

**U.S. EPA
GRANT GUIDELINES**

**ALASKA RURAL
AND
NATIVE VILLAGES
PROGRAM**



Revised June 2017

**Alaska Rural and Native Villages Program
Grant Guidelines**

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GRANT GUIDELINES (Revised June 2017)**

OVERVIEW

This document is the Office of Wastewater Management's (OWM) Grant Guidelines for the Environmental Protection Agency's (EPA) Alaska Rural and Native Villages Program. The amount available to the State of Alaska will vary annually based on the funding levels in future Appropriations Acts.

These Guidelines describe how the EPA will award and administer the Alaska Rural and Native Villages Program grants. The Alaska Rural and Native Villages Program is referred to herein as the Alaska Native Villages (ANV) Program. The Guidelines address: match requirements, administrative costs, pre-award costs, applicable laws, grant operations, environmental considerations, other requirements, and project officer responsibilities.

MATCH REQUIREMENT

Historically, the annual appropriations act identifies a specific percentage that the State of Alaska must provide each year, for example in FY 2016, the Consolidated Appropriations Act, 2016, required "... the State of Alaska shall provide a match of 25 percent." The programmatic match requirement is, therefore, identified as 25 percent and must be provided by the State of Alaska.

Federal funds from other programs may be used as all or part of the match for the ANV Program only if the statute authorizing those other programs specifically allows the funds to be used as a match for other Federal grants. Additionally, the other Federal programs must allow their appropriated funds to be used for the planning, design and/or construction of water, wastewater or groundwater infrastructure projects. The US Department of Agriculture, Rural Development (USDA-RD) program funds may be used to provide all or part of the program match requirement for ANV Program grants or for other Federal grants. ANV Program funds cannot be used as a source of matching funds for other Federal programs.

ADMINISTRATIVE COSTS

In 2006, the State of Alaska Department of Environmental Conservation, the EPA and the USDA-RD entered into a Memorandum of Understanding (MOU) on the administration of the EPA and USDA-RD funds for the ANV Program. This MOU will be followed in the allocation, award, monitoring and close-out activities of the Alaska Rural and Native Villages funds.

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Historically, the annual appropriations act identifies a specific percentage of the grant that may be used for administrative and overhead expenses, for example, the FY 2016 Consolidated Appropriations Act identifies that no more than 5 percent of the funds may be used for administrative and overhead expenses.

PRE-AWARD COSTS

EPA's regulation on pre-award costs is located at 2 CFR 1500.8 and states that EPA award recipients may incur allowable project costs 90 calendar days before the award. Expenses more than 90 calendar days pre-award require prior approval of EPA. All costs incurred before EPA makes the award are at the recipient's risk. EPA is under no obligation to reimburse such costs if for any reason the recipient does not receive the award or if the award is less than anticipated and inadequate to cover such costs.

LAWS, REGULATIONS, AND REQUIREMENTS

Federal Laws and Executive Orders that apply to EPA's Alaska Rural and Native Villages Program grants include, but are not limited to, the following:

Environmental Authorities

- Archeological and Historic Preservation Act, Pub. L. 93-291, as amended
- Clean Air Act, Pub. L. 95-95, as amended
- Clean Water Act, Titles III, IV and V, Pub. L. 92-500, as amended
- Coastal Zone Management Act, Pub. L. 92-583, as amended
- Endangered Species Act, Pub. L. 93-205, as amended
- Environmental Justice, Executive Order 12898
- Flood Plain Management, Executive Order 11988 as amended by Executive Order 13690
- Protection of Wetlands, Executive Order 11990 as amended by Executive Order 12608
- Farmland Protection Policy Act, Pub. L. 97-98
- Fish and Wildlife Coordination Act, Pub. L. 85-624, as amended
- Magnuson-Stevens Fishery Conservation and Management Act, Pub. L. 94-265
- National Historic Preservation Act, Pub. L. 89-655, as amended
- Safe Drinking Water Act, Pub. L. 93-523, as amended
- Wild and Scenic Rivers Act, Pub. L. 90-54, as amended

Economic and Financial Authorities

- Debarment and Suspension, Executive Order 12549

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- Demonstration Cities and Metropolitan Development Act, Pub. L. 89-754, as amended, and Executive Order 12372
- Drug-Free Workplace Act, Pub. L. 100-690
- New Restrictions on Lobbying, Section 319 of Pub. L. 101-121
- Prohibitions relating to violations of the Clean Water Act or Clean Air Act with respect to Federal contracts, grants, or loans under Section 306 of the Clean Air Act and Section 508 of the Clean Water Act, and Executive Order 11738
- Uniform Relocation and Real Property Acquisition Policies Act, Pub. L. 91-646, as amended
- Cash Management Improvement Act, Pub L 101-453
- Trafficking Victims Protection Act of 2000, as amended, 22 USC 7104(g)
- Davis-Bacon Act, 40 USC 3141 et seq.

Civil Rights, Nondiscrimination, Equal Employment Opportunity Authorities

- Age Discrimination Act, Pub. L. 94-135
- Equal Employment Opportunity, Executive Order 11246
- Section 13 of the Clean Water Act, Pub. L. 92-500
- Section 504 of the Rehabilitation Act, Pub. L. 93-112 supplemented by Executive Orders 11914 and 11250
- Title VI of the Civil Rights Act, Pub. L. 88-352

Disadvantaged Business Enterprise Authorities

- EPA's FY 1993 Appropriations Act, Pub. L. 102-389
- Section 129 of the Small Business Administration Reauthorization and Amendment Act, Pub. L. 100-590
- Small, Minority and Women Owned Business Enterprises, Executive Orders 11625, 12138 and 12432

Some of the authorities only apply to grants that include construction. A more detailed description of the Federal laws, Executive Orders, OMB Circulars and their implementing regulations is available through the OGD Grants Intranet website at <http://intranet.epa.gov/ogd/> or through the Regional Grants Management Office.

The regulations at 2 CFR Parts 200 and 1500 apply to grants and cooperative agreements awarded to State and local (including tribal and Alaskan Native Village) governments.

OPERATING GUIDELINES

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The authorities for awarding grants for the Alaska Rural and Native Villages Program are provided by the Agency's annual Appropriations Acts.

The Catalog of Federal Domestic Assistance (CFDA) number for the ANV Program is 66.202 "Congressionally Mandated Projects." The Integrated Grants Management System (IGMS) code for the ANV Program is XP, titled "Water Infrastructure Grants as authorized by EPA Appropriations." The Object Class Code (budget and accounting information) for the ANV Program is 41.83. Applicants should use Standard Form 424 to apply for the grants.

Grants Involving Geospatial Information

In accordance with revised OMB Circular A-16, which incorporates Executive Order 12906 and the One-Stop Geospatial E-gov Initiative, the project officer must indicate in the funding recommendation for a proposed assistance agreement whether the grant involves or relates to the creation, collection or analysis of geospatial information. Geospatial information includes information that identifies the geographic location and characteristics of natural or constructed features or boundaries on the Earth, or applications tools, and hardware associated with the generation, maintenance, or distribution of such information. The information may be derived from, among other things, GPS, remote sensing, mapping, charting, and surveying technologies, or statistical data.

Location of Project

To be able to report on environmental and public health benefits, the EPA will collect and store information on the geographic location of grant funded infrastructure projects.

Alaska Rural and Native Villages Program Management Control Policy

Funded infrastructure projects will be administered by the State of Alaska in accordance with the EPA Alaska Rural and Native Villages Program Management Control Policy (dated July 2007). This Policy identifies typical project schedules, expenditure rates and corrective actions in the event projects vary significantly. Contact the ANV program contacts listed at: <https://www.epa.gov/small-and-rural-wastewater-systems/alaska-native-villages-and-rural-communities-water-grant-program> to request a copy of this policy.

Refinancing

Funds appropriated for the ANV Program may not be awarded solely to repay loans received from a State Revolving Fund or other indebtedness unless there are explicit instructions to do so in the annual Appropriations Act. Any request to use ANV Program funds to repay a loan, in whole or in part, must be approved in writing by EPA Headquarters. The request, with

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sufficient supporting documentation, should be submitted to the Director, Office of Wastewater Management, (Mail Code 4201M), USEPA, 1200 Pennsylvania Avenue NW, Washington, D.C. 20460.

Common Preliminary Engineering Report

The multi-agency tribal Infrastructure Task Force (ITF) published a standardized Preliminary Engineering Report (PER) template with consistent requirements across five different federal agencies that build tribal water & wastewater infrastructure. The common PER makes it easier for tribes to receive funding from more than one federal source and simplifies coordination between federal agencies. The ANV program recommends that all projects use the common template to develop and submit a PER. If a proposed project is limited in scope, EPA regional staff and/or IHS may decide that a PER is not required. Examples of a limited scope project that may not need a PER include onsite septic system installation or a lift station pump replacement. If ANV funding is used to develop a PER, regional staff are encouraged to use professional judgment in evaluating the cost of PER preparation based on local conditions within their region.

Definitions

In the context of determining that the scope of work of an ANV Program grant is in conformance with the project description contained in EPA's FY 2016 Appropriations Act (when these guidelines were drafted), the word "water" can be considered to mean: drinking water, wastewater, storm water or combined sewer overflow. Furthermore, the words "and" & "or" as used in the project description are interchangeable. Additionally, the terms "waste", "waste water", "waste disposal", "sewer project," "water infrastructure" or "sewer improvements," are considered broad enough to include all aspects of the upgrade, expansion and development of a complete wastewater treatment system as defined at 40 CFR 35.2005(12). Comparable phrases concerning the project descriptions for drinking water facilities should be similarly interpreted.

GRANTS MANAGEMENT: ENVIRONMENTAL RESULTS UNDER EPA ASSISTANCE AGREEMENTS

Introduction

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EPA Order 5700.7, “Environmental Results under Assistance Agreements,” applies to all non-competitive funding packages/funding recommendations submitted to the Grants Management Offices after January 1, 2005 (available online at: <http://intranet.epa.gov/ohr/rmpolicy/ads/transorders.htm>) and is implemented through existing regulatory requirements for work plan development and performance evaluation in 40 CFR Part 35. The Order requires the EPA Project Officers to: 1) link proposed assistance agreements to EPA’s Strategic Plan/Government Performance and Results Act (GPRA) architecture; 2) ensure that outputs and outcomes are appropriately addressed in assistance agreement work plans and funding recommendations; and 3) ensure that progress in achieving agreed-upon outputs and outcomes is adequately addressed in recipient progress reports and advanced monitoring activities. (The term “work plan” is used for convenience. For construction projects, outputs/outcomes are normally included in a Facility Plan, Preliminary Engineering Report, or an Environmental Information Document. In many cases, these documents may not exist at the time of grant application. In those situations, the development of the documents will be included in the scope of work of the assistance agreement.) ANV Project progress and financial reporting are currently tracked by the State of Alaska’s databases.

The Strategic Plan/GPRA Architecture

EPA’s Strategic Plan sets out long-term goals for the five-year period. Each of these goals is supported by a series of objectives and sub-objectives that identify, as precisely as possible, what environmental outcomes or results the EPA seeks to achieve within a defined time frame using resources expected to be available. The objectives and sub-objectives established in EPA’s Strategic Plan are part of the ‘GPRA architecture’ that is used to measure the EPA’s progress in meeting its strategic goals. Project officers must include in the funding package for a proposed assistance agreement a description of how the project fits within the EPA’s Strategic Plan/GPRA architecture. In developing the aforementioned descriptions, a project officer must list all applicable EPA strategic goals and objectives and, where available, sub-objectives in the Strategic Plan/Program Results Code (PRC) crosswalk in the funding recommendation. The PRC for the ANV program is 202B78E. The project officer must ensure that the PRC(s) listed on the commitment notice is consistent with the selected strategic goals, objectives and sub-objectives. Additionally, the project officer must include in the funding package for a proposed assistance agreement an assurance that the program office has reviewed, or will review, the assistance agreement work plan and that the work plan includes, or will include, well-defined outputs and, to the maximum extent practicable, well-defined outcomes.

Environmental Results: Outputs and Outcomes

The term ‘output’ means an environmental activity, effort, and/or associated work products related to an environmental goal or objective that will be produced or provided over a period of time or by a specified date. See EPA Order 5700.7. Outputs may be quantitative or

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qualitative but must be measurable during an assistance agreement funding period. Outputs reflect the products and services provided by the recipient, but do not, by themselves, measure the programmatic or environmental results of an assistance agreement. Examples of outputs for ANV are the infrastructure funded by each project (water treatment plant, sewage lagoon, water or sewer mains, etc.)

The term ‘outcome’ means the result, effect or consequence that will occur from carrying out an environmental program or activity that is related to an environmental or programmatic goal or objective. See EPA Order 5700.7. Outcomes may be environmental, behavioral, health-related or programmatic in nature, must be quantitative, and may not necessarily be achievable within an assistance agreement funding period. There are two major types of outcomes – end outcomes and intermediate outcomes. End outcomes are the desired end or ultimate results of a project or program. They represent results that lead to environmental/public health improvement. Intermediate outcomes are outcomes that are expected to lead to end outcomes but are not themselves ‘ends.’ Given that the end outcomes of an assistance agreement may not occur until after the assistance agreement funding period, intermediate outcomes realized during the funding period are an important way to measure progress in achieving end outcomes. The project officer must include in the funding recommendation for a proposed assistance agreement an assurance that the program office has reviewed, or will review, the assistance agreement work plan and that the work plan includes, or will include, well-defined outputs and, to the maximum extent practicable, well-defined outcomes. An example of an ANV program intermediate outcome is number of houses served by each project. End outcomes for the ANV program are defined as “improved health and sanitation conditions in the villages” (as identified in the authorization language for the ANV program).

EPA Review of Recipient Performance Reports

EPA Order 5700.7 also establishes requirements for project officer review of construction and non-construction interim and final recipient performance reports for progress in achieving outputs and outcomes contained in assistance agreement work plans. Under 2 CFR Part 200.328, EPA may require recipients to submit performance/progress reports as frequently as quarterly but no less frequently than annually. These regulations also require recipients to provide the EPA with an acceptable final performance report at the end of a project. The State of Alaska is not required to provide performance reports more, or less than semi-annually for the ANV program.

The review of recipient performance reports is largely the responsibility of the EPA project officer. The project officer must review interim¹ and final² performance reports to

1 For construction projects, on-site technical inspections and certified percentage of construction data meet the interim reporting requirements, see 2 CFR Part 200.238(c).

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

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

Required special conditions for assistance agreements to State and local governments

Project officer(s) must include the following special programmatic conditions in all assistance agreements requiring performance reports to provide a comparison of actual accomplishments to agreed upon outputs/outcomes:

In accordance with 2 CFR Part 200.328, the recipient agrees to submit performance reports that include brief information on each of the following areas: 1) a comparison of actual accomplishments to the outputs/outcomes established in the assistance agreement work plan for the period; 2) the reasons for slippage if established outputs/outcomes were not met by the agreed upon or scheduled date; and 3) additional pertinent information, including, when appropriate, analysis and information of cost overruns or high unit costs.

In accordance with 2 CFR 200.328(d) the recipient agrees to inform EPA as soon as problems, delays or adverse conditions become known which will materially impair the ability to meet the outputs/outcomes specified in the assistance agreement work plan.

Environmental Results: Advanced Monitoring (On-Site Reviews or Desk Reviews)

EPA Order 5700.6A2 directs the project officer, when conducting on-site reviews or desk reviews, to include an assessment of the recipient's progress in achieving the outputs and outcomes set forth in the assistance agreement work plan. If the assessment reveals significant problems in meeting agreed-upon outputs/outcomes, the project officer must require the recipient to develop and implement an appropriate corrective action plan and implementation schedule. The results of the assessment must be documented in the Grantee Compliance Database in a format determined by the Director of the NPTCD.

SPECIFIC ENVIRONMENTAL REQUIREMENTS

The award of the ANV Program grants is authorized by the Agency's annual appropriations acts (in FY 2017 the Consolidated Appropriations Act, 2017). Accordingly, pursuant to Section 511(c) of the Clean Water Act, these actions are not subject to the National Environmental Policy Act (NEPA). Nevertheless, through the 2006 Alaska Rural and Native

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Villages Program Memorandum of Understanding, the State of Alaska has agreed to utilize the State's Environmental Review Process (SERP) for all projects funded by the program to assess and manage environmental impacts of ANV funded projects.

GRANTS MANAGEMENT: OTHER REQUIREMENTS

These grants are subject to assistance agreement regulations, OMB cost principles, the Cash Management Improvement Act, and Agency policies. The grants must be awarded and managed as any other assistance agreement.

OGD has developed Orders, Grants Policy Issuances (GPIs) and directives to assist project officers and program offices in fulfilling and understanding their responsibilities (available on the Grants Intranet website at: http://intranet.epa.gov/ogd/policy_training_compliance_content.htm). Two GPIs that are directly related to the award and management of the ANV Program grants are GPI-03-01-Attachment VI "Policy and Procedures for Funding Assistance Agreements," and GPI-04-03 "Performance Standards for Grants Management." The cost principles at 2 CFR 200.400 – 200.475 also apply. Several grant requirements are discussed in further detail below.

Cost Review Requirements

An ANV specific cost review checklist was developed by the EPA Office of Grants and Debarment titled "Cost Review Template and Guidance for Project Officers Special Appropriations Act Projects* and CWSRF & DWSRF Grants for DC and Territories *Includes STAG Water Infrastructure Earmarks and US-Mexico Border and Alaska & Native Villages Programs", and is now available at http://intranet.epa.gov/ogd/cost_review/main/index.htm. The checklist applies to all funding packages/funding recommendations submitted after October 1, 2007.

Post-Award Management: Baseline and Advanced Monitoring

EPA Order 5700.6A2, (online at: http://intranet.epa.gov/ohr/rmpolicy/ads/orders/5700_6.pdf) issued September 24, 2007, which went into effect on January 1, 2008, streamlines post-award management of assistance agreements and helps ensure effective oversight of recipient performance and management. The Order encompasses both the administrative and programmatic aspects of the Agency's financial assistance programs. It requires each EPA project office providing assistance to develop and carry out a post-award monitoring plan, and conduct annual baseline monitoring or the equivalent, for every award. From the programmatic standpoint, advanced monitoring (on-site reviews or desk reviews) should ensure satisfaction of five core areas: (1) compliance with all programmatic terms and conditions, (2) correlation of the recipient's work plan/application and

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actual progress under the award, (3) availability of funds to complete the project, (4) proper management of and accounting for equipment purchased under the award, and (5) compliance with all statutory and regulatory requirements of the program. If during monitoring it is determined that there is reason to believe that the grantee has committed or commits fraud, waste and/or abuse, then the project officer must contact the Office of the Inspector General. All baseline monitoring activities must be documented in the Integrated Grants Management System (IGMS) Post-Award Database.

In addition to the general requirements contained in EPA Order 5700.6 A2, the following types of activities, which are directly related to construction projects, should be considered in conducting post-award monitoring:

- Compliance with the Cash Management Improvement Act;
- Compare actual completion percentages and milestones with the approved project schedule;
- Compare actual costs incurred with the approved project budget;
- Conduct interim inspections;
- Determine that the project is capable of meeting the objectives for which it was planned, designed and built and is operational; and
- Review change orders and claims.

Managing Unliquidated Obligations

On October 1, 2010, EPA's OGD issued its Grants Policy Issuance number 11-01 – "Managing Unliquidated Obligations and Ensuring Progress under EPA Assistance Agreements." The policy, which applies to the ANV Program, establishes procedures for managing unliquidated obligations (ULOs) under EPA assistance agreements. Specifically, the policy states that assistance agreement work plans should include target dates and milestones for timely project completion and requires that new assistance agreements include terms and conditions regarding sufficient progress and timely payment.

Beginning in FY2011, the annual performance evaluation of assistance agreements funded with no-year appropriations must include a discussion of how effectively a recipient managed and utilized EPA grant funds. Given that the ANV program is not a continuing environmental program (as defined by 40 CFR Part 35 subparts A and B) the ANV assistance agreement project periods are not to exceed 7 years (as per GPI 11-01, Section 10.0).

PROJECT OFFICER RESPONSIBILITIES

EPA's OGD has provided directives to project officers that outline roles and responsibilities and are available online at

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http://intranet.epa.gov/OGD/policy_training_compliance_content.htm. The grants will be managed according to the Project Officer Manual, OGD Wiki, and the Assistance Agreement Almanac (AAA) (located at http://intranet.epa.gov/OGD/project_officer_manual6/).

Grant applications should be processed in a timely manner, but the applications should be carefully reviewed and the grant awarded only when it is prudent to do so. Additionally, EPA Region 10 may impose reasonable requirements through grant conditions in those situations where it is considered necessary. A select list of topics project officers must review and ensure in the grant application include, but are not limited to:

- Scope of work of the grant is clearly defined;
- Scope of work is in conformance with the project description;
- Project schedule and milestones are addressed;
- Environmental or public health objectives are clearly stated;
- There is a narrative description of well-defined anticipated outputs, and to the maximum extent practicable, well-defined anticipated outcomes;
- Applicant has the programmatic capability to successfully manage the project;
- It is expected that the project will achieve its objective(s); and
- Costs are reasonable, necessary and allocable to the project.

On September 5, 2008, OGD issued “Guidance regarding Grants Management and the Management of Interagency Agreements under the Performance Appraisal and Recognition System (PARS) (document GPI-08-05 and online at: <http://intranet.epa.gov/OGD/policy/7.0-GPI-GPI-08-05.htm>). In addition, annually since 2007 EPA’s Office of Human Resources (OHR) publishes PARS policy documents (online at <http://intranet.epa.gov/policy/pars/index.htm>), including “Grants Management Recommendations.” OGD and OHM issued the guidance for consideration in assessing grants project officer and supervisor/manager compliance with key grants management policies under the PARS process, developing PARS performance agreements and conducting mid-year and end-of-year performance reviews. In addition, OGD provided a two-page Manager’s Guide to facilitate discussions with project officers while reviewing their grants management performance under PARS (Attachment C to GPI-08-05).