FREEING-UP FUNDING STREAMS FOR TRIBAL COMMUNITIES

Sustainable Water Infrastructure Solutions

Developed and distributed by The Community Services Group, Construction Programs Bureau
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INTRODUCTION

New Mexico’s tribal communities frequently face significant human health and environmental problems resulting from the lack of adequate drinking water, wastewater treatment systems and solid waste facilities. The New Mexico Environment Department (NMED) Construction Programs Bureau’s (CPB) Community Services Group (CSG) is committed to assisting Tribes/Nations and Pueblos within New Mexico to secure sustainable drinking water, wastewater and solid waste services.

This resource guide entitled; Freeing-Up Funding Streams for Water, Wastewater and Solid Waste infrastructure provides an overview of state, federal and private grant and/or loan programs that offer funding for Tribal drinking water, wastewater and solid waste systems. The information will help you determine which programs may best suite your particular needs.

This guide includes various funding program fact sheets describing the type of assistance offered by state, federal and/or private funding programs along with information on what is funded.

For further information in connection with program eligibility requirements, application processes, funding cycles and related program information along with hands-on support and assistance we recommend that you contact the Construction Program Bureau’s Community Services Group’s Program Administrator.
The Tribal Infrastructure Fund provides grants to qualified projects submitted by New Mexico tribal entities. The fund provides tribal communities with financial assistance in addressing basic infrastructure needs. A portion of a given appropriation may be set-aside for planning grants for tribal infrastructure projects.

In FY 2011, funding shall be used for tribal infrastructure projects related to water, wastewater, electrical systems, communications, roads, health, emergency facilities and economic development statewide to carry out the provisions of the Tribal Infrastructure Act. According to the Act, funding for qualified projects includes:

1. planning, designing, constructing, improving, expanding or equipping water and wastewater facilities, major water systems, electrical power lines, communications infrastructure, roads, health infrastructure, emergency response facilities and infrastructure needed to encourage economic development;
2. developing engineering feasibility reports for infrastructure projects
3. inspecting construction of qualified projects
4. providing special engineering services
5. completing environmental assessments or archaeological clearances and other surveys for infrastructure projects
6. acquiring land, easements or rights of way; and
7. paying legal costs and fiscal agent fees associated with development of qualified projects

Fiscal Year 2011 estimate $2.2 million is available for the TIF. Based on a 5% severance tax allocation beginning in fiscal year 2012, an estimate $10 million will be generate annually.
STATE FUNDING PROGRAMS

REGIONAL WATER RESOURCE PLANNING

The Regional Water Resource Planning Grant provides communities with funding and technical assistance to plan, budget and develop water resources within New Mexico.

Funds may be used for technical studies, lease-analysis, public participation, and water plan products. A Regional Water Plan must answer the following questions:

1. What is the water supply available to the region?
2. What is the region’s current and projected water demand?
3. What alternatives are available to meet the projected demand with available supplies, including management alternatives to increase supply and reduction of demand via conservation or other measures?
4. What are the relative advantages and disadvantages of each alternative?
5. What is the selected set of alternatives that comprise the plan and how the alternatives may be implemented?

Available funds vary each fiscal year. Awards depend on range of tasks required to complete or implement regional water plans; contingent on funding.

RECYCLING AND ILLEGAL DUMPING ALLIANCE

The purpose of the New Mexico Recycling and Illegal Dumping Alliance is to provide annual grant funding to support projects that will:

1. Protect the health and welfare of the environment and current and future residents of New Mexico by preventing and abating illegal dumpsites
2. Promote Environmentally sound methods for reuse and recycling
3. Encourage economic development, community development and collaboration that promotes the efficient and sustainable use of resources, sustainable recycling and a cleaner and healthier environment.

Grants are awarded on an annual basis. This is a reimbursement grant program that awards on an annual basis. Funding varies each fiscal year, but there is not a cap in place on the amount requested per project. However, the Alliance looks to fund as many grant applications as possible and
requests that grant requests be realistic under these conditions.

**WATER TRUST BOARD**

The 2001 Legislature enacted the Water Project Finance Act which created the Water Project Fund in the NMFA and charged the NMFA with the administration of the Fund and the Water Trust Board. The Water Trust Board is a diverse 16-member Board that recommends to the Legislature projects to be funded through the Water Project Fund. Under the Act, the Board recommends to the Legislature funding within five project categories:

1. Water conservation or reuse,
2. Flood prevention,
3. Endangered species act (ESA) collaborative efforts,
4. Water storage, conveyance and delivery infrastructure improvements, and
5. Watershed restoration and management initiatives.

Qualified uses of the funds include planning and engineering, equipment and construction as well as land acquisition and legal fees.

Amounts will vary annually. Typically available funding averages $25 million which is allocated amongst the five categories of eligible projects. Funding is provided with a mandatory loan component of between 10-40%. A cash match is required on all projects. Awards are sized to meet the needs of the project and what can be expended within 12-18 months of award.

**LOCAL GOVERNMENT PLANNING FUND**

Created in 2002, the fund provides up-front capital necessary to allow for proper planning of vital water and wastewater projects. The 2005 Legislature (HB 304, Sandoval) broadened project eligibility to include master plans, conservation plans and economic development plans and to allow NMFA to "forgive" the loan if the entity finances the project through NMFA.

Funds may be used for public water and wastewater systems and local governments undertaking comprehensive economic development planning. Funds may be used for planning only.

NMFA will fund that portion of the planning that the applicant cannot afford to pay upfront. Funding cannot exceed $50,000 per applicant per 24-month period.

**PUBLIC PROJECT REVOLVING FUND**

The Public Project Revolving Fund (PPRF) is NMFA’s flagship program. The PPRF is used to finance public projects such as water system upgrades and other infrastructure improvements, fire and law enforcement equipment, and public buildings. Both market rate based loans and loans to disadvantaged communities at subsidized rates are made from PPRF funds.

Qualified projects include a variety of infrastructure projects with a useful life of at least three years, such as the construction and acquisition of land, building, and capital equipment. Loan refinancing may also qualify for low-cost loans.
**FEDERAL FUNDING STATE ADMINISTERED PROGRAMS**

**CLEAN WATER ACT SECTION 319 PROGRAM**

The Nonpoint Source (NPS) Program (Section 319 Program) provides grants to states and tribes to implement their approved NPS management programs developed pursuant to section 319(b) of the Clean Water Act. The primary goal of the NPS management program is to control NPS pollution through implementation of management measures and practices to reduce pollutant loadings resulting from each category or subcategory of NPSs identified in the Tribe’s NPS assessment report developed pursuant to section 319(a) of the Clean Water Act. Nonpoint source projects can be implemented to protect unimpaired waters, such as source water areas, and restore NPS-impaired waters in a watershed.

Two types of projects are funded. Projects that develop watershed-based plans per Environmental Protection Agencies Nonpoint Source Guidelines (Federal Register, October 23 2003) may be implemented by any type of organization or individual provided they meet competitive requirements detailed in the RFP. All types of applicants are eligible for implementation projects as well, provided that the project is identified as a priority in a watershed-based plan meeting the planning elements in EPA’s Nonpoint Source Guidelines (Federal Register, October 23 2003).

Fiscal Year 2011 funds estimates are unavailable at this time. EPA awards section 319 base grants to eligible Tribes in the amount of $30,000 or $50,000. Eligible Tribes may apply for competitive funding by submitting a proposal for up to a maximum budget of $150,000 of section 319 funding. Section 319 requires that the match for NPS grants is 40 percent of the total project cost. EPA may decrease the match requirement to as low as ten percent if the Tribe can demonstrate that fulfilling the match requirement would impose undue hardship.

**CLEAN WATER STATE REVOLVING LOAN FUND**

The Clean Water State Revolving Fund (CWSRF) Program provides low-cost loans for the planning, design and construction of water pollution control facilities and activities.

Funds may be used for capital costs for the construction and maintenance of publicly owned treatment works. Projects include: Wastewater collection and treatment, publicly owned municipal storm water projects, combined sewer overflow, sanitary sewer overflow, water pipes, stor-
Federal Funding State Administered Programs

age, and treatment systems, green infrastructure, water quality portions of municipal landfill projects, water conservation and reuse, energy conservation and efficiency.

The CWSRF has averaged $4.4 billion in annual assistance since 2000. $4.9 billion was awarded in fiscal year 2005. Average loan amounts that states give to individual projects vary from state to state.

necessary drinking water facilities. As such, proceeds can be used for construction and all professional costs associated with the project. DWRLF proceeds cannot be used primarily for growth, the purchase of water rights, mainly for fire protection or for open reservoirs.

The New Mexico Finance Authority receives approximately $8 million per year through Environmental Protection Agency capitalization grants. A single applicant cannot utilize more than 20 percent of the total DWRLF program capitalization. Projects requiring funding above the cap amount will be offered a loan from the NMFA’s Public Project Revolving Fund program.

Drinking Water State Revolving Loan Fund

The Drinking Water State Revolving Fund (DWSRF) Program provides low-cost loans for the planning, design and construction of drinking water facilities.

Use of DWRLF proceeds are intended to improve and protect drinking water quality and public health through construction and rehabilitation of
FEDERAL FUNDING STATE ADMINISTERED PROGRAMS
The Capacity Building State and Tribal Assistance Grant (STAG) Program helps states and Tribes enhance their ability to carry out environmental enforcement and compliance assurance activities.

EPA’s Office of Compliance annually identifies focus areas that are eligible for funding. Previous years have included calls for proposals for innovative enforcement and compliance assurance projects including performance measurement, data quality, environmental enforcement and inspector training, and public access to information. Past years’ projects can be viewed at the STAG Program website. Planning, design, construction, and operation and maintenance projects for drinking water and wastewater facilities are NOT eligible for funding under the STAG Program.

In past years, the award amounts have ranged from $35,000 to $250,000. The range of award amounts is announced in the annual STAG Program solicitation.

The Southwestern Division’s Civil Works program involves planning, design, construction, and operation and maintenance of water resource projects to meet the region’s need for water supply, flood damage reduction, navigation, environmental restoration, hydropower, recreation and other water-related needs.

Funds may be used to solve water resource problems. Types of water resource problems include: Navigation Improvements, Flood Damage Reduction, Ecosystem Restoration, Hurricane and Storm Damage Reduction, Water Supply, hydroelectric Power, Outdoor Recreation, Water Quality Control.

Fiscal Year 2011 estimates are unavailable at this time.
Where tribe already has an established water pollution control program, it is encouraged to begin implementing specific program elements, such as developing and revising Tribal water quality standards and developing and implementing ground water programs. Through the implementation of specific program elements, a Tribe is expected to further expand and enhance its already established water quality program into more mature/advanced levels.

Section 106 funds may also be used for a variety of activities related to improving the performance of decentralized (septic) systems. Section 106 funds cannot be used for wastewater treatment facility construction, operation, or maintenance. Activities related to decentralized (septic) systems that can be funded through Section 106 grants include:

- Public outreach, education and involvement programs
- Programs to promote stakeholder and partner agency involvement
- Development of effective management programs to ensure that performance requirements for decentralized systems are met
- Watershed and ground water assessments
- Watershed-based planning
- Establishment of public health and water resource protection goals related to decentralized systems
- Targeted surface and ground water monitoring
- Studies to characterize the impact of malfunctioning decentralized systems, discharging and non-discharging, on surface and ground water quality
- Inventory and assessment of decentralized sys-
FEDERAL FUNDING PROGRAMS

- Identification of critical areas where decentralized systems pose elevated risks (e.g.; sites with poor soils, high water tables, high densities of existing systems, near sensitive surface waters, or in floodplains)

Contact your EPA Regional office for more information on eligible activities related to decentralized wastewater treatment systems.

The total Section 106 funding for Tribes for Fiscal Year 2011 is estimated at $274,264,000. Awards will vary. Tribes must provide a five percent non-federal match of approved grant work plan costs. Work plan costs may include costs of planning, developing, establishing, improving, or maintaining a water pollution control program. Recognizing that some Tribes will not be able to meet the match requirement with either federal funds authorized by statute for matching purposes, or with Tribal funds, EPA welcomes Tribal in-kind contributions (e.g., volunteer services, property, supplies, and equipment) toward the match.

CLEAN WATER INDIAN SET-ASIDE GRANT PROGRAM

The Clean Water Indian Set-Aside Grant Program (CWISA Program) provides funding for wastewater infrastructure to Indian tribes and Alaska Native Villages. Funds may be used for planning, design and construction of wastewater collection and treatment systems. The CWISA Program is administered in cooperation with the Indian Health Service.

All Projects available for funding by the CWISA Program must be wastewater related. Project components that are eligible for funding include:
- Interceptor sewers
- Wastewater treatment facilities (Conventional or Alternative)
- Infiltration/inflow correction
- Collector sewers
- Major sewer rehabilitation
- On-site treatment systems (e.g., septic systems)

CWISA cannot be used to pay for operations and maintenance of a wastewater treatment facility. These funds also cannot be used for wastewater projects that are linked to economic development projects. As stated in Section 216 of the Clean Water Act, EPA’s water quality goals are first to rectify deficiencies that are causing, or could potentially cause, human health problems. Once public health goals are attained, EPA will then concentrate on projects that address water quality goals, such as meeting effluent permit limits or loading criteria.
There is no specific minimum or maximum amount; the award amount will vary depending on the type of wastewater project. The average award amount is $300,000. Up to 100% of eligible project costs can be funded. No matching funds are required.

**Drinking Water Indian Set-Aside Grant Program**

The purpose of the Drinking Water Infrastructure Grants Tribal Set-Aside (DWIG TSA) Program is to improve the infrastructure of public drinking water systems that serve tribal populations.

All Projects funded by the CWISA Program must be wastewater related. Project components that are eligible for funding include:

- Interceptor sewers
- Wastewater treatment facilities (Conventional or Alternative)
- Infiltration/inflow correction
- Collector sewers
- Major sewer rehabilitation
- On-site treatment systems (e.g., septic systems)

Fiscal Year 2011 estimates are not available at this time. Awards will vary. No matching funds are required.

**Economic Adjustment Program**

The Economic Adjustment Program helps state and local interests to design and implement strategies to adjust or bring about change to an economy undergoing a sudden and severe economic dislocation.

This program provides assistance to help distressed communities attract new industry, encourage business expansion, diversify local economies, and generate long-term, private sector jobs. The Economic Adjustment Program predominantly supports three types of grant activities: strategic planning, project implementation, and revolving loan funds. Among the types of projects funded are water and sewer facilities, primarily serving industry and commerce; access roads to industrial
FEDERAL FUNDING PROGRAMS

parks or sites; port improvements; business incubator facilities; technology infrastructure; sustainable development activities; export programs; brownfields redevelopment; aquaculture facilities; and other infrastructure projects. Specific activities may include demolition, renovation, and construction of public facilities; provision of water or sewer infrastructure; or the development of storm water control mechanisms (e.g., a retention pond) as part of an industrial park or other eligible project.

There is no specific minimum or maximum amount. The Economic Adjustment Program may generally fund 50 percent of a project’s cost. However, certain conditions of high economic distress or an applicant’s inability to provide all of the matching share may permit a higher grant rate.

ECONOMIC DEVELOPMENT GRANTS FOR PUBLIC WORKS AND DEVELOPMENT FACILITIES

This program provides grants to support the construction or rehabilitation of essential public infrastructure and development facilities necessary to generate higher-skill, higher-wage jobs and private investment.

This program provides assistance to help distressed communities attract new industry, encourage business expansion, diversify local economies, and generate long-term, private sector jobs. Among the types of projects funded are water and sewer facilities, primarily serving industry and commerce; access roads to industrial parks or sites; port improvements; business incubator facilities; technology infrastructure; sustainable development activities; export programs; brownfields redevelopment; aquaculture facilities; and other infrastructure projects. Specific activities may include demolition, renovation, and construction of public facilities; provision of water or sewer infrastructure; or the development of stormwater control mechanisms (e.g., a retention pond) as part of an industrial park or other eligible project.

Applicants have received Economic Development Grants that range from $605,000 to $5,500,000. This grant program requires a match. The match required is typically 50%, but may vary.

EMERGENCY COMMUNITY WATER ASSISTANCE GRANTS

This program provides grants to water systems that are facing or experiencing an acute water shortage or significant decline in water quantity or quality.
Grant funds may be used for:
- Waterline extensions from existing systems
- Construction of new water lines; repairs to existing systems
- Construction of new wells, reservoirs, transmission lines, treatment plants, and other water sources
- Equipment replacement

Funding can be used for most construction-related costs, including legal fees; engineering fees; recording costs; environmental impact analyses; archaeological surveys; possible salvage or other mitigation measures; and planning, establishing, or acquiring rights associated with developing sources of treating, storing, or distributing water. Priority is given to areas with less than 5,000 people; low income areas; and communities facing imminent decline and shortage of water.

Grants may be made for 100 percent costs. The maximum grant is $500,000 when a significant decline in quantity or quality of water occurred within 2 years, or $150,000 to make emergency repairs and replacement of facilities on existing systems. FY10 $4,539,600

**Environmental Regulatory Enhancement Grants**

The Administration for Native Americans provides grants to help tribes develop environmental regulations and enforce environmental activities on Indian lands.

Funds may be used for planning, developing and implementing tribal environmental regulatory projects through competitive grants. Types of allowable activities are: to regulate and enforce environmental activities on Indian lands; to develop regulations, ordinances and laws to protect the environment; to develop the technical and program capacity to carry out a comprehensive tribal environmental program and perform essential environmental program functions; to promote training and education of tribal employees; to develop technical and program capability to meet tribal and Federal regulatory requirements; to develop technical and program capability to monitor compliance and enforcement of tribal environmental regulations, ordinances, and laws; to establish a baseline condition for regulatory purposes; and to ensure the tribal court system enforcement requirements are developed in concert with and support the tribe's comprehensive environmental program.
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Flood Mitigation Assistance Program

The Flood Mitigation Assistance Program provides grant funds to assist communities implement measures that reduce or eliminate the long-term risk of flood damage to buildings, manufactured homes, and other structures insurable under the National Flood Insurance Program.

Three types of FMA grants are available to States and communities:

- Planning Grants to prepare Flood Mitigation Plans. Only NFIP-participating communities with approved Flood Mitigation Plans can apply for FMA Project grants.
- Project Grants to implement measures to reduce flood losses, such as elevation, acquisition, or relocation of NFIP-insured structures. $1,000 within any ten-year period since 1978.
- Technical Assistance Grants for the State to help administer the FMA program and activities. Up to ten percent (10%) of Project grants may be awarded to States for Technical Assistance Grants.

Federal contribution is up to 75% of total eligible costs. At least 25% of the total eligible costs must be provided by a nonfederal source.

Household Water Well System Grant Program

The Household Water Well Grant program provides grants to qualified private non-profit organizations to establish lending programs for household water wells. Eligible individuals may borrow money from grant recipients to construct or upgrade their private well systems.

Grant funds must be used to establish and maintain a revolving loan fund to provide loans to eligible individuals to construct, refurbish, and service individually-owned household water well systems. Eligible individuals must own or will own the household water well systems. Funds may be used to pay administrative expenses associated with providing the loans. Grant funds may not be used to pay:

- administrative expenses exceeding 10 percent of the loans made during the calendar year;
- administrative expenses incurred before the Rural Utilities Service executes a grant agreement;
- delinquent debt owed to the Federal Government.

Fiscal Year 2011 estimates are unavailable at this time. Awards range from $200,000 to $500,000 per budget period.
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IMMINENT THREAT SET-ASIDE

The Imminent Threat Set-Aside is a separate program within the Indian Community Development Block Grant (ICDBG) program. These grants are provided for emergency situations—namely, non-recurring imminent threats to health or safety—on a non-competitive, first-come, first-served basis.

The program funds initiatives that eliminate or lessen problems that pose an imminent threat to public health or safety. Eligible activities include: economic development and environmental improvement projects (including drinking water, wastewater, and solid waste projects); Housing rehabilitation; Acquisition of land for housing; Direct assistance to facilitate homeownership among low and moderate income persons; Construction of tribal and other facilities, streets and other public facilities.

INDIAN COMMUNITY DEVELOPMENT BLOCK GRANT PROGRAM

This program assists Indian tribes and Alaska Native villages in the development of viable communities, including decent housing, a suitable living environment, and expanding economic opportunities, principally for persons of low and moderate income.

Funds may be used to improve the housing stock, provide community facilities, make infrastructure improvements, and expand job opportunities by supporting the economic development of their communities. Activities which are eligible for funding include housing rehabilitation programs, acquisition of land for housing, direct assistance to facilitate homeownership among low and moderate income persons, construction of tribal and other facilities for single or multi-use, streets and other public facilities, and economic development projects. Tribes and Alaska Native villages are restricted from using block grants for construction and improvement of governmental facilities, the purchase of equipment, general government expenses, operating and maintenance expenses, political activities, new housing construction (except through community-based development organizations (CBDOs)), and income payments.

Fiscal Year 2011 estimate $65,000,000 available. Awards range from $90,000 to $5,550,000 per budget period. There are no matching requirements.
FEDERAL FUNDING PROGRAMS

INDIAN ENVIRONMENTAL GENERAL ASSISTANCE PROGRAM

The purpose of the Indian Environmental General Assistance Program (GAP) is to assist tribes in building the basic infrastructure of a Tribal environmental program. GAP provides grant assistance for planning, developing and establishing environmental management programs.

Examples of fundable activities under this program include: planning, hiring staff, monitoring, and assessing environmental resources and pollution threats. GAP funds may be used for planning, developing, and establishing Tribal administrative programs to manage and oversee drinking water and wastewater facility construction and operation. Planning, design, construction, and operation and maintenance projects for drinking water and wastewater facilities are NOT eligible for funding under GAP.

Grant Funding is provided for up to four years. The minimum award amount for the first fiscal year of the grant is $75,000. Funding amounts for the following fiscal years are determined by each EPA Region based on available funding and overall demand. The average award amount is approximately $110,000 per fiscal year, and the maximum award amount is $400,000 per fiscal year. No matching funds are required.

RURAL HOUSING AND ECONOMIC DEVELOPMENT PROGRAM

The Rural Housing and Economic Development Program provides for capacity building at the state and local level for rural housing and economic development and to support innovative housing and economic development activities in rural areas.

This program is established to assist nonprofit organizations in rural communities across America. HUD defines rural in three ways:

- A place having fewer than 2,500 inhabitants;
- A county or parish with an urban population of 20,000 inhabitants or less;
- Any place with a population not in excess of 20,000 inhabitants and not located in a Metropolitan Statistical Area.

Possible activities include: preparation of plans, architectural drawings, acquisition of land and buildings, demolition, provision of infrastructure, purchase of materials and construction costs, use of local labor markets, job training and counseling for beneficiaries and financial services such as revolving loan funds and Individual Development Accounts or IDAs. Other possible activities include: homeownership and financial counseling, application of innovative construction methods; provision of financial assistance to homeowners, businesses, and developers; and
the establishment of CDFIs, lines of credit, revolving loan funds, microenterprises, and small business incubators.

**Sanitation Facilities Construction Program**

The Indian Health Service (HIS) Sanitation Facilities Construction (SFC) Program keeps an inventory of sanitation needs in American Indian and Alaska Native (AI/AN) communities for use by HIS and Congress. The SFC program provides funding for drinking water, wastewater, and solid waste projects serving eligible AI/AN homes. The SFC Program works cooperatively with tribes and other government agencies to pool funds to meet needs.

Funds are provided for the construction of drinking water, sewer, and solid waste disposal facilities. The SFC Program funds projects to serve existing tribal housing. The SFC Program also funds projects to serve new or like-new housing. Limited funding for emergency projects is also provided. Facilities intended for commercial and industrial purposes are excluded by the SFC Program.

HIS also provides on-site training and technical assistance for the planning, design, construction, and operation and maintenance of drinking water, sewer, and solid waste disposal facilities.

The average SFC project is approximately $350,000. There is no specific minimum or maximum project funding amount.

The sanitation deficiencies of existing Indian homes and communities are determined and reported annually by HIS in terms of projects to meet these needs. HIS annually prioritizes, with tribal input, these needed projects by Area and, as Congress appropriates money, funds these projects in priority order. Projects earn points in the priority system for matching and contributed funding.

**Solid Waste Management Grant**

The purpose of the Solid Waste Management Grant Program is to reduce or eliminate pollution of water resources, and to improve planning and management of solid waste sites.

Funds may be used to: Evaluate current landfill conditions to determine threats to water resources in rural areas; provide technical assistance and/or training to enhance operator skills in the maintenance and operation of active landfills in rural areas; provide technical assistance and/or training to help associations reduce the solid waste management system.
waste stream; and provide technical assistance and/or training for operators of landfills in rural areas which are closed or will be closed in the near future with the development/implementation of closure plans, future land use plans, safety and maintenance planning, and closure scheduling within permit requirements. Grant funds may not be used to: Recruit pre-applications/applications for any loan and/or grant program including RUS Water and Waste Disposal Loan and/or Grant Program; duplication of current services, replacement or substitution of support previously provided such as those performed by an association's consultant in developing a project; fund political activities; pay for capital assets, the purchase of real estate or vehicles, improve and renovate office space, or repair and maintain privately-owned property; pay for construction or operation and maintenance costs of water and waste facilities; and pay costs incurred prior to the effective date of grants made under this subpart.

Fiscal Year 2011 estimates are not available at this time. Awards may be issued up to $205,000 per budget period.

SPECIAL EVALUATION ASSISTANCE FOR RURAL COMMUNITIES AND HOUSEHOLDS PROGRAM

The purpose of the Special Evaluation Assistance for Rural Communities and Household (SEARCH) Grant program is to provide financial assistance to the neediest, eligible communities, who lack financial resources to pay for feasibility studies, design assistance and technical assistance. This subpart sets forth the general policies and procedures for making and processing predevelopment planning SEARCH grants for water and waste projects.

Funds may be used for predevelopment planning such as feasibility studies, design assistance, and technical assistance, to financially distressed communities in rural areas with populations of 2,500 or fewer inhabitants for water and waste disposal projects.

Fiscal Year 2010 estimates $5,000,000 available. Awards may be issued up to $30,000 per fiscal year.
FEDERAL FUNDING PROGRAMS

TITLE XVI WATER RECLAMATION AND REUSE PROGRAM

The Bureau of Reclamation, in partnership with local nonfederal water and wastewater agencies, conducts, appraisal and feasibility studies for water reclamation and reuse projects. It also conducts research and demonstration programs to test water reclamation and reuse technologies. The Bureau of Reclamation may also participate in construction of reuse projects after congressional authorization of the project.

Appraisal and feasibility studies of water reclamation and reuse projects to investigate and identify opportunities for reclamation and reuse of municipal, industrial, domestic, and agricultural waste-water and naturally impaired groundwater and surface water for the design and construction of demonstration and permanent facilities. Research and demonstration programs to test water reclamation and reuse technologies. Full-scale construction projects if specifically authorized by the Congress.

The Bureau of Reclamation can provide up to 100 percent of the cost of appraisal studies, and share up to 50 percent of the cost of a feasibility study, with the nonfederal sponsor supplying the balance. Environmental compliance costs are considered to be part of the planning costs and are cost shared accordingly. If the project proceeds to construction, the Federal share of planning becomes part of the total project cost. Construction, research and demonstration funding is limited to 25 percent of the total project cost or $20 million per project, which ever is less.

TRIBAL ENERGY PROGRAM

The Tribal Energy Program provides financial and technical assistance to tribes for feasibility studies and shares the cost of implementing sustainable renewable energy installations on tribal lands.

The program offers assistance for renewable energy feasibility studies and shares the cost of renewable energy projects on tribal lands. The program also offers assistance to tribes for the initial steps toward developing renewable energy and energy efficiency projects, including strategic planning, energy options analysis, human capacity building, and organizational development plan-
FEDERAL FUNDING PROGRAMS

Wind and solar powered water pumps are eligible for funding.

Matching funds from 20% to 50% are required depending on the project.

U.S.—MEXICO BORDER PROGRAM

The Tribal Border Infrastructure Program provides funds for tribes located in the U.S.—Mexico Border Region to address high priority drinking water and wastewater needs.

Eligible projects include: sewer systems, pump stations, and treatment plants, on-site wastewater treatment systems, drinking water transmission lines, storage tanks, pump stations and water treatment plants. Recognizing the disparity between the water infrastructure needs of the Border region and the limited grant funds potentially available, EPA and the BECC, in coordination with appropriate agency stakeholders including the NADB, have created a process to prioritize projects for funding. The objective of the prioritization process is to ascertain which drinking water and wastewater projects will address the most severe public health and environmental conditions identified in communities along the border. Therefore, the methodology for prioritization assigns first priority to projects that address the most urgent public health needs.

Fiscal Year 2011 estimates are unavailable at this time. Typical award amounts range from $250,000 to over $1 million and cover total project costs. No matching funds are required.

SECTION 306C WATER AND WASTE DISPOSAL
LOAN AND GRANT PROGRAM

The objective of the Section 306C Water and Waste Disposal Loan and Grant program is to provide water and waste disposal facilities and services to low-income rural communities whose residents face significant health risks. Funds may be used to construct, enlarge, extend, or otherwise improve community water and/or waste disposal systems, including extending service lines to and/or connecting residences’ plumb-
FEDERAL FUNDING PROGRAMS

ing to the system.

Priority is given to extreme health or sanity situations. Other factors such as median household income, population size, and unemployment rate are taken into account to determine eligibility.

The maximum grant amount cannot exceed $1 million per project. Grants can be made up to 100 percent of eligible project costs. Matching funds are not required; however, priority is given to projects that provide matching.

VERY LOW-INCOME HOUSING REPAIR LOANS AND GRANTS

The Very Low-Income Housing Repair program provides loans and grants to very low-income homeowners to repair, improve, or modernize their dwellings or to remove health and safety hazards. Rural Housing repair and Rehabilitation Grants are funded directly by the Government.

Loan funds may be used to make general repairs and improvements to properties or to remove health and safety hazards. Grant funds may be used only to pay for the costs for repairs and improvements that will remove identified health and safety hazards or to repair or remodel dwellings to make them accessible for household members with disabilities. Loans and grants are typically used for repair or replacement of heating, plumbing or electrical services, roof or basic structure as well as water and waste disposal systems, and weatherization. The house must be located in an eligible rural area which does not exceed 10,000 population. Some places with populations between 10,000 and 25,000 may be eligible if not within a Metropolitan Statistical Area (MSA). Assistance is available in States, the Commonwealth of Puerto Rico, the U.S. Virgin Islands, Guam, American Samoa, the Commonwealth of Northern Mariana's and the Trust Territories of the Pacific Islands.

Fiscal Year 2010 estimate $30,000,000 available. Loans have a 1% interest rate and are repaid over a period up to 20 years. The maximum loan amount cannot exceed a cumulative total of $20,000 to any eligible person and maximum lifetime grant assistance is $7,500 to any eligible person.
FEDERAL FUNDING PROGRAMS

WATER AND WASTE DISPOSAL LOAN AND GRANT PROGRAM

The Water and Waste Disposal Loan and Grant Program provides loans and grants to develop water and wastewater systems, including solid waste and storm drainage projects. In some cases, the program provides predevelopment planning grants to assist communities in paying costs associated with development of an application for a proposed water or wastewater project.

Funding can be used for most costs related to the building or expansion of a drinking water, wastewater, solid waste, or stormwater project, including construction, land acquisition, legal expenses, engineering fees, capitalized interest, equipment, initial operation and maintenance costs, project contingencies, and related costs for completing the project. Priority will be given to restore a deteriorating water supply, or to improve, enlarge, or modify a water facility or an inadequate waste facility. Also, preference will be given to requests which involve the merging of small facilities and those serving low-income communities. Initial operation and maintenance (O&M) costs are eligible for loan funds; however, multiple years of O&M costs are not eligible for funding.

Predevelopment planning grant funds can be used to help pay for the costs of preliminary engineering reports and environmental reports, which are required when applying for a Water and Waste Disposal loan or grant.

Fiscal Year 2011 estimates are unavailable at this time. Matching funds are not required; however, a financial analysis is performed to see if the applicant can afford to make a contribution to the project. If that determination is made, the applicant will be expected to contribute. The maximum term for all loans is 40 years. Predevelopment planning grants are limited to $15,000 or 75% of the project cost, whichever is less. Grant awards are based upon Agency evaluation of need.

Technical Assistance and Training Grant

Technical Assistance and Training Grants are made available from at least one percent and not more than three percent of the funds appropriated for Water and Waste Disposal Grants.

Uses

Funds may be used to:
- Identify and evaluate solutions to water and/or waste related problems of associations in rural areas.
- Assist entities with preparation of applications for Water and Waste Disposal loans and grants.
- Provide training to association personnel in order to improve the management, operation and maintenance of water and/or waste disposal facilities.
- Pay expenses related to providing the technical assistance and/or training.

Grants may be made for up to 100 percent of eligible project costs.
**PUBLIC/PRIVATE FUNDING PROGRAMS**

**ENVIRONMENTAL INFRASTRUCTURE LOAN FUND**

RCAC provides loans to finance water and waste facility projects. RCAC’s loan programs are unique — they provide the early funds small rural communities need to determine feasibility and pay pre-development costs prior to receiving state and federal program funding.

Funds may be used for feasibility studies, pre-development activities and construction activities of water and waste facilities.

**NATIONAL RURAL WATER ASSOCIATION REVOLVING LOAN FUND**

The NRWA Revolving Loan Fund was established under a grant from USDA Rural Development to provide loan funds for pre-development costs associated with proposed water and wastewater projects.

What is funded: RLF funds pre-development costs associated with proposed water and wastewater projects. RLF funds can also be used with existing water/wastewater systems and the short term costs incurred for replacement equipment, small scale extension of services or other small capital projects that are not a part of your regular operations and maintenance.

Loan amounts may not exceed $100,000 or 75% of the total project cost, whichever is less. Applicants will be given credit for documented project costs prior to receiving the RLF loan.

**NEW MEXICO NATIVE GREEN LOAN FUND**

The New Mexico Native Green Loan Fund is a public-private partnership between the New Mexico Indian Affairs Department (IAD) and philanthropic entities based in the United States. The Loan Fund seeks to leverage some $10 million in annually appropriated State Funds for tribal infrastructure projects (i.e. electricity, water, wastewater, etc) by a projected $10 million program related investment fund.

The Loan Fund will augment the IAD’s existing grants program and provide ‘green’ options to tribal community development projects. Technical assistance will be an inherent component of the program, enabling applicants to receive a limited amount of pro-bono consultation about ecological solutions to their projects during the application phase.