



Indian Health Service: Sanitation Facilities Construction Program

The Recovery Act (ARRA) funds are used to construct essential sanitation facilities including water supply, sewage, and solid waste disposal facilities to American Indian and Alaska Native (AI/AN) homes and communities. Through Interagency Agreement DW-75-95766001-0 the US Environmental Protection Agency provided the Indian Health Service with \$30 million of Drinking Water Infrastructure Grants Tribal Set Aside funds. The EPA also provided \$60 million of Clean Water Act Indian Set Aside funds through Interagency Agreement DW-75-95765901-0. Funds were distributed to the 12 IHS Areas (IHS regional organizational level) based on relative need considering both the dollar amount of sanitation need and the sanitation need measured in the number of homes lacking facilities. The projects within each Area are prioritized to serve existing homes, based on an established formula that considers, among other factors, health impact, cost effectiveness, and ability to expeditiously complete the projects. Projects were executed using Public Law (P.L.) 86-121 authorities including the Memorandum of Agreement (MOA) and P.L. 93-638 instruments. Sanitation Facilities Construction (SFC) projects can be managed by the IHS directly (Direct Service) or they can be managed by Tribes that elect to use authorities under P.L. 93-638, the Indian Self-Determination and Education Assistance Act. The IHS will use up to \$1 million of the funds for administrative costs, finance activities, and transparency reporting required by the Recovery Act. The overall SFC goals, eligibility criteria, and project funding priorities remain the same, regardless of the delivery methods chosen by a Tribe.

A. Funding Table

Program/ Project/ Activity	(Dollars in Millions)		
	Total Appropriated	FY 2009 Actual Obligations	FY 2010 Estimate Obligations
Sanitation Facilities	\$68	\$37	\$31
Transfer from EPA	\$90	\$41	\$49
Total	\$158	\$78	\$80

B. Objectives

As of the end of fiscal year (FY) 2008, there were about 220,000 American Indian and Alaska Native (AI/AN) homes in need of sanitation facilities, including nearly 35,000 AI/AN homes without potable water. As of April 24, 2009, the total cost of sanitation facilities needs for existing Indian homes totaled almost \$3 billion. Safe drinking water supplies and adequate waste disposal facilities are essential preconditions for most health promotion and disease prevention efforts, as well as being a major factor in the quality of life of AI/AN people. The SFC Program is a preventative health program that yields positive benefits in excess of the program



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costs. The Recovery Act funding was expended on sanitation facilities construction projects that accomplish IHS objectives including:

- Developing public health infrastructure with Tribes to support AI/AN communities mediate sub-standard conditions and upgrade to modern fire-life safety standards,
- Preventing the spread of infectious diseases,
- Protecting the public against injuries and environmental threats, and
- Providing economic stimulus and jobs.

C. Activities

Projects by Categories

Category	# of Projects Provided Funding*	Cost (\$)*
Sanitation Facilities Projects, including: <ul style="list-style-type: none"> • provisions of water supplies; • sewage disposal facilities; • development of solid waste treatment sites; • provision of technical assistance to Indian water and sewer utility organizations. 	161	\$67,000,000
IHS Administrative cost		\$1,000,000**
EPA Clean Water Sanitation Facilities Projects, including: <ul style="list-style-type: none"> ○ sewage treatment and disposal facilities; ○ provision of technical assistance to Indian sewer utility organizations. 	96	\$60,000,000
EPA Drinking Water Sanitation Facilities Projects, including: <ul style="list-style-type: none"> ○ provisions of water supplies; ○ water treatment and distribution facilities; ○ provision of technical assistance to Indian water utility organizations. 	63	\$30,000,000

* Some projects are jointly funded by IHS and EPA for a total of 292 projects.

**Any excess admin funds will address cost and/or scope changes on current projects or fund additional priority SFC projects.



D. Characteristics

Types of Recipients

Sanitation Facilities Construction Projects by Recipient Type

Recipient Type	Number of Projects*	Cost (\$)
Tribal governments and/or Tribal Organizations	292	158,000,000

* Some projects are jointly funded by IHS and EPA for a total of 292 projects.

Types of Financial Awards

- Public Law (P.L.) 86-121 Memorandum of Agreement (MOA) -- estimated funding: \$140 million. Approximately 10% will be funded through Buy-Indian or Commercial Contracts
- Tribal self-determination contracts -- estimated funding: \$18 million

Methods of Selection

The 12 IHS Areas, in consultation with Tribes, selected high priority sanitation facilities construction projects to be funded by the Recovery Act. Projects for water and sanitation services are ranked in priority using measures collected in the IHS Sanitation Deficiency System (SDS) which is an inventory of the sanitation deficiencies of AI/AN communities. Sanitation deficiencies include needed water, sewer, and solid waste facilities for existing AI/AN homes. The sanitation deficiency data is continually updated and annually reported to Congress as required by the Indian Health Care Improvement Act, Public Law 94-437, as amended (25 U.S.C. 1601 et seq). Potential construction projects are prioritized considering measures of health impact, deficiency level, previous service, capital cost, operations and maintenance capability, Tribal contribution, Tribal priority and other considerations. The Recovery Act funding favored projects that could be started and completed expeditiously. The SDS scoring criteria were supplemented to comply with the Recovery Act by focusing on projects that could be delivered expeditiously and by lowering priority for projects where conditions and circumstances could impede completion on schedule. Tribal involvement has been a keystone of the Sanitation Facilities Program since its inception in FY 1959. Tribal project proposals are funded through agreements which specify Tribal ownership responsibilities, including operation and maintenance.

Sanitation Facilities Construction ARRA Projects by Area

IHS Regional Area	Number of Projects by State	Number of Projects by Area	Cost (in Dollars)
Aberdeen	Iowa – 1 Nebraska – 4 North Dakota – 1 South Dakota - 7	13	5,907,000
Alaska	Alaska - 14	14	14,291,000
Albuquerque	New Mexico - 6	6	3,053,000
Bemidji	Michigan – 2 Minnesota – 4 Wisconsin - 2	8	1,918,000



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IHS Regional Area	Number of Projects by State	Number of Projects by Area	Cost (in Dollars)
Billings	Montana – 4 Wyoming - 1	5	1,827,000
California	California - 16	16	4,068,000
Nashville	Florida 1 Maine -1 Mississippi -1 New York - 5	8	3,083,000
Navajo	Arizona - 14 New Mexico - 16	30	15,078,000
Oklahoma	Oklahoma - 28 Kansas - 6	34	8,074,000
Phoenix	Arizona - 6 California - 3 Nevada - 4	13	5,750,000
Portland	Washington - 9 Idaho - 1 Oregon – 1	11	2,237,000
Tucson	Arizona – 3	3	1,714,000
Totals		161	67,000,000

<i>SFC ARRA Projects by Area Funded with EPA Clean Water Contributions</i>				
IHS Regional Area	State	Number of Projects		Cost (\$)
		By Area	By State	
Aberdeen	South Dakota	1	1	\$3,210,000
Alaska	Alaska	20	20	\$19,979,950
Albuquerque	Colorado	6	6	\$3,995,990
	New Mexico			
Bemidji	Michigan	6	1	\$1,590,010
	Minnesota		3	
	Wisconsin		2	
Billings	Montana	3	3	\$2,166,000
California	California	5	5	\$7,548,000
Nashville	Alabama	5	1	\$3,390,000
	Maine		1	
	New York		1	
	North Carolina		2	
Navajo	Arizona	30	8	\$10,176,030
	New Mexico		22	
Oklahoma	Oklahoma	5	4	\$1,344,010



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<i>SFC ARRA Projects by Area Funded with EPA Clean Water Contributions</i>				
		Number of Projects		
	Kansas		1	
Phoenix	Arizona	10	8	\$3,714,000
	California		1	
	Utah		1	
	Washington		3	
Tucson	Arizona	2	2	\$1,002,010
		96		\$60,000,000

<i>SFC ARRA Projects by Area Funded with EPA Drinking Water Contributions</i>				
IHS Regional Area	State	Number of Projects		Cost (\$)
		By Area	By State	
Aberdeen	Nebraska	4	1	\$2,844,100
	South Dakota		3	
Alaska	Alaska	11	11	\$7,965,800
Albuquerque	New Mexico	4	4	\$1,845,200
Bemidji	Michigan	6	1	\$1,692,700
	Minnesota		2	
	Wisconsin		3	
Billings	Montana	2	2	\$602,600
California	California	1	1	\$753,100
Nashville	Florida	12	1	\$2,667,800
	Maine		5	
	New York		2	
	North Carolina		2	
	Rhode Island		1	
	Texas		1	
Navajo	Arizona	1	1	\$3,187,000
Oklahoma	Oklahoma	6	2	\$1,084,100
	Kansas		4	
Phoenix	Arizona	9	7	\$3,775,300
	California		1	
	Nevada		1	
Portland	Washington	4	3	\$2,655,300
	Oregon		1	
Tucson	Arizona	3	3	\$927,000



		63	\$30,000,000
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Each SFC project to be funded by the Recovery Act, including EPA ARRA funding, is listed in a separate IHS report that consolidates all Recovery Act funded projects. Many IHS SFC projects are funded by multiple contributors including EPA ARRA programs, States, other Federal Agencies, and Tribes. All funds for ARRA SFC projects are tracked and accounted for separately by funding type in the Unified Financial Management System (UFMS).

E. Delivery Schedule

The projects will be implemented through September 30, 2013.

F. Environmental Review Compliance

- All Recovery Act projects conform to standard IHS procedures that require documentation of an environmental review of each construction project to identify any exceptional or extraordinary circumstances and to ensure compliance with all environmental laws, regulations, and executive orders.
- To satisfy Section 1609(c) reporting requirements of the Recovery Act, the IHS will be reporting the status and progress of the environmental review of all Recovery Act SFC funded projects using the prescribed President’s Council on Environmental Quality format.
- SFC projects comply with National Environmental Policy Act (NEPA) and the National Historic Preservation Act (NHPA) and other environmental regulations.

G. Measures

SFC projects provide potable water, wastewater disposal and solid waste systems to AI/AN homes and communities. Each project is different in size, scope and purpose with a variety of tangible, overlapping infrastructure items such as water storage tanks, microfiltration water treatment plants, slow sand filtration water treatment plants, pressure filter water treatment plants, water wells, water transmission lines, water distribution systems, individual service lines, creek intakes, infiltration galleries, septic tank drain fields systems, wastewater lagoons, solar powered systems, gravity sewer systems, pressure sewer systems, sewage lift stations, solid waste transfer stations , open dump closures, wetland wastewater disposal systems, sewage treatment plants and pump houses.

Measure	Type	Frequency Measured	Available for Public Access
Percentage of SFC Recovery Act projects completed.	Output	Quarterly	Supplemental information on HHS.gov/Recovery

Explanation of Measure: The percentage of SFC Recovery Act projects completed is the number of completed construction projects relative to the total number of sanitation projects funded by the Recovery Act. Progress is tracked quarterly using milestone data from the IHS-SFC Program’s Project Data system (PDS). Projects



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are considered fully complete when all phases of construction at a site are completed and the facilities are certified to begin serving the community. The goal is to complete 100% of Recovery Act projects by the 4th quarter of FY 2013.

Measure	Type	Frequency Measured	Available for Public Access
Number of existing AI/AN homes provided with sanitation facilities on Recovery Act SFC funded projects.	Output	Quarterly	Supplemental information on HHS.gov/Recovery



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Explanation of Measure: The outcome measure is number of currently deficient AI/AN homes that will be served by Recovery Act funded water and sanitation projects. Progress is tracked quarterly using data gathered for the IHS-SFC Program's Project Data system (PDS). As projects are completed and certified to begin serving the community, counts of additional homes served by each completed project will be added to the cumulative total of homes served by all Recovery Act funded projects.

Outcome / Achievement	Units	Type	9/30/09	12/31/09	3/31/10	6/30/10	9/30/10	12/31/10	3/31/11	6/30/11	9/30/11	Program End
SFC Recovery Act projects completed	%	TARGET		5	7	10	15	20	25	50	90	100%
		ACTUAL	1	4	6							
Existing AI/AN homes provided with sanitation	#	TARGET		800	1,120	1,600	2,400	3,200	4,000	8,000	14,000	16,000
		ACTUAL	367	436	1036							



H. Monitoring and Evaluation

All Recovery Act programs are assessed for risk to ensure that appropriate internal controls are in place throughout the entire lifecycle of the program. These assessments are conducted by operating components to comply with the statutory requirements of the Federal Manager's Financial Integrity Act and the Improper Payments Information Act as well as OMB Circular A-123, "Management's Responsibility for Internal Control" (including Appendices A, B, and C).

The IHS risk management process fits within the overall governance structure established at HHS to address Recovery Act program risks. The HHS Risk Management and Financial Oversight Board provides executive leadership and establishes accountability for the risk assessment process related to internal controls over financial reporting, and the HHS Senior Assessment Team ensures that risk assessment objectives are clearly communicated throughout the Department. The IHS Recovery Act Coordination Team carries out comprehensive annual assessments of its Recovery Act program(s) to identify risks and develop strategies to address them, including those associated with selecting recipients, awarding and overseeing funds, and achieving program goals. It meets bi-weekly to monitor and assess the effectiveness of mitigation strategies and identify emerging risks.

In addition, IHS has presented/will present its high level risks to the Recovery Act Implementation Team. Chaired by the Deputy Secretary and comprised of senior policy officials from throughout the Department, the Implementation Team convenes monthly to monitor progress in carrying out Recovery Act programs and address the obstacles and risks that could impact on their success.

I. Transparency

IHS is open and transparent in all of its contracting competitions and regulations that involve spending of Recovery Act funding consistent with statutory and OMB guidance. IHS ensures that recipient reports required by Section 1512 of the Recovery Act are submitted and reviewed for material omissions and significant errors that would mislead or confuse the public. IHS informs recipients of their reporting obligation through standard terms and conditions, grant announcements, contract solicitations, and other program guidance. IHS provides technical assistance to grantees and contractors and fully utilizes Project Officers to ensure compliance with reporting requirements.

- Post Recovery Act reports on Recovery.gov and supplemental information on HHS.Gov/Recovery
- All tribal and commercial contracts and tribal agreements, including MOUs, include relevant reporting requirements for use of Recovery Act funds.
- Post reports enabling the public to see how much Recovery Act funding has been awarded and to whom.
- Recipients submit Recovery Act reports to a web-based central data portal which routes raw reports to a central national data repository and to the IHS.
- IHS generates consolidated reports assembled from raw individual recipient reports.



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- Types of data available to the public:
 - Recovery Act financial data for IHS
 - Recovery Act implementation plans
 - Recovery Act award data
 - Recovery Act program and project level status reports - individually by recipient and collectively synthesized as appropriate.
- No agency contact or oral communications with registered lobbyists regarding particular Recovery Act projects are allowed.
- Post any written agency communications with lobbyists to Recovery.Gov

J. Accountability

To ensure that managers are held to high standards of accountability in achieving program goals under the Recovery Act, IHS is building on and strengthening existing processes. Senior IHS Office of Environmental Health and Engineering program officials meet regularly with senior Department and USEPA officials to ensure that projects are meeting their program goals, assessing and mitigating risks, ensuring transparency, and incorporating corrective actions. The personnel performance appraisal system incorporates Recovery Act program stewardship responsibilities for program and business function managers.

- Incorporate Recovery Act into IHS FY 2009/2010 Management Control Plan
- Track quantifiable outcomes and outputs for funded projects
- Track Recovery Act projects and funds in UFMS
- Incorporate Recovery Act implementation in the Director's Performance Plan and cascade to responsible Recovery Act managers.
- Projects comply with procurement standards and quality assurance
- SFC Projects comply with established design standards and value engineering criteria and with worker health and safety standards
- Track and report use of funds.

K. Barriers to Effective Implementation

The availability of materials and contractors at sites where some of the projects are located may potentially impede completion on schedule. The potential for delays is minimized by the selection of projects with lower risks - fewer conditions and circumstances that could impede the schedule.

L. Federal Infrastructure

- SFC projects incorporate green materials and designs that meet the Environmental Protection Agency's definition of Green Projects.
- SFC projects have always integrated low operation and maintenance systems and energy efficient practices into facilities because they are transferred to tribes and/or tribal organizations with limited economic resources to manage the facilities.



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Summary of significant changes:

In our initial implementation plan we had 169 sanitation facilities projects. After further review of project scope and documentation, it was determined that 8 projects could be combined with similar projects to streamline the overall project execution.