

Memorandum of Understanding Between the United States Environmental Protection Agency (EPA) and the Department of Homeland Security Federal Emergency Management Agency (FEMA)



On June 4, 2019, the U.S. Environmental Protection Agency (EPA) and Federal Emergency Management Agency (FEMA) announced a Memorandum of Understanding (MOU) that streamlines coordination between FEMA and the EPA-funded State Revolving Fund (SRF) programs so that funding to restore vital water infrastructure can be provided as quickly as possible in times of disaster.

What does the MOU do?

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.

When disasters occur, the SRFs need to work with their FEMA Disaster Recovery Coordinator to coordinate recovery at the disaster site. Through this MOU, information on the Disaster Recovery Coordinator will be provided to the EPA Headquarters SRF program, which will allow it to be disseminated to the appropriate Clean Water and Drinking Water State Revolving Fund program state managers.

Background

Under the Clean Water and Drinking Water State Revolving Fund programs, EPA provides funding to all 50 states and Puerto Rico to capitalize SRF loan programs. SRF programs provide low-interest loans and additional subsidies to public, private, and non-profit entities for eligible drinking water and wastewater treatment facilities and a wide variety of other water and wastewater infrastructure projects. Through loan repayments and investment earnings, the SRFs have leveraged these contributions to provide more than \$170 billion in financial assistance to over 39,900 water quality infrastructure projects and 14,500 drinking water projects across the country.

To read the memorandum and learn more, visit <https://www.epa.gov/cwsrf>