



# Financing Resilient Infrastructure Tabletop Exercise

September 10, 2015

1:45-3:00 pm



# Introductions

# Exercise Objectives

- For two disaster scenarios,
  - flooding from extreme storm event
  - long-term drought or groundwater depletion
- Look at:
  - financing options to pay for damage or to mitigate impacts
  - actions to prepare to get funding for disaster recovery or mitigation

# Roles and Responsibilities

- Players – Actively engage in discussion based on situation presented
- Facilitator – Facilitate discussion and provide situation updates
- Recorder – Document participant discussions

# Scenario - Flooding

5:00 P.M. Friday, Sept 18<sup>th</sup>

The National Hurricane Center (NHC) has been tracking Tropical Storm Helen as it passes over the western tip of Cuba. Most models are in agreement that this will continue toward the gulf coast states.



## 5:00 P.M. Saturday, September 19<sup>th</sup>

TS Helen strengthened to Category 3 Hurricane; expected landfall near Corpus Christi on Monday evening. Anticipate major damage due to:

- Heavy rainfall/flooding
- Wind
- Isolated tornadoes

## 1:00 P.M. Sunday, September 20<sup>th</sup>

KZTV 10 is reporting that the governor is strongly encouraging an evacuation of all coastal communities from Brownsville to Galveston.



# Pre-Hurricane Preparation

- What activities are related to financial resilience/continuity?
  - Future reimbursement for damages
  - Continuity of financial operations

## Ideas?

- Financial/procurement staff on notice
- Photos of equipment prior to impact
- Establish project number(s)
- Just in time training on documentation
- Assemble key documents/policies
  - Insurance
  - Emergency Procurement Policies/list of vendors
  - Overtime policies
  - Mutual aid agreements
  - COOP

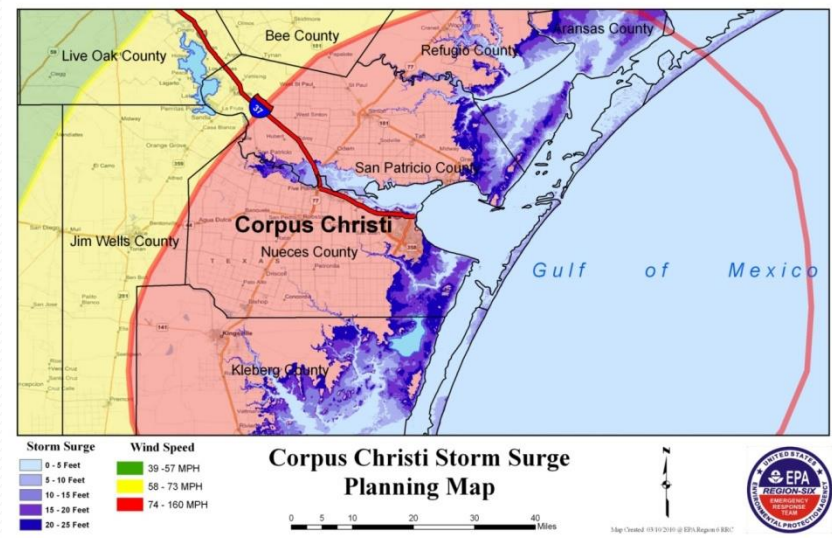
# Monday PM, Sept 21<sup>st</sup> – Tuesday AM, Sept 22<sup>nd</sup>

A storm surge of 8 – 15 feet with up to 10 inches of rain in coastal areas.

Heavy rains continue into TX and border with AR and OK

## Reports:

- Roads washed out
- Widespread power outages
- Cell towers down
- Debris
- Large number displaced residents







# Post-Hurricane

- What response activities support financial resilience?

## Ideas?

- Document, Document, Document
- Damage Assessment
- Photos of damage and photos after repair
- Recordkeeping of labor, vendor, equipment use, mutual aid
- Follow COOP procedures

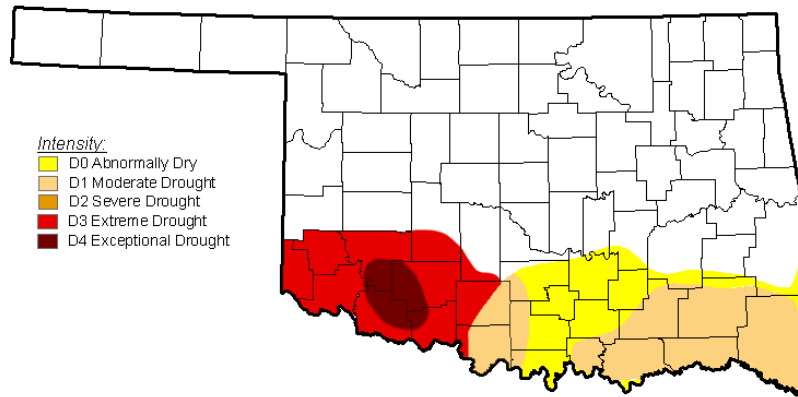
# Post-Hurricane (continued)

- What possible funding streams support financial resilience?

## Ideas?

- Internal funding accounts
- FEMA Public Assistance
  - Communication with state/local officials
  - Back of envelop damage estimate for Preliminary Damage Assessment, FEMA Applicant Briefing
  - Fed FUNDS; Public Assistance Brochure
- FEMA Hazard Mitigation Grants
  - Project concept and cost/benefit analysis
- SWIFT/USDA/EPA/other funds for repair or future mitigation

# Scenario: Drought



- Southwest Oklahoma is suffering from severe drought
  - USDA declared drought
- Seager Utility District (hypothetical) is unable to meet its consumer demands or revenue goals
  - SUD is trying to identify potential mitigation measures and funding sources

# Drought Mitigation Measures

- Leak detection programs
- Per-person or per-household limits
  - Mandatory or voluntary
- Tiered (“conservation”) pricing
- Interconnections between utilities
- Drilling new wellheads
- Emergency water distribution
- Equipment loans from WARN or NRWA

# Funding Options

What funding options for utility financial resilience?

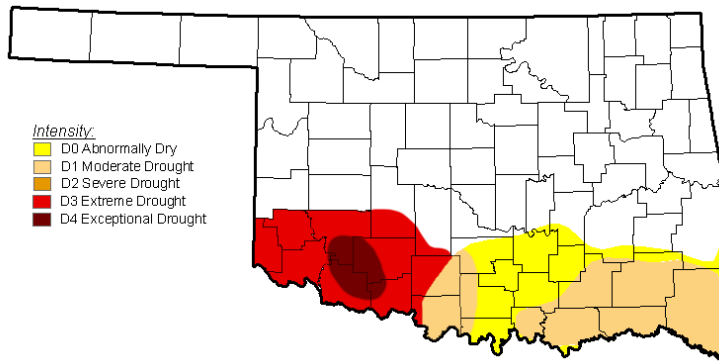
- Ideas?
- Tier-based or “conservation” rates
- Emergency pricing or surcharges
- Drought response fund (internal funds)
- Dedicated sales tax for drought fund
- State grants
- Federal grants



# Mitigation Measures & Funding

## Seager Utility District

- Limited water use
- Adopted tiered pricing
  - Tiers at 50, 75 and 90% of household limit
- New groundwater well and conveyance system; project funded with voter-approved sales tax increase





# Financial Resilience Tabletop Exercise

## Hot Wash

- Key lessons learned?
- Key actions to become more financial resilient?
- Most promising funding streams for financial resilience?