

February 29, 2024

MEMO TO: David M. Raatz, Jr., Director  
Office of Council Services

F R O M: Jarret Pascual, Legislative Analyst *JPP*

SUBJECT: **ENVIRONMENTAL PROTECTION AGENCY WEBINAR: FUNDING TO MITIGATE DISASTERS WITH “FED FUNDS”** (PAF 23-021(23))

This report provides a summary of the November 7, 2023, United States Environmental Protection Agency’s (EPA) webinar on Federal Funding for Water and Wastewater Utilities in National Disasters, or “Fed FUNDS,” presented by the EPA’s Water Infrastructure & Cyber Resilience Division. The speaker was David Goldbloom-Helzner from the EPA’s Office of Water.

### **Why fund your next resilience and mitigation project?**

Within the past several years, there have been a record number of presidential disaster declarations using federal funding assistance. Consequently, the Water Infrastructure Act of 2018 requires community water systems serving more than 3,300 people to develop emergency response plans and conduct risk assessments. Before a future disaster occurs, the next best step would be to mitigate any and all hazards.

Federal agencies such as the Federal Emergency Management Agency (FEMA), the Department of Housing and Urban Development (HUD), and the EPA provide funding for mitigation projects. The National Institute of Building Sciences reports that every \$1 spent on a FEMA mitigation project helps to prevent \$6 in damages, with a 6:1 benefit-cost ratio.

Mr. Goldbloom-Helzner said the city of Elkader, Iowa, is an example where Fed FUNDS were used. The town and its sewage treatment plant were vulnerable to flooding from the Turkey River, with past floods resulting in the loss of wastewater service, leading to raw sewage backups and discharges into homes and the river. FEMA granted Elkader \$134,000 in funding, which was used to construct berms, flood walls, and gate flood walls around lift stations. After Elkader experienced floods in 2004 and 2008, FEMA reported that the losses avoided for this project were over five times the total project’s investment.

## **Federal funding with Fed FUNDS**

Fed FUNDS provides a one-stop shop for funding from FEMA, EPA, HUD, as well as the United States Department of Agriculture. Through the EPA's website, you can find application information, eligibility, available grants and loans, and learn how to combine funding. More information can be found through the following link: <https://www.epa.gov/fedfunds>

Two types of FEMA grants are provided: Hazard Mitigation Grant Program (HMGP) and Building Resilient Infrastructure & Communities (BRIC). HMGP is a post-disaster grant which applies to any State under a presidential disaster declaration. If there are undamaged assets that were not affected by a disaster in the State, you may still apply under HMGP. FEMA pays up to 75 percent for hazard mitigation projects, and the State or local government pays for the remaining 25 percent.

A subpage entitled "Funding Success Stories" indicates that Hawaii participated in two HMGP-funded projects. The County of Hawaii and the City and County of Honolulu received \$173,575 and \$225,000 in Fed FUNDS, respectively.

BRIC is a nationally competitive program that does not require a presidential disaster declaration for applicants. Instead, a scoring criteria and a Benefit-Cost Analysis method are used to award grants. Scoring is based on risk reduction and resilience effectiveness, future climate change conditions, population impacts, and outreach.

Other forms of funding mentioned were the EPA Clean Water and Drinking Water State Revolving Funds, the Water Infrastructure Finance Investment Act, the Drinking Water System Infrastructure & Sustainability Grant, and additional congressional supplemental funding. These funds may be used to improve the resiliency of water systems.

## **How to apply for funding**

The EPA created the Water Technical Assistance program, or WaterTA, to ensure communities have access to water infrastructure funding. Water and wastewater utilities and communities may fill out a request form, which the EPA then reviews for eligibility and coordinates with the State to determine the best way to meet the community's needs.

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Applicants may also combine funds between EPA and FEMA disaster and mitigation assistance grant programs. An EPA State Revolving Fund may be used to meet the 25 percent cost sharing portion of FEMA grants while also serving as a bridge loan until the applicant is reimbursed by FEMA. The presentation noted that after severe flooding in 2019, Nebraska used EPA State Revolving Funds as a bridge loan to fund utilities in several communities.

More information can be found through the following link:  
<https://www.epa.gov/water-infrastructure/water-technical-assistance-waterta>

I hope you find this information useful. Please let me know if I can provide any additional information related to this matter.

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cc: Deputy Director of Council Services