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Using the SRFs for Disaster Recovery and Resiliency

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Memorandum of Understanding Between the Environmental Protection Agency and the Department of Homeland Security

This Memorandum of Understanding (MOU) establishes a framework for the EPA funded Clean Water SRF and Drinking Water SRF programs to assist and collaborate with the Federal Emergency Management Agency (FEMA) disaster assistance grant programs. The SRFs have worked cooperatively with FEMA and state, local, tribal, and territorial governments to allow local entities to quickly recover and restore their vital infrastructure after a Presidentially-declared major disaster. The proposed activities in this MOU are intended to streamline coordination between FEMA and the SRFs to enable funding to support essential infrastructure projects to be made available as quickly as possible.

- [MOU Between the Environmental Protection Agency and the Department of Homeland Security \(pdf\)](#)
- [Factsheet: MOU Between the Environmental Protection Agency and the Department of Homeland Security \(pdf\)](#)

The MOU between the EPA and FEMA establishes a framework for EPA SRF programs to assist and collaborate with FEMA disaster assistance grant programs. The SRFs have worked cooperatively with FEMA and state, local, tribal, and territorial governments to allow local entities to recover quickly and restore their vital infrastructure after a Presidential-declared disaster. The MOU will streamline coordination between FEMA and the SRFs to enable funding to support essential infrastructure projects to be made available as quickly as possible.

How will this MOU help communities rebuild water infrastructure?

Traditionally, a community would have to expend its own funds first and wait for a reimbursement through a FEMA grant or wait for emergency supplemental funds from Congress. In disaster situations where cash reserves are stretched thin, the EPA-FEMA MOU provides a tribe or local government access to a no-interest or low-interest loan from its SRF to help pay for the immediate restoration of vital drinking water and wastewater infrastructure.

SRFs require state match, loan repayments, and interest to flow back to the funds. The MOU also makes clear that SRF funds derived from prior loan repayments, state match, and interest earnings are state funds and may be reimbursed by FEMA. Additionally, the SRFs can act as cost-sharing financing sources for a municipality applying for FEMA disaster assistance grant funding.

Wildfire Recovery Funding Timeline (City of Watertown Uses SRF Bridge Loan With FEMA Grant Reimbursement)



July

Aug

Oct/Nov

Jan.

Aug.



Three Scenarios Where Bridge Financing for Disaster Recovery is Possible

Open IUP: Some states maintain a dynamic SRF Intended Use Plan (IUP) that is frequently re-opened during the year for new funding applications.



OPEN

Emergency Bypass Procedures: Most states have language in their IUPs allowing them to bypass prospective borrowers in order to provide funding for an emergency project.



EMERGENCY

Emergency Project Reserve: Some states maintain a reserve fund in their annual IUP for communities that experience natural disasters.



Open IUP Example

The SFY19 funding year marked the first in which the Alaska SRF Program accepted questionnaires on a year-round basis and reviewed the projects submitted on a quarterly basis. Continuing in SFY20, the Project Priority List (PPL) will be updated and public noticed on a quarterly basis to reflect new project submissions.



Bypass Language Example

Idaho DEQ reserves the right to fund lower priority projects over higher priority projects that are not ready to proceed. In such instances, DEQ will comply with established bypass procedures. DEQ may add projects to the Fundable List due to emergencies such as an unanticipated system failure or a project that is needed to prevent an imminent health threat.



Emergency Project Reserve Example

The Washington State Department of Ecology's (Ecology) Water Quality Program administers the Clean Water State Revolving Fund (CWSRF) Emergency Funding Program. The purpose of the program is to provide relatively quick access to no interest loans for small communities that experience water quality-related "environmental emergencies..."

The CWSRF Emergency Funding Program is funded from an annual set-aside from the CWSRF. The annual maximum total limit of awarded funding under the program is \$5,000,000. The number of projects awarded funding per jurisdiction is unlimited, but the maximum annual funding limit per jurisdiction is \$500,000.

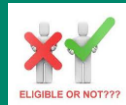
What EPA is doing to improve the use of SRF funds for wildfire recovery and resiliency



Dusting off the FEMA-EPA MOU, with examples of co-funded projects, and providing a webinar for FEMA, EPA, and state SRF staff on how the two funding programs can work smoothly together.



Developing an eligibility factsheet explaining the types of wildfire recovery and resiliency projects and activities that can be funded by the SRF programs.



Providing an estimate of water and wastewater funding needed for Western states to recover from 2020 wildfires, as well as an estimate for the same states to make their water infrastructure (both gray and natural) more wildfire resilient.



Sample **CWSRF** Wildfire Eligibilities

| Recovery | Resiliency |
|--|--|
| Plan and design replacement infrastructure | Purchase forest land for source water protection |
| Rebuild damaged or destroyed treatment plant | Forest thinning and other healthier forest practices (see Flagstaff example) |
| Rebuild damaged or destroyed collection and transmission system | Construct natural or artificial buffers |
| Relocate WWTP to safer location | Relocate WWTP to safer location |
| Rebuild onsite septic systems | Install redundant equipment and infrastructure |
| Replace damaged septic systems with hook-ups to municipal plumbing | Physical hardening |
| Rebuild side laterals (correct terminology?) to exterior of premise plumbing | Fire suppression equipment required by code or recommended by a vulnerability assessment |
| Forest replanting to protect a watershed | Forest replanting to protect a watershed |
| Emergency generators | Emergency generators |
| Install communication and telemetry | Install communication and telemetry |
| | Wildfire vulnerability assessment, adaptation & mitigation plans |
| | Emergency response plans |

Sample **DWSRF** Wildfire Eligibilities (Loans)

| Recovery | Resiliency |
|---|--|
| Plan and design replacement infrastructure | Fire suppression equipment required by code or recommended by a vulnerability assessment |
| Rebuild damaged or destroyed treatment plant | Construct natural or artificial buffers |
| Rebuild damaged or destroyed transmission & distribution system | Emergency response plans |
| Relocate treatment plant, reservoir, to safer location | Relocate WWTP to safer location |
| Rebuild service lines to exterior of premise plumbing | Install redundant equipment and infrastructure |
| Purchase of package treatment plant | Physical hardening |
| Water quality monitoring equipment (turbidimeter, HABs early warning) | Purchase of water quality monitoring equipment (turbidimeter, HABs early warning) |
| Fire suppression equipment required by code or recommended by a vulnerability assessment | Forest replanting to protect a watershed |
| Emergency generators | Emergency generators |
| Install communication and telemetry | Install communication and telemetry |
| Extend municipal service to homes previously on wells that were damaged by wildfire | Wildfire vulnerability assessment, adaptation & mitigation plans |
| Construct infrastructure necessary for temporary trucked in water | |
| Replace/install fire hydrants | |

Sample **DWSRF** Wildfire Eligibilities (**Set-Asides**)

| Recovery | Resiliency |
|---|--|
| Plan and design replacement infrastructure | Purchase land for source water protection |
| Sample for water quality—firefighting chemicals, HABs, VOCs | Forest thinning and other healthier forest practices (see Flagstaff example) |
| Planning grants for hiring engineers to help communities figure out how to rebuild better | Forest replanting to protect a watershed |
| Purchase of water quality monitoring equipment (turbidimeter, HABs early warning) | Purchase of water quality monitoring equipment (turbidimeter, HABs early warning) |
| Technical assistance with completing applications for funding (including but not limited to SRF) | Technical assistance with completing applications for funding (including but not limited to SRF) |
| | Disaster preparedness training |
| | Wildfire vulnerability assessment, adaptation & mitigation plans |
| | Emergency response plans |

Estimated Funding Needed for Wildfire **Resiliency** Measures

| State | SRF-eligible natural water infrastructure funding needed to help with watershed resiliency efforts (state estimate) | SRF-eligible natural water infrastructure funding needed to help with watershed resiliency efforts (QUIVER) | USFS (WIT) NEPA-ready watershed improvement projects (incl fuels & veg mgmt) | USFS (WIT) NEPA-ready watershed improvement projects in 350 priority watersheds (incl fuels & veg mgmt) |
|---------------|---|---|--|---|
| Arizona | \$414,000,000 | \$414,000,000 | \$ 35,024 | \$ 175,343 |
| California | \$1,388,409,441 | \$1,789,200,000 | \$ 27,196,809 | \$ 13,327,936 |
| Colorado | | \$265,776,300 | \$ 895,445 | \$ 855,063 |
| Idaho | | \$23,430,000 | \$ 4,381,774 | \$ 1,599,147 |
| Montana | | \$142,813,092 | \$ 28,957,470 | \$ 27,759,539 |
| Oregon | \$111,250,000 | \$520,284,024 | \$ 19,312,660 | \$ 38,822,303 |
| Utah | | \$140,465,832 | \$ 618,243 | \$ 169,943 |
| Washington | \$209,960 | \$303,738,000 | \$ 7,215,094 | \$ 6,269,679 |
| Total: | \$1,913,869,401 | \$3,599,707,248 | \$88,612,519 | \$88,978,953 |



THANK YOU!

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