



**Summary of
Federal Funding for
Water and Wastewater Infrastructure
Damaged by Hurricane Katrina
in Mississippi's Six Southern Counties**

February 20, 2006 • Draft





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Hurricane Katrina

Hurricane Katrina made landfall in Louisiana and Mississippi on August 29, 2005, as a category 4 hurricane with winds of 150 miles per hour—leaving a path of destruction throughout Mississippi. On August 29, 2005, President Bush declared a major disaster in the State of Mississippi and ordered federal aid to supplement state and local recovery efforts. The President's action made federal funding available to affected individuals in the counties of Adams, Amite, Attala, Claiborne, Choctaw, Clarke, Copiah, Covington, Forrest, Franklin, George, Greene, Hancock, Harrison, Hinds, Holmes, Humphreys, Jackson, Jasper, Jefferson, Jefferson Davis, Jones, Kemper, Lamar, Lauderdale, Lawrence, Leake, Lincoln, Lowndes, Madison, Marion, Neshoba, Newton, Noxubee, Oktibbeha, Pearl River, Perry, Pike, Rankin, Scott, Simpson, Smith, Stone, Walthall, Warren, Wayne, Wilkinson, Winston, and Yazoo.

This document describes Public Assistance to State and local governments and certain private nonprofit organizations for the repair or replacement of disaster-damaged facilities in the six southern counties of Mississippi that were severely damaged by the hurricane: Pearl River, Hancock, Stone, Harrison, George and Jackson Counties.

Recovery

Local communities throughout Mississippi are now engaged in long-term recovery efforts. Recovery from the hurricanes will take time and considerable planning to ensure that reconstruction efforts are sustainable for the future. In addition to funding made available through FEMA, there are a number of federal and federally-supported state programs that water and wastewater utilities can access to help them in planning, designing and constructing infrastructure. Community rebuilding efforts in Mississippi are being coordinated by the Governor's Office of Recovery and Renewal. General information about the federal long term community recovery process, led by FEMA, is available at www.fema.gov/rrr/ltcr/index.shtm.

FEMA Grants and Loans

FEMA provides Public Assistance Grants as emergency repairs and permanent repairs to public utilities. FEMA also operates the Special Community Disaster Loan program, which is available to local governments that must provide for the operation of essential public services. The Public Assistance program has obligated nearly \$734 million for infrastructure repair in Mississippi; this includes \$417 million for debris removal, \$38 million to repair public facilities, \$208 million for emergency protective measures, \$3.9 million to repair roads and bridges and \$50 million to restore public utilities. FEMA's Federal Interagency Disaster Assistance Guide to Recovery Programs describes these and other programs. The guide is available at www.fema.gov/pdf/rrr/ltcr/recoveryprograms229.pdf

HUD CDBG and Guaranteed Loans

Housing and Urban Development (HUD) Community Development Block Grants (CDBGs) are formula grants for entitlement communities and to states for distribution to non-entitlement communities. Recipient communities must spend at least 70% of their funds for activities that benefit low- and moderate-income persons. Utilities have used these block grants to develop new water sources, improve treatment, and replace distribution system pipes. Communities can also receive aggregate loan guarantees equal to 5 times their CDBG entitlement amount.

USDA Rural Development Water and Environmental Programs

The U.S. Department of Agriculture (USDA) Rural Development Water and Waste Disposal Loans and Grants for Drinking Water and Wastewater are available for constructing, repairing, expanding, or improving water supply and distribution systems and waste collection and treatment systems; certain facility development; acquiring needed land, water sources, and water rights; and legal and engineering fees.

SBA Disaster Loans

The U.S. Small Business Administration (SBA) provides infrastructure assistance to private entities for both private and non-profit drinking water and wastewater utilities to return infrastructure to its pre-disaster operability through the SBA's Office of Disaster Assistance. These subsidized loans are offered at below market rates.

Commerce EDA Economic Assistance Programs

The Department of Commerce's Economic Development Administration (EDA) offers assistance to rural and urban areas where unemployment is high and incomes are low with a mission to "enhance community success in attracting private capital investment and lucrative job opportunities." EDA assistance can help communities that are in economic decline upgrade their physical infrastructure, including drinking water and wastewater facilities.

EPA State Revolving Funds

EPA provides grants to the Mississippi Department of Health to support the Drinking Water Systems Improvements Revolving Loan Fund, which provides low-interest loans to water systems for infrastructure improvements needed to protect public health and ensure compliance with the Safe Drinking Water Act. EPA also provides grants to the Mississippi Department of Environmental Quality to support the Water Pollution Control (Clean Water) Revolving Fund Loan Program to help meet Clean Water Act requirements through low-interest loans or other assistance to publicly owned wastewater collection and treatment systems, stormwater and nonpoint source pollution control and estuary management projects.

Table 1. Programs

Program	Type of Assistance; Terms and Conditions	Uses	Eligible Applicants	Application Process
FEMA Public Assistance Program (PA)	Grants: 90% of the eligible cost for Katrina.	Emergency work: debris removal and demolition of unsafe structures. Permanent work: restore to pre-disaster design. (water treatment and delivery systems; sewage collection and treatment facilities)	States, local governments, Indian tribes and certain Private-Nonprofit Organizations (PNP) via States.	Mississippi Public Assistance program – http://www.mississippipa.org/ Joint Field Office, Attn: State Public Assistance, P.O. Box 6789 D'Iberville, MS 39540 Applicants must complete a request for public assistance (RPA) to initiate the process for applying for funding. Deadlines - The project completion deadlines are set from the date that the major disaster or emergency is declared and are dependent on the type of work being done (Emergency Work, 6 months; Permanent Work, 18 Months). Mississippi Emergency Management Agency has been granted an extension for Emergency Work for all Applicants until August 29, 2006. Additional Disaster Recovery information is available from the Mississippi Emergency Management Agency: http://www.msema.org/index.htm General Information on PA program http://www.fema.gov/rrr/pa/overview.shtm Public Assistance Branch, Recovery Division, FEMA, DHS, 500, C Street SW., Washington, DC 20472
FEMA Mitigation 406	Grants to Eligible Public Assistance Projects	Mitigation work identified at specific sites receiving FEMA Public Assistance.	States, local governments, Indian tribes and certain Private-Nonprofit Organizations (PNP) via States.	Those interested in applying to the HMGP should contact the state to begin the application process. The Mississippi Emergency Management Agency implements the HMGP program. http://www.lopep.state.la.us/hlsmitigation/mitigationindex.htm General Information on HMGP program http://www.fema.gov/fima/hmgp/faqs.shtm Risk Reduction Branch, Mitigation Division, FEMA, DHS, 500 C Street SW., Washington, DC 20472; Telephone: (202) 646-2856.
FEMA Mitigation 404	Grants for long term hazard mitigation	Funds may be used to fund projects that will reduce or eliminate the losses from future disasters.	States, local governments, Indian tribes and certain Private-Nonprofit Organizations (PNP) via States.	Those interested in applying to the HMGP should contact their local government to begin the application process. The Mississippi Emergency Management Agency implements the HMGP program. http://www.lopep.state.la.us/hlsmitigation/mitigationindex.htm General Information on HMGP program http://www.fema.gov/fima/hmgp/faqs.shtm Risk Reduction Branch, Mitigation Division, FEMA, DHS, 500 C Street SW., Washington, DC 20472; Telephone: (202) 646-2856.
FEMA Special Community Disaster Loans Program (SCDLs)	Loans. Loan limited to 25% of yearly operating budget. 5 yr loan – can extend to 10 yrs. Applicant selects payment schedule. Rate approx. 2.7% Local government must pledge collateral security (state will not cosign).	Proceeds from these loans will be limited to the performance of core municipal operating functions services related to protecting and promoting the health, safety, and public welfare of the community. SCDL funds used for operational purposes, not capital outlay or debt services against capital outlay.	Local governments that provide “essential services”. Must be allowed by state statute to incur debt and have > 5% revenue loss for current or succeeding years. Private non-profits not eligible for loans, but local governments may provide proceeds to them for “essential services.” Local government remains responsible for how funds are spent.	The local government shall submit an application for a Special Community Disaster Loan through the Governor’s Authorized Representative (GAR) In Mississippi, the Office of Homeland Security & Emergency Preparedness implements the SCDL program. General information on the SCDL program http://www.fema.gov/rrr/pa/fs_cdl.shtm General information on the SCDL program http://www.fema.gov/rrr/pa/fs_cdl.shtm

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HUD Community Development Block Formula Grant Entitlement Communities Grants	Grants. Entitlement communities must spend at least 70% of their funds for activities that benefit low- and moderate-income persons. Can be used to match FEMA grants.	Buying, constructing, or rehabilitating public facilities such as water and sewer systems.	Cities with populations of at least 50,000; and qualified urban counties with populations of at least 200,000 (excluding the population of entitled cities).	To receive its annual CDBG entitlement grant, a grantee must develop and submit its Consolidated Plan to HUD. Note that the local government administers the program and determines which local projects receive funding. Community Development Formula Block Grant Entitlement Communities Grants. http://www.hud.gov/offices/cpd/communitydevelopment/programs/entitlement/index.cfm
HUD Community Development Block Formula Grant State Administered	Grants. States must spend at least 70% of their funds for activities that benefit low- and moderate-income persons. Can be used to match FEMA grants.	Constructing or rehabilitating public facilities such as water and sewer systems.	For the traditional program, municipalities and counties that are not entitlement communities. For supplemental funding, municipalities, counties, entitlement communities, and other entities may be eligible.	For the traditional CDBG program, HUD annually distributes funds to each State based on a statutory formula which takes into account population, poverty, incidence of overcrowded housing, and age of housing. <i>Neither HUD nor States distribute funds directly to citizens or private organizations; all funds (other than administrations and the technical assistance set-aside) are distributed by States to units of general local government.</i> Congress has provided Mississippi with supplemental funding for disaster recovery. The Mississippi Governor's Office of Recovery and Renewal is working in coordination with appropriate state agencies to develop and implement the supporting processes for administration of these funds. Mississippi Governor's Office of Recovery and Renewal www.governorscommission.com Mississippi CDBG program http://www.mississippi.org/content.aspx?url=/page/3009& CDBG Disaster Recovery Assistance. http://www.hud.gov/offices/cpd/communitydevelopment/programs/dri/cdbg.cfm
HUD Section 108 Loan Guarantee Program	Under this program, entitlement communities can receive (in the aggregate) loan guarantees equal to 5 times their CDBG entitlement amount. The maximum loan repayment period is 20 years. Can be used to match FEMA grants.	Finance acquisition of real property (including related public improvements, clearance, and relocation), rehabilitation of publicly owned real property (including infrastructure), housing rehabilitation, public facilities, and economic development activities.	Metropolitan cities and urban counties (i.e., CDBG entitlement recipients). Nonentitlement communities that are assisted in the submission of applications by States that administer the CDBG program.	To apply for a Section 108 Guaranteed Loan, contact your local HUD office (http://www.hud.gov/local/index.cfm) in advance for help in preparing an application. Section 108 program http://www.hud.gov/offices/cpd/communitydevelopment/programs/108/
SBA Business Physical Disaster Loans	Loans of up to \$1.5 million are available for profit and nonprofit organizations. Interest rates may be as low as 4% APR and terms may be as long as 30 years. Actual maturity is based on ability to repay.	Repair or replacement of real property, machinery, equipment, fixtures, inventory, and leasehold improvements.	Large or small businesses and non-profit organizations may apply	Necessary information is specified in the loan application and includes: (1) SBA Form 5 – SBA Loan application, (2) IRS Form 8821 – Tax Information Authorization (for business and each principal), (3) A copy of certain federal income tax information (as specified on the application) Helpful information: (1) A brief history of the business,(2) Personal and business financial statements (for business and each principal) Call 1-800-659-2955, visit any Disaster Recovery Center, or visit the website at: www.sba.gov/disaster_recov
SBA Economic Injury Disaster Loans (EIDLs)	Loans up to \$1.5 million are available for small, for profit organizations. Combined physical and economic injury loans may not exceed \$1.5 million (except for major sources of employment).	Limited to the economic injury determined by program standards, less business interruption insurance and other recoveries up to the administrative lending limit. SBA also considers potential contributions that are available from the business and/or its owner(s) or affiliates.	Small Businesses only (program not available to non-profits)	Necessary information is specified in the loan application and includes: (1) SBA Form 5 – SBA Loan application, (2) IRS Form 8821 – Tax Information Authorization (for business and each principal), (3) A copy of certain federal income tax information (as specified on the application) Helpful information: (1) A brief history of the business,(2) Personal and business financial statements (for business and each principal) Call 1-800-659-2955, visit any Disaster Recovery Center, or visit the website at: www.sba.gov/disaster_recov

Table 1. Programs

Program	Type of Assistance; Terms and Conditions	Uses	Eligible Applicants	Application Process
USDA Rural Development Water and Waste Disposal Loans, Loan Guarantees, and Grants	<p>Direct Loan and Grant Program. Interest rates are set quarterly based on an index of current market yields for municipal obligations. Repayment term is a maximum of 40 years. Grant funds may be available. Grants are provided when necessary to reduce user costs to a reasonable level; maximum grant amount is 75% of eligible facility development costs. Interest rate is one of 3 rates; poverty, intermediate, and market. They are currently 4.5%.</p> <p>Guaranteed Loan Program. Not eligible for grant, eligible lenders obtain up to a 90% guarantee for loans made and serviced by them. Guarantee fee is 1% of guaranteed loan amount. Can be used to match FEMA grants.</p>	<p>Drinking Water and Wastewater: Costs for constructing, repairing, expanding, or improving water supply and distribution systems and waste collection and treatment systems; certain facility development; acquiring needed land, water sources, and water rights; legal and engineering fees.</p>	<p>Public entities: Cities and towns up to 10,000 people; rural areas with no population limits.</p>	<p>Applications may be filed with the USDA Rural Development office serving the applicant's area. Detailed information and applications are available through USDA Rural Development State, Local, and Area Offices.</p> <p>Mississippi Rural Development, Water and Environmental Programs Suite 831 Federal Building, Jackson, MS 39269 Telephone (601) 965-4316 http://www.rurdev.usda.gov/ms/index.html This site also includes information about local office locations and telephone numbers.</p> <p>For additional information, you may consult the program's fact sheet at: http://www.usda.gov/rus/water/docs/wwfact.pdf</p> <p>Eligible lenders obtain guarantee for loans made and serviced by them. Lenders should contact the Rural Development Area Office or State Office.</p>
USDA Rural Development Emergency Community Water Assistance Grants (ECWAG)	<p>Grant Program. Maximum grant amount is \$500,000 for occurrence of a significant decline in quantity or quality of water within 2 years; 1\$150,000 to make emergency repairs and replacement of facilities on existing systems. Can be used to match FEMA grants.</p>	<p>Drinking Water: Costs for extending, repairing, or performing significant maintenance on existing water systems; new construction of water lines and sources of water, reservoirs, and treatment plants; replacing equipment; connection or tap fees; legal and engineering fees and environmental impact analyses; acquiring water rights for developing sources of treating, storing, or distributing water; achieving compliance with the requirements of the FWPCA (33 U.S.C. 1 et seq.).</p>	<p>Public entities and nonprofit corporations serving rural areas.</p>	<p>Applications are filed with any USDA Rural Development State or District office.</p> <p>Mississippi Rural Development, Water and Environmental Programs Suite 831 Federal Building, Jackson, MS 39269 Telephone (601) 965-4316 The program's website at http://www.rurdev.usda.gov/ms/index.html includes also includes information about local office locations and telephone numbers.</p> <p>For additional information, you may consult the program's fact sheet at: http://www.usda.gov/rus/water/docs/wwfact.pdf</p>
USDA Rural Development Technical Assistance and Training Grants	<p>Grant Program. Grants may be issued for up to 100% of eligible project costs. Can be used to match FEMA grants.</p>	<p>Drinking Water and Wastewater: Costs for identifying solutions to water-related problems of associations in rural areas; assisting entities with Water and Waste Disposal loan and grant applications; providing training to improve management and operation and maintenance of water facilities; and related expenses.</p>	<p>Private nonprofit organizations that have tax exempt status granted by the IRS.</p>	<p>Mississippi Rural Development, Water and Environmental Programs Suite 831 Federal Building, Jackson, MS 39269 Telephone (601) 965-4316 The program's website at http://www.rurdev.usda.gov/ms/index.html includes also includes information about local office locations and telephone numbers.</p> <p>For additional information, you may consult: http://www.usda.gov/rus/water/tatg.htm</p>
USDA Rural Development Rural Water Circuit Rider Technical Assistance	<p>Provides technical assistance; not a grant nor a loan program. Rural Development contracts through the National Rural Water Association (NRWA) to provide this service. Can be used to match FEMA grants.</p>	<p>Provides technical assistance for day-to-day operational, financial, and management problems for rural water systems.</p>	<p>Available to local water and sewer utilities.</p>	<p>Project description and links to the NRWA web page. http://www.usda.gov/rus/water/program.htm#rural%20water</p> <p>The Rural Water Association affiliate for Mississippi is located at 5400 North Midway Road, Raymond, MS 39154; Phone: 601-857-2433; Email: msrwa@jam.rr.com</p>

Table 1. Programs

Program	Type of Assistance; Terms and Conditions	Uses	Eligible Applicants	Application Process
USDA Rural Development Rural Community Assistance Program (RCAP)	Loan Program. Maximum of 20 years. Interest Rate 4.5%-5.5%, depending on term.	Supplement additional funds to develop a project. Also, provides technical assistance for day-to-day financial and management problems for rural water systems.	Private nonprofit organizations and privately owned systems that have tax exempt status granted by IRS.	Contact Community Resource Group at www.crg.org . RCAP State Coordinator: Tommy Ricks 322 East Railroad Avenue, Alfa Building, Suite A, P.O. Box 1007, Crystal Springs, MS 39059, Phone: (601) 892-9997 Email: tricks@crg.org
EPA Drinking Water State Revolving Fund (DWSRF)	Loan Program. Improvements Revolving Loan Fund Program: 20-year maximum term, interest is at or below market rate (present interest rate is 2.5%). Can be used to match FEMA grants.	Drinking Water: planning and design, capital improvements.	Counties, municipalities, districts, and other water organizations that are tax exempt	MS Drinking Water Systems Improvements Revolving Loan Fund (DWSIRLF) Program website: www.msdh.state.ms.us/dwsrf Mississippi DWSRF Program Manager – Tony Caldwell, Mississippi Dept. of Health Phone: (601) 576-7518, email at tony.caldwell@msdh.state.ms.us EPA's DWSRF web site: http://www.epa.gov/safewater/dwsrf.html Note: Mississippi has a separate state-supported program to provide loans for emergency projects.
EPA Clean Water State Revolving Fund (CWSRF)	Loan Program: 20-year maximum term, interest rates at or below market rate (present interest rate is 2.75%). Can be used to match FEMA grants.	Wastewater: planning and design, capital improvements.	Public entities	Mississippi Water Pollution Control (Clean Water) Revolving Fund Loan Program. Go to: http://www.deq.state.ms.us . Click on: Grants/Loans/Trust Funds. Click on: Water Pollution Control (Clean Water) Revolving Fund Loan Program Mississippi CWSRF Program Manager – Mark Smith, Mississippi Dept. of Environmental Quality, (601) 961-5130 (phone), e-mail at: Mark_Smith@deq.state.ms.us EPA's CWSRF web site: http://www.epa.gov/owm/cwfinance/cwsrf/index.htm Note: Mississippi has a separate state-supported program to provide loans for emergency projects.
EDA Economic Assistance Programs	Grants and Cooperative Agreements. Grants: Generally may not exceed 50% of project cost but additional funding up to 100% may be available if project meets certain criteria.	Drinking Water or Wastewater (neither is mentioned specifically): Eligible costs include those for construction or rehabilitation of essential public infrastructure and development facilities necessary to generate private sector jobs and investment.	State, political subdivision of a State including special purpose unit of government, institution of higher education, public or private nonprofit organization acting in cooperation with officials of a political subdivision of a state, Indian Tribe.	Grant descriptions: http://www.eda.gov/InvestmentsGrants/Investments.xml Grants for Public Works and Economic Development Facilities and Economic Adjustment Assistance: http://www.whitehouse.gov/OMB/circulars/a133_compliance/04/doc.pdf EDA Regional Office/Economic Development Representatives, Mississippi: Lola B. Smith, 401 West Peachtree Street, N. W., Suite 1820 Atlanta, Georgia 30308, (404) 730-3013 (email: lsmith2@eda.doc.gov) Bobby D. Hunter, 771 Corporate Drive, Suite 200, Lexington, KY 40503-5477, (859) 224-7426 (email: bhunter@eda.doc.gov)

Table 2. Eligible Uses

Program	Emergency Repairs	Planning and Design	Construction/ Capitalization	Operations and Maintenance	Technical Assistance	Funds to Match FEMA Grants	Bridge Loans	Private-for-profit Systems
FEMA Public Assistance Program (PA)	■	■	■					
FEMA Mitigation 406	■	■	■					
FEMA Mitigation 404		■			■			■
FEMA Special Community Disaster Loans Program (SCDLs)				■				
HUD Community Development Block Formula Grant Entitlement Communities Grants	■		■		■	■		
HUD Community Development Block Formula Grant State Administered	■		■		■	■		
HUD Section 108 Loan Guarantee Program			■		■			
SBA Business Physical Disaster Loans	■		■	■				■
SBA Economic Injury Disaster Loans (EIDLs)	■		■	■				■
USDA Rural Development Water and Waste Disposal Loans and Grants	■	■	■	■		■		
USDA Rural Development Emergency Community Water Assistance Grants	■	■	■	■	■	■		
USDA Rural Development Technical Assistance and Training Grants	■	■			■	■		
USDA Rural Development Rural Water Circuit Rider Technical Assistance	■	■			■	■		
USDA Rural Development Rural Community Assistance Program (RCAP)	■	■	■	■	■	■		■
EPA Drinking Water State Revolving Fund (DWSRF)		■	■			■	■	
EPA Clean Water State Revolving Fund (CWSRF)		■	■			■	■	
EDA Economic Assistance Programs		■	■					



Contact Information

Federal

FEMA

1-800-621-3362
1-800-462-7585 (Hearing Impaired)
www.fema.gov

U.S. Department of Housing and Urban Development (HUD)

www.hud.gov

HUD/Jackson Field Office

(601) 965-4757
www.hud.gov/local/index.cfm?state=ms

USDA Rural Development

1-800-414-1226
www.rurdev.usda.gov/

USDA State Office, Jackson

(601) 965-4316

USDA Area Office Hattiesburg

(601) 261-3293

USDA Local Offices Covering Coastal Counties:

Harrison, Hancock, Stone & Pearl River Counties

(228) 831-0881

George, & Jackson Counties

(601) 766-3962

EPA

www.epa.gov/katrina

EPA Safe Drinking Water Hotline

1-800-426-4791

EPA Gulf of Mexico Program

(228) 688-1172

www.epa.gmpo.gov

U.S. Department of Commerce

Economic Development Administration (EDA)
www.eda.gov

EDA Regional Office, Atlanta

(404)730-3002

U. S. Small Business Administration

1-800-659-2955
www.sba.gov/disaster_recov

State

Mississippi Department of Health

www.msdh.state.ms.us/
(601) 576-7400 (General)
(601) 576-7518 (Division of Water Supply)
(228) 831-5151 (District 9 – Coastal)

Mississippi Department of Environmental Quality

1-888-786-0661
www.deq.state.ms.us

Mississippi Hurricane Recovery Fund

1-866-230-8903
www.mississippirecovery.com/

Governor's Commission on Recovering, Rebuilding and Renewal

www.governorscommission.com/

Mississippi Emergency Management Agency

1-800-222-MEMA
www.msema.org/index.htm

This document was developed by the U.S. EPA in cooperation with other Federal and State agencies whose programs are described within this brochure.