

Public Assistance for Water and Wastewater Utilities in Emergencies and Disasters

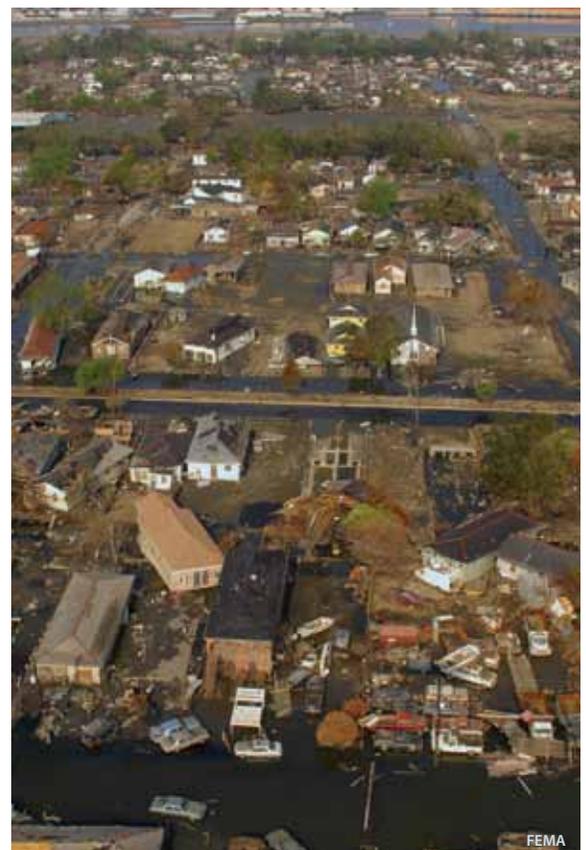


This brochure provides information about the eligibility of water and wastewater utilities for disaster funds under the Federal Emergency Management Agency's (FEMA's) Public Assistance Grant Program.

FEMA's Public Assistance Grant Program

Following a Presidentially-declared emergency or disaster, FEMA's Public Assistance Grant Program provides supplemental Federal disaster grant assistance for the repair, replacement, or restoration of disaster-damaged, publicly owned facilities and facilities of certain private non-profit organizations. The Federal share of assistance is not less than 75% of the eligible cost for emergency measures and permanent restoration. The State determines how the non-Federal share (up to 25%) is split with the applicants.

Public Assistance Grant funds are available to eligible applicants. Eligible applicants include public drinking water and wastewater utilities. The Program does not cover for-profit drinking water or wastewater utilities. Other grant programs for public or private utilities are available and are referenced in the final question/answer at the end of this publication.



Eligible Work

To be eligible for FEMA funding, the **work** must:

- Be required as the direct result of a Presidentially-declared disaster;
- Be performed at a facility that had been in active use at the time of the disaster;
- Occur within the designated disaster area; and
- Be the legal responsibility of the applicant at the time of the disaster.

Work that is eligible for supplemental Federal disaster grant assistance is classified as either emergency work or permanent work.

- **Emergency Work** – Includes debris removal and emergency protective measures performed to eliminate or reduce immediate threats to the public health and safety including restoration of drinking water, sanitation, and fire protection services.
- **Permanent Work** – Includes work to restore an eligible damaged facility to its pre-disaster design. Work may range from minor repairs to total replacement. In publication FEMA 322 Public Assistance Guide, permanent work under Category F includes repair of water treatment and delivery systems and sewage collection and treatment facilities.

Facilities will be restored on the basis of design, capacity, and function of such facilities as they existed immediately prior to the disaster and in conformity with applicable standards and codes at the time of the disaster.

Hazard mitigation measures that are cost-effective may be required by FEMA. Any such measures placed on applicants by FEMA will be eligible for reimbursement. Applicants may suggest hazard mitigation measures.



Eligible Reimbursements

To be eligible for reimbursement, costs must:

- Be reasonable and necessary to accomplish eligible work;
- Comply with federal, state, and local laws and regulations;
- Include deductions of insurance proceeds, salvage value, and purchase discounts; and
- Not be eligible for reimbursement under other State and Federal Programs.

Reimbursement of salaries and wages (including regular time, overtime, fringe benefits, and compensatory time) of employees will be paid on eligible disaster permanent work. For emergency work, only overtime of regular permanent employees is eligible. Regular and overtime of temporary hires are eligible for reimbursement.

Reimbursement for equipment used on eligible disaster-related work is based on the FEMA rate schedule or the applicant's established rates, whichever is lower, unless the applicant's rates are considerably lower and the applicant certifies that rates do not reflect actual costs.

Reimbursement for costs of materials and supplies used in eligible disaster-related work are eligible.

If a repair costs less than 50% of the cost to replace that item, then the applicant is required to repair the item rather than replace it. However, the 50/50 rule has some limited application to water and wastewater utilities. In certain instances. For example, if a pipe in a distribution system is damaged, a pipe repair may lead to a weak joint in the system and subsequent problems. Therefore, replacing the pipe will likely be better than patching it. For this reason, replacement may be eligible if the utility can demonstrate a greater benefit for replacement versus repair. For more clarification on this issue, the utility should work with the FEMA Public Assistance Coordinator.

The cost of establishing temporary emergency services in the event of a utility shut-down may be eligible (e.g., providing a temporary sewage facility).

Applying for Public Assistance Grants

Utilities can apply for funds through the Public Assistance Grant process

- **PDA.** A Preliminary Damage Assessment (PDA) is conducted by State and Federal teams immediately after a disaster to determine whether State and local resources are overwhelmed and supplemental Federal assistance is required. For the PDA, utilities should be prepared to answer questions about the status and damage to the water and wastewater systems.

- **Governor's Request.** If Federal assistance is required, the State's Governor will issue a request for Federal assistance.

- **Declaration.** Based on the Governor's request, a Presidential declaration may then be made, with FEMA designating the areas eligible for assistance.

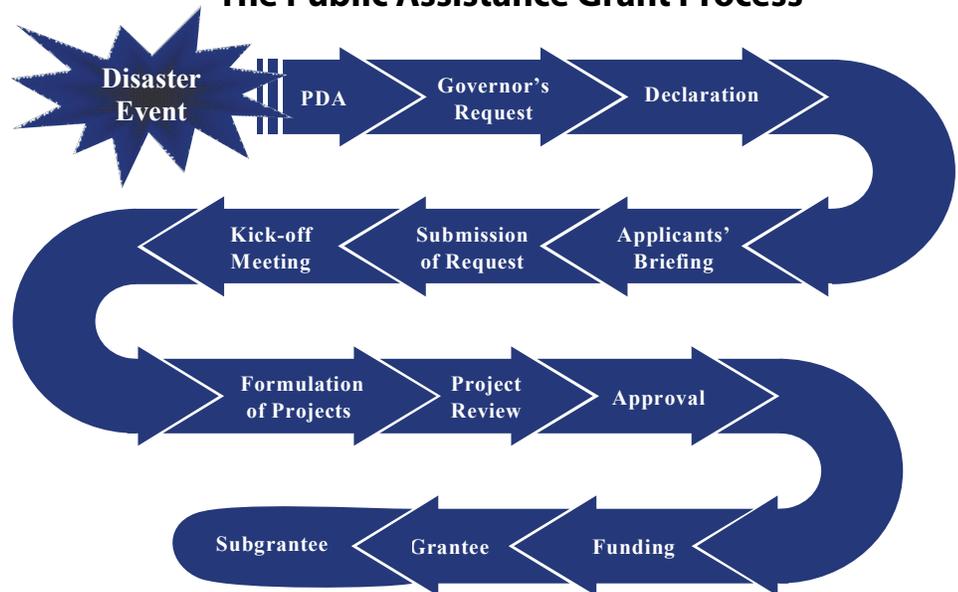
- **Applicant Briefing.** After the Declaration, applicants (utilities) should attend a State-sponsored Applicants' Briefing to receive information about available funding and eligibility requirements.

- **Submit Request.** Applicants should complete and submit to the State a Request for Public Assistance Request form. Applicants may submit the Request forms at the Applicants' Briefing, or submit them to the State within 30 days following the designation of the area in which the damage is located. Upon receipt of the Request form from the State, FEMA will assign a Public Assistance Coordinator (PAC) to work with each applicant throughout the disaster recovery period.

- **Kickoff Meeting.** The PAC will meet with each applicant to provide technical assistance and discuss eligibility requirements and project formulation.

- **Project Formulation.** The PAC will then help the applicant to formulate the project, which involves documenting the eligible facility, eligible work, and eligible costs. Applicants must supply FEMA with the documentation necessary to approve the scope

The Public Assistance Grant Process



of work and the itemized costs prior to funding projects. Applicants should document all damages and costs with pictures, written descriptions and financial records.

- **Project Review.** FEMA will review the project to confirm that expenses are eligible, that worksheets are complete and accurate, and that the project complies with all applicable Federal and State regulations and policy.

- **Approval, Funding, Grantee, and Subgrantee.** Upon approval, FEMA and the State share responsibility for making Public Assistance Grant funds available to the applicant. The Grantee is the State and the Subgrantee is the applicant (utility).



Frequently Asked Questions and More Information Resources

Q: Who is responsible for determining and documenting the extent of damage incurred and repairs conducted?

A: The facility owner is responsible for conducting rapid and accurate damage assessments and keeping thorough documentation of repairs.

Q: Can work done by Water/Wastewater Agency Response Networks (WARNs) or another mutual aid/assistance mechanism be eligible for Public Assistance?

A: Pre-written and adopted mutual aid/assistance agreements allow work completed by signatory utilities to be eligible for reimbursement. For example, the utility that requests resources under a WARN can complete and submit a claim for reimbursement using the cost information provided by the utility who provided the resources under the WARN. Information about WARN or interstate mutual aid/assistance programs (e.g., EMAC) are referenced at the end of this publication.

Q: Are Items from Pre-Arranged Emergency Response Contracts Eligible for Reimbursement?

A: Pre-arranged emergency response contracts are eligible subject to other provisions of the Public Assistance Grant Program. Prior to a disaster, utilities should establish water contracts and/or memorandums of agreement for response and recovery for items such as fuel, bottled water, and chemicals.

Q: Are administrative costs eligible for FEMA funding?

A: Yes. Reasonable costs for requesting, obtaining, and administering public assistance are eligible.

Q: Is there anything an applicant should do prior to meeting the FEMA and State program representatives?

A: Yes, the applicant should:

- Prepare a list of the damaged sites and mark them on a county or city road map.
- Gather copies of insurance policies on damaged structures.
- Keep disaster-related costs separate from non-disaster costs.

Q: What time limits should utilities be aware of associated with the FEMA Public Assistance Program?

A: • Utilities must submit a Request for Public Assistance within 30 days of the designation of the declared disaster area.
• Emergency work must be completed within 6 months.
• Permanent work must be completed within 18 months.
Based on extenuating circumstances or unusual project requirements, and only if there is no change to the scope of work or cost, the State may extend the deadlines for Emergency Work by an additional 6 months and for Permanent Work by an additional 30 months.

Q: If equipment was damaged by the disaster event, can the utility upgrade the equipment and submit it to FEMA as an eligible cost?

A: FEMA will only reimburse eligible costs to restore an eligible damaged facility to its pre-disaster condition, function and capacity. However, costs that are necessary to comply with codes and standards applicable at the time of the disaster may also be eligible.

Q: Is either loss of revenue or increased operating expenses eligible?

A: No. Loss of revenue and added costs or charges for providing regular utility services are not eligible.

Q: Are internal video inspection and sewer line cleaning eligible?

A: FEMA does not provide funds for general surveys to look for damage. However, if disaster-related damage is evident, FEMA may pay for inspections to determine the extent of the damage and method of repair. Cleaning of disaster-related debris from sewer lines is eligible only when necessary to restore adequate functioning of the system and when the pre-disaster conditions of the sewer lines can be established.

Q: Do all contracts have to be bid competitively?

A: Yes, unless one of the following instances apply:

- the item is available only from a single source or
- the utility authorizes noncompetitive proposals or
- competition is determined to be inadequate after solicitation of a number of sources or
- the contract will eliminate or reduce an immediate threat to life, public health, or safety.

Q: Where can I find some additional resource material for public assistance/grants/reimbursements?

A: FEMA Publications at <http://www.fema.gov/government/grant/pa/policy.shtm>

- FEMA 321 - Public Assistance Policy Digest (January '08)
- FEMA 322 - Public Assistance Guide (June '07)
- FEMA 323 - Application Handbook (March '10)

FEMA Training at <http://training.fema.gov/>

- IS-630: Introduction to Public Assistance Process
- IS-631: Public Assistance Operations I

EPA Publications

- Reimbursement Tips for Water Sector Emergency Response and Recovery, August 2009, http://www.epa.gov/safewater/watersecurity/pubs/fs_watersecurity_reimbursementtips_watersectory.pdf
- Interstate Mutual Aid and Assistance: EMAC Tips for the Water Sector, October 2007, http://www.epa.gov/safewater/watersecurity/pubs/fs_watersecurity_emac_tips.pdf
- Water Security Grant and Funding Matrix, April 2010 (request via e-mail through wsd-outreach@epa.gov)

USDA

- USDA Rural Utilities Service – Water and Waste Disposal Programs, <http://www.usda.gov/rus/water/program.htm>

Water Partners/Associations

- Security Funding Opportunities: Lessons & Observations from Water & Wastewater Utilities, January 2008, AWWA

For more information on grant programs as well as WARNs, consult EPA's website at www.epa.gov/watersecurity.