownership accountability, adequate staff, organizational structure, and effective linkages.

[3] Financial Capacity - Points will be awarded to projects for which the owner has demonstrated the financial capacity to operate and maintain the facility to provide service to customers. The project must meet the requirements of the regulations. The financial capacity points will be based on information provided by the applicant, which substantiates fiscal controls, revenue sufficiency, and ability to access funds.

Appendix D

Project Activities and Tasks

Diagram 1. DWIG TSA Program Overview

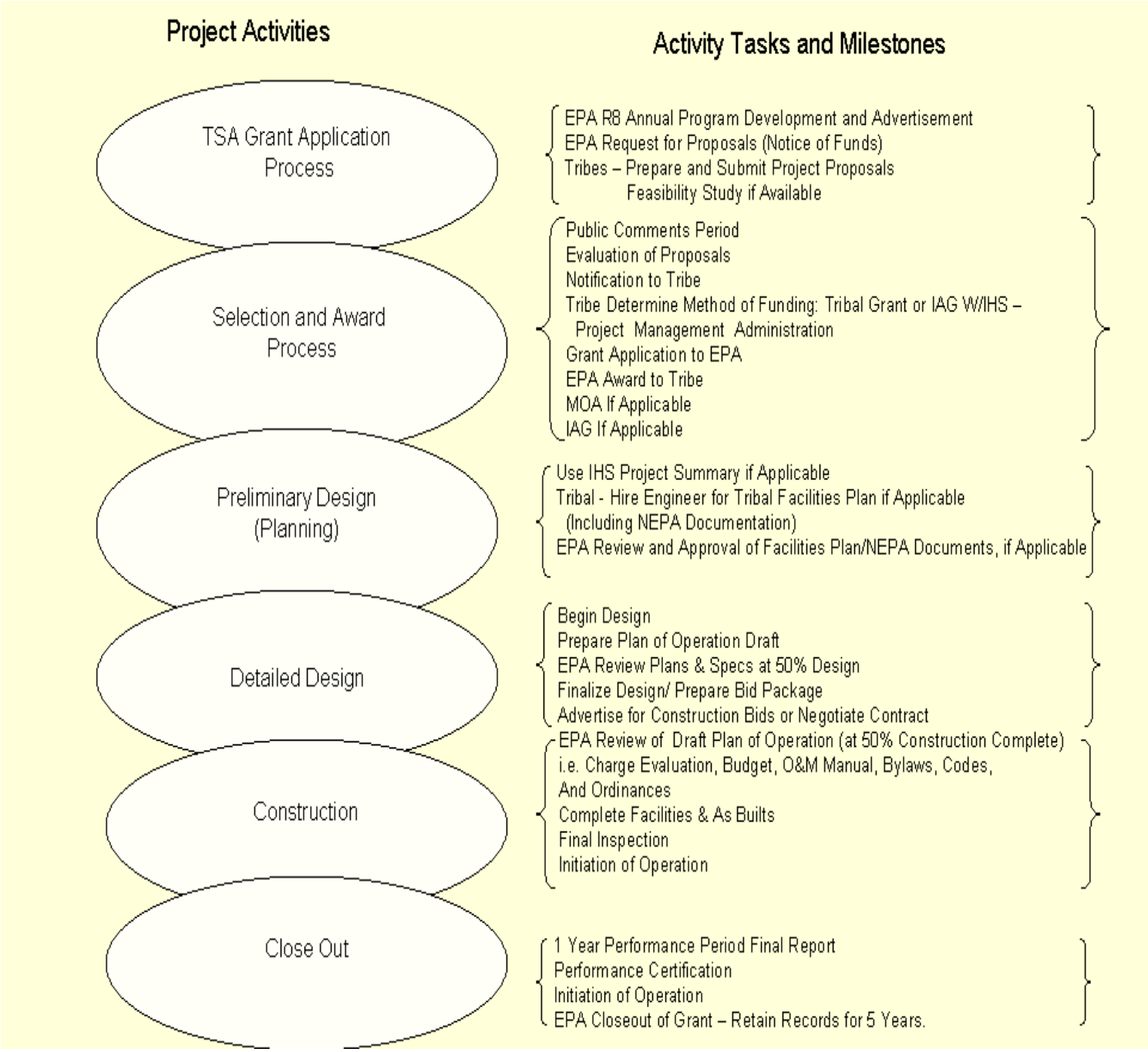

Diagram 2. DWIG TSA Program – TSA Grant Application Process Activities

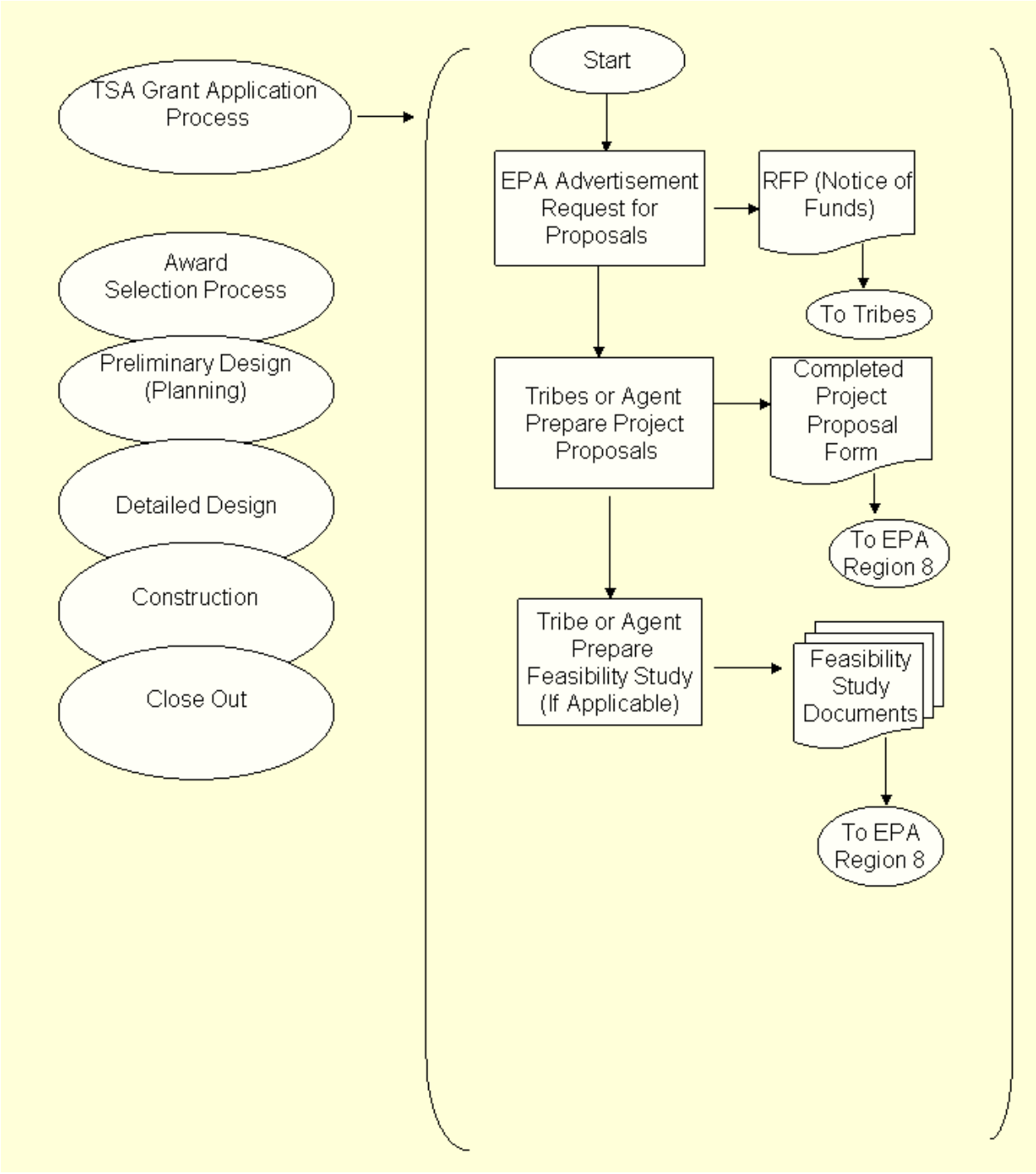

Diagram 3. DWIG TSA Program – TSA Grant Award Activities

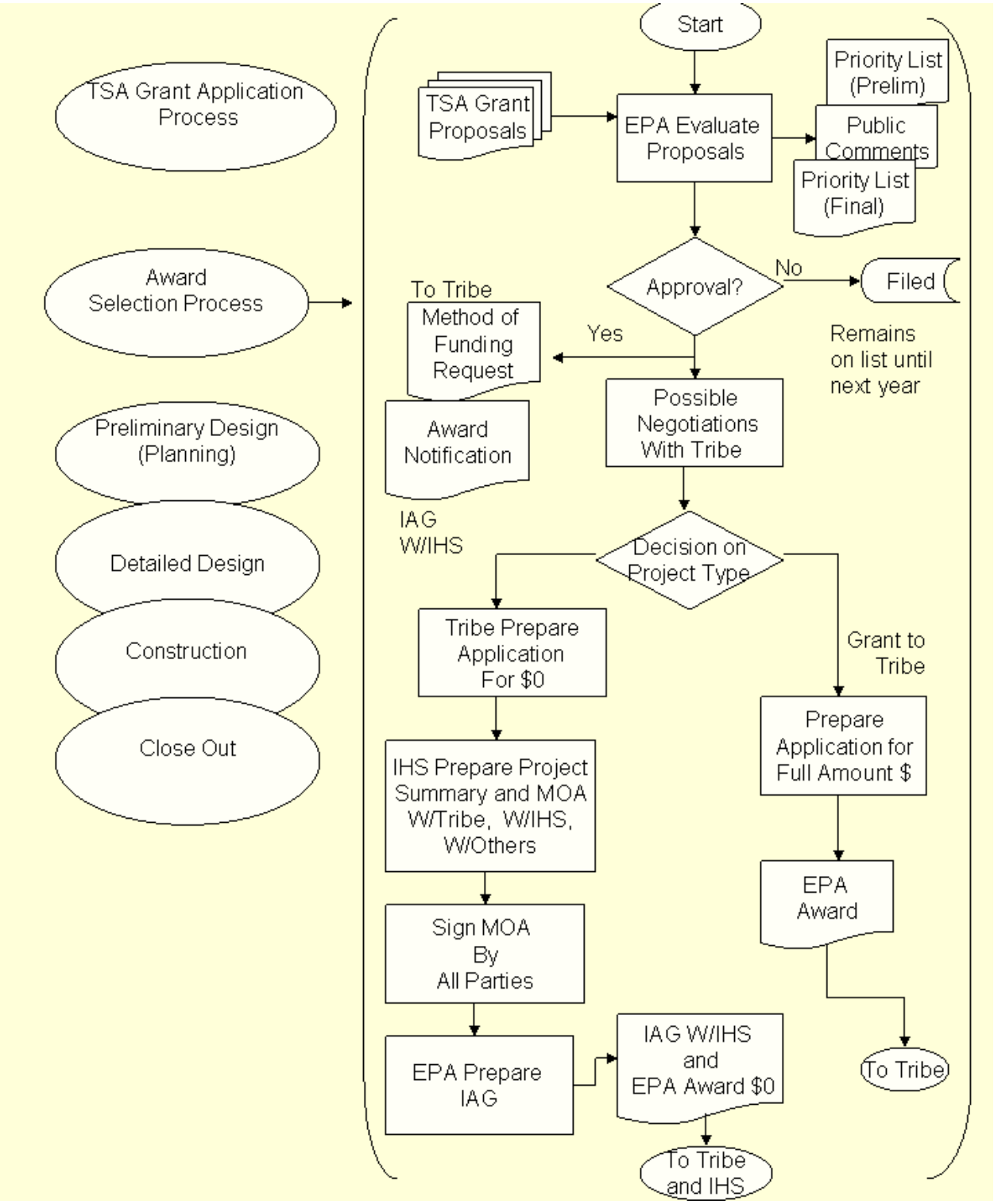

Diagram 4. DWIG TSA Program – TSA Preliminary Design/Planning Activities

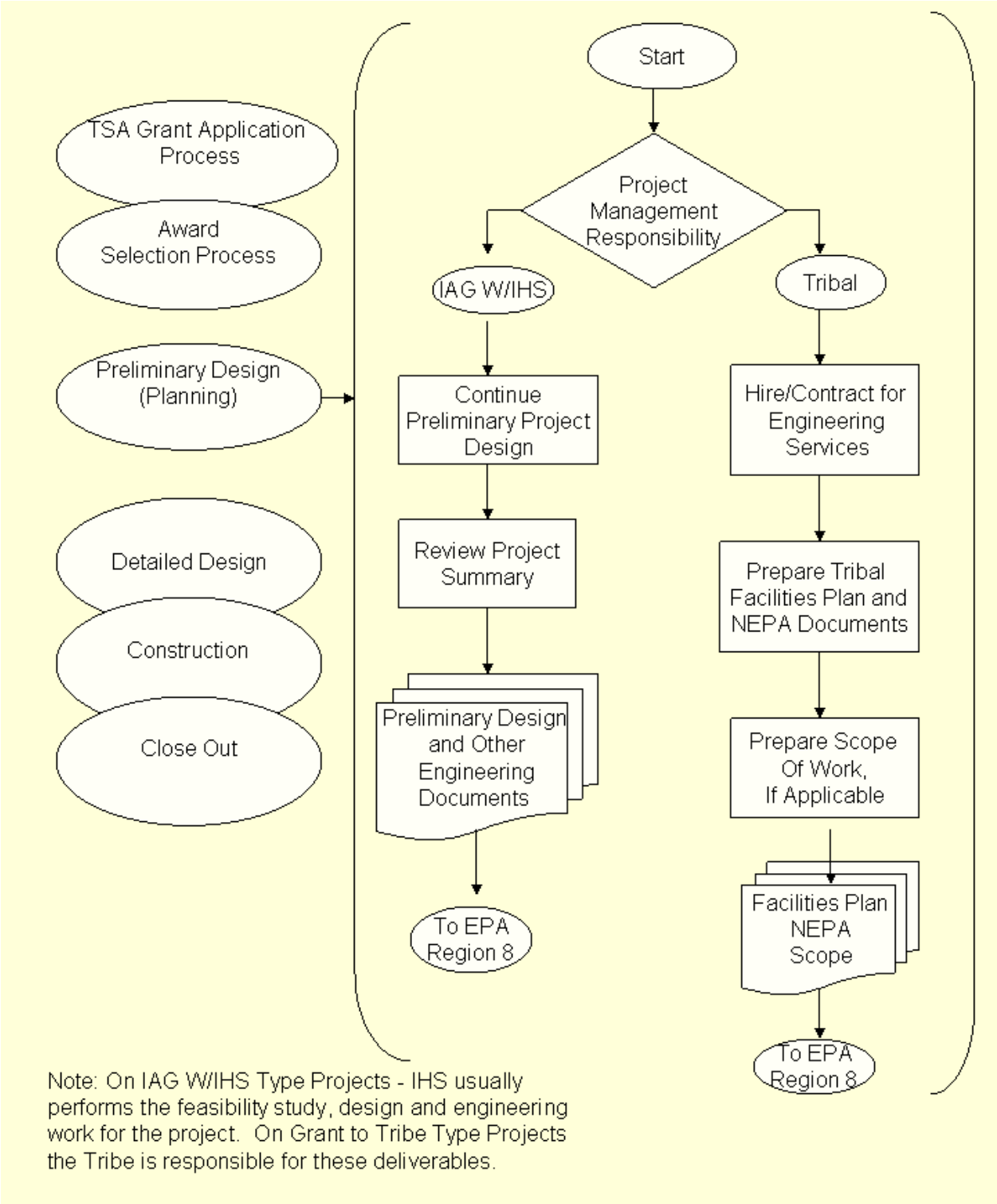

Diagram 5. DWIG TSA Program – TSA Detailed Design Activities

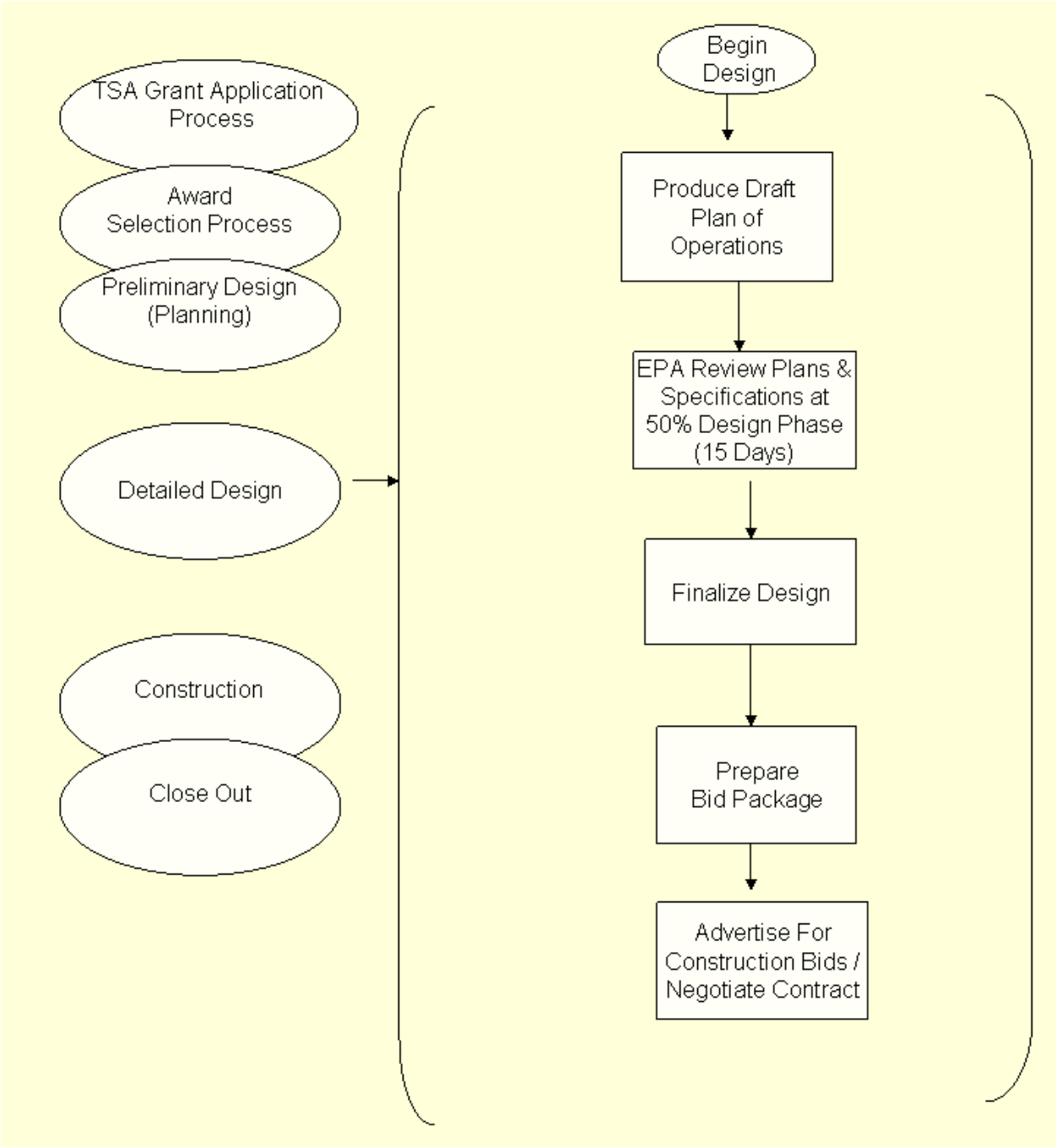

Diagram 6. DWIG TSA Program – TSA Construction Activities

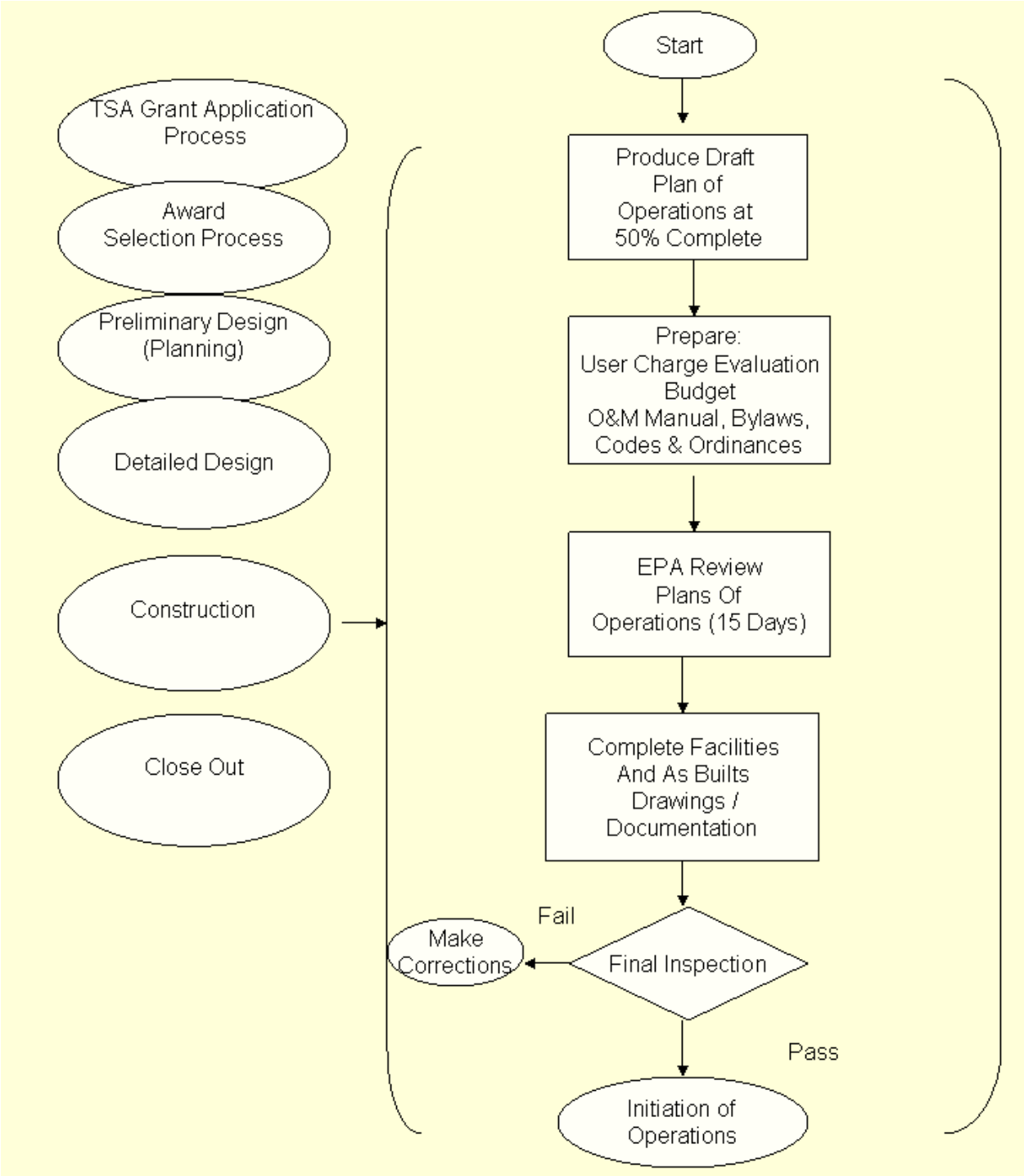

Diagram 7. DWIG TSA Program – TSA Closeout Activities