

Meeting the Challenges of a Natural Disaster

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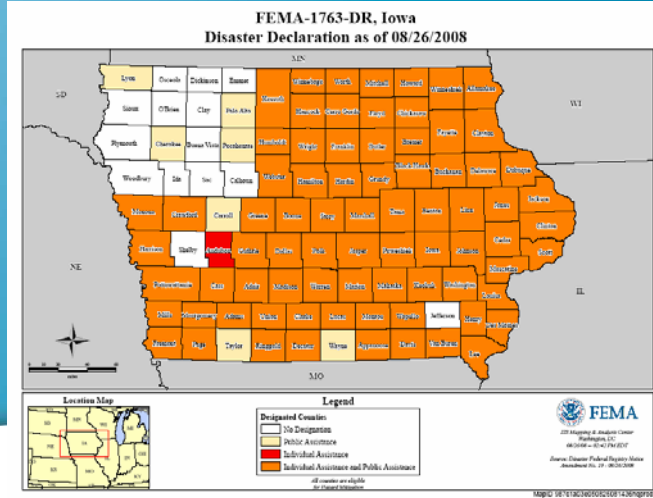


Downtown Cedar Rapids



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Declared Disaster Areas



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Flooding



Cedar Rapids



Palo



Near Oakville



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First Steps

- Asked for assistance through CIFA
 - Great response
 - Copied parts of Ohio program
 - Got information on working with FEMA
 - Always use federal grants first
 - Will only pay to repair what was there
 - FEMA will pay 75%, need 25% match



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First Steps

Conference Calls with EPA

1. How can we use the SRF for to assist communities with flood damage?
2. How can we speed up review process?
 - Intended Use Plan (IUP)
 - How can we help a community that is not on the IUP?
 - Environmental review



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How can we use the SRF for to assist communities with flood damage?

- Recycled funds can be used for FEMA match
 - Avoid double benefit
- DW has disadvantaged community criteria
 - States determine definition of disadvantaged
 - Principal forgiveness
- SRF can be used to provide short term loans that will be repaid with FEMA grant funds
- Can always refinance existing SRF loans



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How can we speed up review process?

- Environmental Review criteria
 - Most projects are repairs of existing facilities so are categorical exclusions
 - 30 day public notice
 - FEMA funds also require federal environmental review process



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How can we speed up review process?

- Intended Use Plan
 - DW has provision for emergency projects
 - “all projects, with the exception of projects funded on an emergency basis, must be ranked using the State’s priority system and go through the public review process prior to receiving assistance”
 - CW – no such provision, but IUP’s can be updated whenever necessary



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Disaster Recovery Office

- State of Iowa set up disaster recovery office
 - Rebuild Iowa Office (RIO)
 - Staff from various state agencies
 - Coordinated with FEMA



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State Revolving Fund

Helping communities affected by natural disasters

If your community's water or wastewater system has been affected by the recent natural disasters, the SRF may be able to help. Each community will have different needs so we encourage any community facing repairs to their systems or concerned with repaying their SRF loan to contact us to discuss possible assistance. Some of the ways the SRF can help include:

- **Restructure existing SRF loans**

If you have an SRF loan, we can work with you to restructure your loan payments to help with current financial difficulties. We may be able to extend the term of your loan or delay principal payments. Under certain circumstances, it may be possible to reduce or eliminate interest and fee payments for a period of time. We will work with each community to determine the most appropriate solution.

- **Use SRF loans as match for FEMA funds**

FEMA funds will generally pay for 75% of replacement costs for public water and wastewater systems. The SRF can be used for the required 25% match.

- **Use SRF as short-term loans to be repaid with FEMA grants**

There may be times when a public facility has been approved for a FEMA grant but there is a delay in receiving the funds. In those situations, an SRF loan could be used to finance the repairs and then be repaid with the FEMA money.

- **SRF loans can be used to pay for repairs**

In cases of necessary repairs from flood or tornado damage, the normal SRF procedures can be expedited to allow communities to receive money as quickly as possible. The usual timeframes for reviewing projects and processing loans can be significantly reduced in these situations.

For further assistance, please contact:

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Fact Sheet

- Distributed to:
 - Iowa League of Cities
 - DNR field offices
 - State Disaster Recovery Office
 - Consulting Engineers
 - SRF borrowers



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Palo



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Palo

- Palo is about 11 miles from Cedar Rapids
 - growing because of proximity to Cedar Rapids
 - 600 in 2000, 1100 in 2006, est. 3,000 in 2020
- \$4.2 million SRF loan closed Dec. 2007
 - As of June, 2008 – \$2.8 million drawn
- Project was to connect Palo to Cedar Rapids' wastewater facility



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Palo



Cedar Rapids



Palo



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Palo

- Issues
 - Loan amount, repayment schedule, user rates all based on projected population
 - After flooding
 - Homes vacant
 - No new construction
 - Future population unknown



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Palo

- Because they are still drawing down their loan, they are only paying interest on what has been disbursed
 - Waive December interest charge
 - No principal payment due until June, 2009
 - Will restructure loan next year
 - Smaller principal payments in early years
 - 30-year term



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Oxford Junction



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Oxford Junction

- \$1.4 million SRF loan closed April, 07
 - Project
 - Repair and reshape existing lagoons
 - Construction of additional lagoon
 - Lift station rehabilitation
 - Equipment replacement
 - Some sanitary sewer replacement



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Oxford Junction

- Project was basically done
- June floods damaged
 - Influent sanitary sewer
 - Lagoons
 - Some of the work that had just been completed had to be repaired



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Oxford Junction

- \$400,000 supplemental loan
 - 0% interest for 3 years
 - Will be repaid with FEMA money
 - After 3 years, any balance outstanding will be restructured to regular SRF loan at 3% interest.
- Just had to reaffirm FNSI



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Elkader



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Elkader

- Still working with Elkader
 - Replacement of pipe under river
 - New lift station
 - Working with FEMA
 - May not need SRF loan



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Types of Assistance

- Existing SRF borrower
 - Restructure loan
 - Waive or reduce interest and/or fees
- New SRF project
 - SRF loan for FEMA match (non-federal)
 - Short-term loan to be reimbursed with FEMA grant (0% for 3 years)



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Questions?



Iowa City – University of Iowa



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