

Agency: Commerce, Community and Economic Development**Grants to Named Recipients (AS 37.05.316)****Grant Recipient: Alaska Native Tribal Health Consortium****Federal Tax ID: 920162721****Project Title:****Project Type: Remodel, Reconstruction and Upgrades**

Alaska Native Tribal Health Consortium - Alaska Rural Utilities Collaborative Expansion

State Funding Requested: \$1,750,000**House District: Statewide (1-40)**

Future Funding May Be Requested

Brief Project Description:

Expand capabilities of the ARUC program to bring the next five communities on the waiting list.

Funding Plan:

Total Project Cost:	\$2,268,475
Funding Already Secured:	(\$518,475)
FY2014 State Funding Request:	<u>(\$1,750,000)</u>
Project Deficit:	\$0

Detailed Project Description and Justification:

ANTHC is seeking \$1,750,000 to add communities to the Alaska Rural Utilities Collaborative (ARUC): Kasigluk, St. Mary's, Noatak, Buckland, and Scammon Bay. There are a total of 13 communities on the waiting list to join ARUC.

ANTHC has secured matching funds from the USDA Rural Alaska Village Grant Program and the Department of Environmental Conservation for this project, contingent on bringing five communities into ARUC.

This funding requested will pay for rate studies, energy audits, and repairs needed to decrease energy costs, and parts and repairs to operate a reliable water system. ARUC membership and management will ensure that State and Federal investments made are sustainable into the future.

Launched in 2008, ARUC successfully operates and manages 29 community water and sewer systems. The benefits to these communities include lower fuel and parts costs, improved water quality, steady employment of local water operators, reliable water services, and sustainable infrastructure.

Lower fuel costs: ARUC purchases fuel averaged \$4.36 versus \$6.04 per gallon in non-ARUC communities.

Improved water quality: ARUC communities are 50% less likely to be on the State's Significant Non-Compliance (SNC) list; 71% meet capacity indicators, allowing them to be eligible for additional grant funding.

Local employment: ARUC operator turnover is around 11%, while non-ARUC community turnover is up to 75%. ARUC water treatment plant operators make an average of \$4 more per hour.

Reliable water service: Communities with 1/3 of their homes without service during the winter prior to joining ARUC now have much more reliable service; ANTHC has resources, staff and expertise to respond during emergencies.

Sustainable infrastructure: With a focus on preventative maintenance, water and sewer systems are more sustainable, creating a longer lasting infrastructure.

Project Timeline:

Project will begin as soon as funding is available. Expenditures will occur over the following 12-18 months.

Entity Responsible for the Ongoing Operation and Maintenance of this Project:

Community with ARUC support

Grant Recipient Contact Information:

Name: Roald Helgesen
Title: Chief Executive Officer
Address: 4000 Ambassador Drive
Anchorage, Alaska 99508
Phone Number: (907)729-1905
Email: rhelgesen@anthc.org

Has this project been through a public review process at the local level and is it a community priority? Yes No



Alaska Rural Utility Collaborative (ARUC)

ANTHC is seeking \$1,750,000 to add five communities to ARUC: Kasigluk, St. Mary's, Noatak, Buckland, and Scammon Bay. This will pay for rate studies, energy audits, and repairs needed to decrease energy costs, and parts and repairs to operate a reliable water system. ARUC membership and management will ensure that State and Federal investments made are sustainable into the future.

Launched in 2008, ARUC successfully operates and manages 26 community water and sewer systems. The benefits to these communities include:

Lower fuel and parts costs. Due to ARUC purchasing power, water system parts and fuel for operation cost less. ARUC purchased-fuel averaged \$4.36 versus \$6.04 per gallon in non-ARUC communities. ARUC member communities saved a total of \$314,000 in fuel last year.

Improved water quality. Communities that join ARUC are 50% less likely to be on the State's Significant Non-Compliance (SNC) list. What's more, 71% of ARUC communities meet capacity indicators, allowing them to be eligible for additional grant funding.

Steady employment of local water operators. ARUC turnover of operators is around 11%, versus non-ARUC community turnover of up to 75%. Additionally, water treatment plant operators make an average of \$4 more per hour than non-ARUC operators.

Reliable water service. ARUC management results in improved reliability. Communities with 1/3 of their homes without service during winter prior to ARUC now have much more reliable service after joining ARUC. ANTHC has resources, staff, and expertise to respond during emergencies.

Sustainable infrastructure. Due to ARUC's preventative maintenance program, water and sewer systems are more sustainable, creating a longer lasting infrastructure. This saves local, State, and federal money.



For more information:
Valerie Davidson, Senior Director
Legal and Intergovernmental Affairs

through Pat Jackson
(907)523-0363
pjackson@anthc.org

Alaska Rural Utility Collaborative

The following table identifies the itemized costs to add the following five communities to ARUC:

Community	Energy Audit	Start-up	Remote Monitoring	Management	Energy Upgrades	Totals
Scammon Bay	\$ 30,000	\$ 220,000	\$100,000	\$ 25,000	\$ 150,000	\$ 525,000
Saint Mary's	30,000	180,000	100,000	25,000	150,000	\$ 485,000
Buckland*		29,000*	100,000	25,000		\$ 154,000
Kasigluk*		83,000	100,000	25,000		\$ 208,000
Noatak	30,000	125,000	100,000	25,000	98,000	\$ 378,000
Totals	\$ 90,000	\$ 637,000	\$ 500,000	\$ 125,000	\$ 398,000	\$ 1,750,000

* These communities do not require energy audits or upgrades because they have newly-installed systems.

Reliable water service:

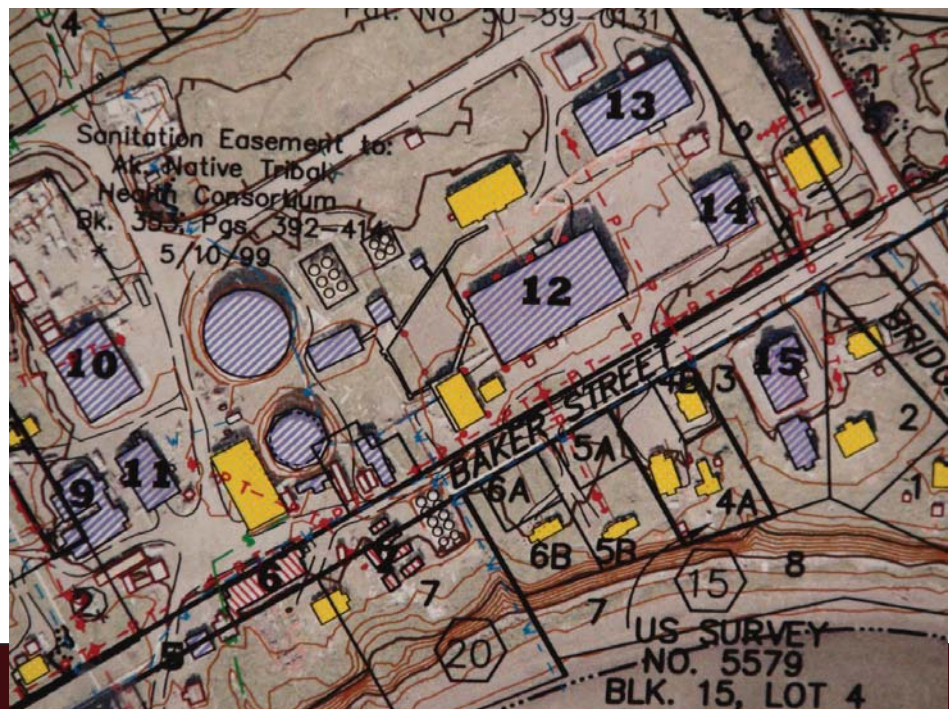
“ARUC action in Selawik during the 2012 water system freeze-up prevented potentially millions of dollars of damage to the water system. ARUC membership reduces and helps respond to emergencies in Northwest Arctic communities. The Borough supports community membership in ARUC.”

—Kenny Gallahorn

Public Services Director for the Northwest Arctic Borough

“The biggest step the Tribe took was to join ARUC.”

—George Bright, Sr.
Tribal Council President
Goodnews Bay
Regarding the new water and sewer system in the community which formerly relied on honeybuckets



Start-up Funding

Itemized Budget Estimate, by village

Scammon Bay	Over 500 pop	
Billing Assited Comm	Low Pressure Sewer	
Energy Audit	\$ 30,000	
Start-up	\$ 220,000	
Remote Monitoring	\$ 100,000	
Management	\$ 25,000	
Energy Upgrades	\$ 150,000	
Scammon Bay Total	\$ 525,000	

Buckland	250-500 pop	
New System Comm	Gravity Sewer	
Energy Audit	\$ -	
Start-up	\$ 29,998	
Remote Monitoring	\$ 100,000	
Management	\$ 25,000	
Energy Upgrades	\$ -	
Buckland Total	\$ 154,998	

St. Marys	Over 500 pop	
Billing Assited Comm	Gravity Sewer	
Energy Audit	\$ 30,000	
Start-up	\$ 180,000	
Remote Monitoring	\$ 100,000	
Management	\$ 25,000	
Energy Upgrades	\$ 150,000	
St. Marys Total	\$ 485,000	

Noatak	Over 500 pop	
Existing Community	Gravity Sewer	
Energy Audit	\$ 30,000	
Start-up	\$ 125,000	
Remote Monitoring	\$ 100,000	
Management	\$ 25,000	
Energy Upgrades	\$ 97,915	
Noatak Total	\$ 377,915	

Kasigluk	Over 500 pop	
New System Comm	Low Pressure Sewer	
Energy Audit	\$ -	
Start-up	\$ 87,544	
Remote Monitoring	\$ 100,000	
Management	\$ 25,000	
Energy Upgrades	\$ -	
Kasigluk Total	\$ 212,544	

**Alaska Native Tribal Health Consortium
Alaska Rural Utilities Collaborative (ARUC)
2013 Community Requests**

Buckland – Buckland is a honeybucket community that is in the process of getting a new piped water/sewer system built by Village Safe Water. The water/sewer system is complicated, due to the poor soils, typically annual flooding, and their Arctic location. Buckland is interested in joining ARUC because they don't have historical knowledge related to management or operation of a water/sewer system within the community. ARUC will provide the support of an experienced water/sewer management system, to help ensure their new system lasts as long as possible.

Scammon Bay - Scammon Bay has a community system that is over 30 years old that is falling apart. Scammon Bay traditionally has struggled to manage and operate their water/sewer system, which has lead to sewer spills, homes with no water service, and hastened the decline of their current system. They are in the process of getting a new water treatment plant and replacement of some of their water/sewer lines. The community has experienced management struggles and wants to make their new water/sewer facilities last as long as possible. They believe ARUC membership is the key to making their system last and operate well.

Saint Mary's. Saint Mary's is a community system that is over 30 years old with need for capital improvements to keep it operational. Their aged PVC water mains have lead to large, expensive community freeze-ups in the recent past. They have operated their system very well, due to years of quality operators and management. However, in the past few years they've had high turnover in management, and the long time steady operators are hoping to retire soon. They are concerned about finding trained managers and operators to keep the system going into the future, so are looking to ARUC membership to provide continuity of operations and management.

Noatak. Noatak is an aging system. There was a major sewer freeze-up last year which brought to light operational and management weaknesses. Turnover in the manager position, coupled with the main water operator becoming ill, resulted in the community not having sewer service for nearly a month. The community believes ARUC membership would ensure ongoing reliable service.

Kasigluk. Kasigluk is a honeybucket community that is in the process of getting a new piped water/sewer system built by ANTHC. The water/sewer system is complicated, due to the poor soils, geography that splits the community on two sides of the river, and their Arctic location. Kasigluk is interested in joining ARUC because they don't have historical management and operational knowledge. ARUC will provide the support of an experienced water/sewer management system, to help ensure their new system lasts as long as possible.

John Nichols, P.E.
ARUC Manager, ANTHC
Phone (907) 729-5695
(800) 560-8637 ext 5695
Fax 729-4506
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**United States Department of Agriculture
Rural Development
Alaska USDA Service Center**

December 20, 2012

Roald Helgesen
Alaska Native Tribal Health Consortium
4000 Ambassador Drive
Anchorage, AK 99508

Dear Mr. Helgesen:

Your application, under the Rural Alaska Village Grant Program, for a Technical Assistance and Training Grant is complete and eligible for funding. The grant application was submitted to provide technical assistance and training to water and sewer operators in five, new Alaska Rural Utility Collaborative communities.

Based on review of the application materials submitted, Rural Development is recommending a grant in the amount of \$414,780. The update to the original amount requested (\$465,000) was based on the adjustment to remove the salary and fringe of water treatment plant operators from the budget. Under 7CFR1775.5(d), grant funds may not be used for costs associated with the operation and maintenance of water and wastewater facilities. The salary of a water treatment plant operator is considered a general operation and maintenance expense under a utility system.

Rural Development must be provided a list of the five communities for review and approval. With the final selection of the communities, ANTHC must keep in mind the median household income and location (on-road/off-road) of the recommended communities. Please be aware that a copy of the State of Alaska grant document must be provided as proof of matching funds. The document must identify that the State of Alaska funds are approved to be utilize for the specific scope of work outlined in Attachment 1 to the Grant Agreement.

We are enclosing the Grant Agreement and other forms that must be completed and returned so we can proceed with our recommendations for grant approval. Please refer to the checklist of items that must be returned. Before signing and dating the Grant Agreement we suggest that you:

- Check the Federal dollar amount awarded.
- Check your share of project costs.
- Check the project and budget periods.
- Check the approved budget category amounts.

Please note that the Grant Agreement contains the terms and conditions for your Technical Assistance and Training Grant. Certain applicable Federal administrative standards are incorporated either directly or by reference in the Grant Agreement. In accepting this grant, you

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Committed to the future of rural communities.

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To file a complaint of discrimination write USDA, Director, Office of Civil Rights, 1400 Independence Avenue, S.W.,
Washington, DC 20250-9410 or call (800)795-3272 (voice) or (202) 720-6382 (TDD).

agree to comply with all provisions and requirements contained in the Grant Agreement and the following:

- OMB Circular A-110, "Uniform Administrative Requirements for Grants and Agreements with Institutions of Higher Education, Hospitals, and Other Non-Profit Organizations." (OMB is the abbreviation for the Office of Management and Budget.)
- 7 CFR Part 3019--the USDA implementation of OMB Circular A-110. (CFR is the abbreviation for the Code of Federal Regulations.)
- OMB Circular A-122, "Cost Principles for Non-Profit Organizations."

Please return the agreement and forms to us by **January 15, 2013**. Processing of your grant will be delayed if all items are not fully completed and returned by this date. If you have any questions about the requirements of the Grant Agreement, or the forms, please call Tasha Deardorff at 907-271-2424 extension 118 or email tasha.deardorff@ak.usda.gov.

Sincerely,

A handwritten signature in cursive script that reads "Tasha Deardorff".

TASHA DEARDORFF
RAVG Program Manager

Attachments