DEPARTMENT OF HEALTH & HUMAN SERVICES Public Health Service

Memorandum

Indian Health Service
Rockville MD 20857

TO: Area Sanitation Facilities Construction (SFC) Program Directors

FROM: Mark A. Calkins April 9, 2025
RADM Mark Calkins, PE
Director, Division of Sanitation Facilities Construction

SUBJECT: SFC Program, Interim Guidance Memo (IGM) #2025-03
Modifications to: "Sanitation Deficiency System (SDS): A Guide for Reporting Sanitation Deficiencies for American Indian and Alaska Native Homes and Communities" September 2019

This memo provides interim guidance to SFC program managers on a specific issue or topic area.

Issue/Topic Area:

Modifications to: "Sanitation Deficiency System (SDS): A Guide for Reporting Sanitation Deficiencies for American Indian and Alaska Native Homes and Communities" September 2019

Background:

Since the publication of the last SDS guideline in September 2019 the SFC program received an historic investment of funds from the Infrastructure Investment and Jobs Act, also known as the Bipartisan Infrastructure Law (BIL), which resulted in an unprecedented number of projects selected for funding from the SDS list. With increased funding and associated scrutiny of how projects are developed and selected for funding, and experience in applying these guidelines over several annual review cycles, the SFC program has identified several necessary clarifications, modifications, and in some cases improved internal controls that should be incorporated into the 2019 SDS Guideline. In addition, the program continues to evolve and improve guidance with regard to the tracking and reporting of solid waste open dumps. The modifications identified in this IGM are intended to improve the overall quality and reliability of the SDS data which the Indian Health Service is required to submit annually to Congress.

Guidance:

I. All Area SFC Program Directors shall:
   1) distribute this IGM to all staff and Self Governance tribal partners,
   2) modify/amend their Area-specific SDS guidance accordingly and

3) follow this updated guidance in the submission of the FY 2026 SDS data.

II. The following changes/additions/deletions are made to specific sections; with certain content removed as identified in bold "**strikethrough**", and new content identified in bold "**italics**".

Sections Modified:

4. Eligibility and SDS Reporting Proceduresinser .....page 6

d. Reporting Solid Waste Deficiencies

[modify the following paragraphs accordingly, with certain sections stricken, and new content added in ***italics***]

In order to demonstrate that complete planning and analysis has occurred, solid waste projects in SDS must include the following in their scopes of work (if one or more parts have been completed previously and are being enforced, include documentation of their completion with the proposed project):

- an Integrated Solid Waste Management Plan (ISWMP),
- an alternative for future solid waste disposal once the site is cleaned up, and
- proper on-site burial or removal and disposal of the existing solid waste at the site (as applicable), including any necessary modifications for the continued use or closure***/cleanup*** of the site. ***IHS should consult with the tribe and/or delegated enforcement entity (EPA in most cases) to determine if the open dump needs to meet EPA RCRA closure and post-closure requirements, or can be simply cleaned up (waste removed and disposed of at an off-site sanitary landfill)***
- ***Open dumps included in the SDS project should be added to the Open Dumps widget on the SDS project overview with the Review Status of IHS accepted – pending clean up***

If a Tribe has a need for a solid waste facility or closure***/cleanup*** of an open dump but does not have an ISWMP (or has an insufficient ISWMP), the proposed SDS project shall include development of the ISWMP as a planning activity that can be separately funded and completed prior to full project funding. As with other planning-only projects, standalone projects for the completion of ISWMPs are not eligible for IHS Regular project funds (see Section 6c for additional details).

All open dump sites meeting the criteria above need to be evaluated for potential risks and closure***/cleanup*** costs as part of their SDS project's development. ~~**Clean-up and**~~ ***S***ite restoration (grading, seeding, etc.) costs for non-hazardous open dumps should be included where appropriate. Although construction/demolition wastes are considered to be industrial wastes by the EPA, open dumps that include waste from such places as demolished houses and tribal buildings can be considered for an SDS project, as long as such wastes are not the primary items disposed at the site ***and less than 50% of estimated volume of open dump site contents*****.** Open dumps that primarily consist of construction/demolition waste or other types of

industrial wastes, environmental remediation activities, and closure of hazardous waste sites should be referred to the EPA and should not be addressed through SDS projects.

6. SDS Project Development .....page 20

a. Narratives

[Add at the end of this section]

Do not include homeowner names, sensitive or any other Personally Identifiable Information (PII) in these fields.

b. Design and Cost Estimation of Needed Sanitation Facilities

[Add]

Areas shall not add specific escalation factors to predict a future construction cost.

c. Planning and Engineering Costs

[Add new second paragraph]:

For Tier 2 projects where the Area has identified a "planning" facility type on the costs tab, the Area must attach to the SDS project a Project Development Plan (PDP), or equivalent detailed scope of work/cost estimate for the planning, preliminary engineering, and/or environmental review tasks and activities that will be performed to advance the project to Tier 1. Refer to Section 3.3 of the SFC Project Management Program (PMPro) Guideline, latest edition, for a description of the PDP.

[**Strikethrough** the following content and replace with new content in ***italic***]

~~**IHS-appropriated SFC project funds shall not be used to pay for permanent professional engineering staff (refer to Chapter 9, Section VI of the Criteria Document). When a partner agency will be providing funds for the construction of sanitation facilities, and IHS has determined that a set-aside of those contributed funds is necessary to offset what would otherwise be a burden on existing IHS professional staff resources, those engineering costs are to be agreed upon through separate discussions after the SDS submission is finalized. Those negotiated engineering costs are not to be included in the SDS cost estimate. Engineering fees and/or professional engineering services may be included as part of the SDS project scope in the following situations:**~~
~~**• if a project requires engineering work that is beyond the Area's scope of expertise, and professional engineering services will be procured as part of the project (regardless of the funding source); or**~~
~~**• when a project supports community facilities located in a non-Indian community where the Tribe and IHS are not primarily responsible for the design work, but a proportional**~~

~~**share of the engineering costs are eligible**~~.

The SFC Mission Activities listed in Table 2-1 of the Criteria Document include providing "…professional engineering design and/or construction services for water supply and waste disposal facilities." This service is typically provided by the SFC Program staff that are paid through the Environmental Health Support Account and are therefore not included as part of the total eligible project cost reported to Congress.

If the community served is considered an Indian Community (See Section 4g), engineering fees and/or professional engineering services may be included as part of the SDS project scope in the following situations:

- ***the project requires "specialty engineering" work that is beyond the Area's scope of professional expertise, and professional engineering services will be procured as part of the project (regardless of the funding source). In the context of SDS, these services are referred to as "Specialty Engineering". These costs should be reported on the SDS Cost tab associated with Facility Type "Water, Other" and/or "Sewer, Other" and Facility Subtype "Specialty Engineering".***

"Specialty Engineering" services may include but are not limited to:

- ***Seismic Structural Design;***
- ***Advanced Geotechnical Soil Studies;***
- ***Hydrogeological and Geophysical Studies;***
- ***Advanced Water/Wastewater Treatment Designs;***
- ***Electrical and Process Control Designs;***
- ***Mechanical and Heating System Designs***
- ***Solid Waste Management Designs,***

- ***the Area determines that the work is beyond the ability of program paid staff to complete within the target project duration measure. In the context of SDS, these professional engineering services that typically would be provided by SFC program staff are referred to as "Non-Specialty Engineering" (NSE).***

  - ***NSE costs should be focused to support Tier 1 projects that require contracted engineering services to complete the final design, plans, specification and contract documents.***

  - ***Cost estimates associated with "NSE" services should be reported on the Costs Tab, facility type "Non-Specialty Engineering". This categorization will facilitate reporting and identification of these costs and will not be included in the total eligible cost of the project. Area's should base their NSE cost on their historical record of similar costs based on size and complexity or professional judgement."***

If the community is considered a Non-Indian community (See section 4g), planning and engineering design costs can be included as part of the SDS project scope, but must be

prorated in the same manner as all other project costs, to identify the eligible/ineligible share. Cost proration is calculated using the EDU method example in Section 4g.

g. Contributions

[**Strikethrough** some content and add new content in ***italics***]

The status (or absence) of required funding contributions must be reported in the SDS project listing. A written tribal funding proposal that describes the expected timeline of funding contributions from all parties is ~~**sufficient**~~ ***required*** to mark initial SDS project submissions as Ready to Fund. Prior to any obligation of IHS funds, however, contributions must be fully committed by all parties. If contributions are not committed, IHS will not obligate any funding, and the project will remain in the SDS inventory until such time as the contributions are available.

[**Strikethrough** some content and add new content in ***italics***]

Tribal solid waste systems, ~~**including open dumps (see Section 4d)**~~ are captured in OMDS. ***Tribal open dumps are captured as read-only in the STARS Open Dumps tab. Open dumps can only be updated using the ESRI Open Dumps Field Maps App or ESRI Open Dumps Desktop Review App***. Open dumps are assigned a health threat ***score that is auto-calculated based on*** a range of site characteristics and hazard factors ***collected during the field survey and review of the ESRI Open Dumps Desktop Review App.*** The general classification of an open dump's health threat score (high, medium, or low) can be used as a basis for the SDS Health Impact score.

[**Strikethrough** certain text]

If contribution points are assigned to a project, there must be documentation in the project attachments. ~~**indicating the likelihood of commitment of the contributed funds.**~~ The documentation (e.g. letter or email from the Tribe or funding agency) should identify the amount and source of the contributed funds.

[Add a new third bullet, immediately after "a detailed cost estimate,"]

- ***If not included in the detailed cost estimate, a detailed EDU calculation sheet, verifying the current homes/structures/users benefitting from the proposed project and showing the calculation of eligible and ineligible pro-rata cost shares based on EDU's, must be attached to the project (see Section 4g).***

b. Describing Changes in Overall Reported Need

[Add]

In addition to the written explanation, for any SDS projects that are removed due to the inherent deficiency being addressed separately, no longer needed or supported by the Tribe, incorrect initial assumptions, or any other reason that results in no PDS project funded or established, Area's shall document via a journal entry and/or attachment to the SDS project, the reason and/or rationale for removing the SDS project, and follow operational guidance from SFC HQ to remove the project from the SDS.

d. HQ Review

[Add new second paragraph]

Area SFC Directors shall submit a signed transmittal memo that certifies that the Area data is complete in accordance with the SDS Guidelines and ready for Headquarters review. The transmittal memo must include a listing of all Tier 1 projects along with the following statement: "I certify that the ____ Area SDS data was updated in accordance with the 2019 SDS Guidelines including subsequent interim guidance revisions, and the following list of projects have sufficient planning and preliminary engineering completed such that they warrant designation as Tier 1 "Ready to Fund". Areas will be unable to change the data, including SDS Tier level, after submission to HQ unless otherwise authorized in advance by the Director of SFC.

This memo should also describe the changes in the overall reported need and provide a thoughtful discussion as to the reasons for these changes. Included in the memo should be a discussion about barriers and challenges associated with updating the SDS data and reflections about changes in project costs and identified needs across the Area. The memo should also reference any Area specific SDS Guidance used.

Failure to submit a complete transmittal memo with the Area's SDS data submission will result in an immediate return of the submittal to the Area.

Appendix B. Total Allowable Unit Cost and Project Feasibility.....page 45

Table B-2: SDS Total Allowable Unit Costs by State

[Replace existing "Table B-2" with the following updated table]

SDS Total Allowable Unit Costs by State Updated: 1/15/2025 Applied: 1/30/2025	
State	**Allowable Unit Costs**
Alabama	$120,500
Alaska	$284,000
Alaska (1)	$203,500
Alaska (2)	$236,000
Arizona	$138,500
California	$160,000
Colorado	$123,000
Conecticut	$149,000
Florida	$125,500
Idaho	$138,000
Iowa	$131,500
Kansas	$130,000
Louisiana	$118,500
Maine	$127,000
Massachusetts	$185,500
Michigan	$136,500
Minnesota	$151,500
Mississippi	$116,500
Montana	$129,000
Nebraska	$124,500
Nevada	$146,500
New Mexico	$123,500
New York	$147,000
North Carolina	$125,500
North Dakota	$135,000
Oklahoma	$121,000
Oregon	$146,000
Pennsylvania	$128,000
Rhode Island	$147,000
South Carolina	$125,500
South Dakota	$128,500
Texas	$117,000
Utah	$134,500
Virginia	$128,000
Washington	$153,000
Wisconsin	$148,000
Wyoming	$128,500

End IGM